PUEBLO SCHOOL FOR ARTS AND SCIENCES

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2022

Comprised of:

Pueblo School for Arts and Sciences – Jones Avenue
Pueblo School for Arts and Sciences – Fulton Heights
Pueblo School for Arts and Sciences – Pueblo Classical Academy

PUEBLO SCHOOL FOR ARTS AND SCIENCES
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JUNE 30, 2022

Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pueblo School for Arts and Sciences

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pueblo School for Arts and Sciences, a component unit of Pueblo School District No. 60, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Pueblo School for Arts and Sciences'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 Pueblo School for Arts and Sciences, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pueblo School for Arts and Sciences 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 Matter

As discussed in Note 12 to the financial statements, Pueblo School for Arts and Sciences implemented GASB Statement No. 87, *Leases*, effective July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Pueblo School for Arts and Sciences'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 Pueblo School for Arts and Sciences'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 Pueblo School for Arts and Sciences's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pueblo School for Arts and Sciences's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company, Inc.

Colorado Springs, Colorado
March 1, 2023

PUEBLO SCHOOL FOR ARTS AND SCIENCES

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

As management of Pueblo School for Arts and Sciences (the School) we offer readers of the School's annual financial report this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

- Liabilities and deferred inflows of the School exceeded its assets and deferred outflows by $3,092,079 during the fiscal year resulting in a negative net position balance. This includes a loans payable of $2,674,290, net pension and OPEB liabilities of $7,249,391, deferred pension and OPEB outflows of $2,596,989, and deferred pension and OPEB inflows of $2,717,956. Absent these adjustments, assets would have exceeded liabilities by $4,278,279.

- The School's fund balance increased $1,228,520, of which $1,201,134 will be appropriated to FY23 for the completion of financed capital projects.

- The School has $2,674,290 of long-term debt outstanding.

- As of the close of the current fiscal year, the school's general fund reported an ending fund balance surplus of $3,614,437.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances as a whole, in a manner similar to a private-sector business and include two statements:

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

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

Both government-wide financial statements distinguish functions of the School that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School include general government of running a K-8 network charter school organization in Pueblo City School District 60 and a K-12 Classical Academy in Pueblo School District 70.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School's operations, focusing on its most significant funds, not the School as a whole. The School has a general fund, which is a governmental fund.

Governmental Funds: The School's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School's programs.

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. Thus, readers may better understand the long-term impact of the School's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the School. The School adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget. Other schedules have also been included to report certain pension and OPEB information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $3,092,079 as of June 30, 2022 resulting in a negative net position. This includes a loan payable of $2,555,888, net pension and OPEB liabilities of $7,249,391, deferred outflows of $2,596,989, and deferred inflows of $2,717,956. Absent these adjustments, assets would have exceeded liabilities by $4,278,279.

Condensed Statement of Net Position

	2022	2021
Capital assets	$ 3,350,962	$ 1,390,381
Other assets	4,234,664	2,901,193
Total assets	7,585,626	4,291,574
Deferred outflow of resources	2,596,989	3,486,645
Long-term liabilities	9,923,681	9,531,643
Other liabilities	633,057	644,084
Total liabilities	10,556,738	10,175,727
Deferred inflows of resources	2,717,956	3,444,795
Investment in capital assets	1,877,796	1,224,238
Restricted	282,925	249,925
Unrestricted	(5,252,800)	(7,316,466)
Total net position (deficit)	$ (3,092,079)	$ (5,842,303)

Condensed Statement of Changes in Net Position

	2022	2021
Charges for services	$ 31,471	$ 26,140
Operating grants and contributions	2,372,247	1,159,366
Capital grants and contributions	116,263	118,151
Total program revenues	2,519,981	1,303,657
Per pupil revenue	7,175,480	6,963,582
Unrestricted grants	636,728	709
Interest	1,474	5,249
Other	12,547	14,803
Total general revenues	7,826,229	6,984,343
Total revenues	10,346,210	8,288,000
Instruction	3,932,183	3,118,601
Supporting services	3,455,957	2,969,293
Facilities acquisition and construction	187,000	73,625
Interest expense and fiscal charges	20,846	-
Total program expenses	7,595,986	6,161,519
Change in net position	2,750,224	2,126,481
Beginning net position	(5,842,303)	(7,968,784)
Ending net position (deficit)	$ (3,092,079)	$ (5,842,303)

ANALYSIS OF THE SCHOOL'S FUNDS

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

The general fund is the operating fund of the School. The fund balance for the general fund is $3,614,437 at the end of the current fiscal year.

BUDGETARY HIGHLIGHTS

The School's budget is prepared in accordance with state law. During the year the School amended its General Fund budget primarily to reflect the following changes:

An increase in the student enrollment by 86 additional students and a slight decrease in PPR of $31 per student. Original budget was based on 700 students and PPR of $9,082. The revised budget was for 786 students and $9051 PPR for students in District 60. The PSAS Network also operated a contract school for under the Education Re-Envisioned BOCES. The PSAS Pueblo Classical Academy included K-9 students and a Homeschool program for FY22. Originally, enrollment was projected at 215 students, however finalized October count was at 92.5 students. The Pueblo Classical Academy (PCA) is now a D70 Charter school for FY23.

PSAS reported that in FY21 PSAS received a PPP Loan in the amount of $567,486. Update on that loan is that it was forgiven by the SBA in FY22.

In FY22, PSAS has $2,460,578 issued on loans for purchase of real estate and additional modulars for classes at the PCA campus. The property purchased is on Spaulding Ave in Pueblo West, CO and is the current location for the PCA school located in school District 70. A portion of the loans were draw down construction loans of which the PSAS board will be rolling over into FY23 to accommodate the construction project in progress during both the FY22 and the FY23.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include all capital outlays related to building improvements and equipment. Capital assets net of accumulated depreciation was $3,350,962 as of June 30, 2022. Significant capital outlays during the year included:

- $159,000 PCA Campus landscaping and prep for Modulars
- $308,000 PCA Campus down payment for Modulars paid in FY22.
- $ 73,000 PCA Campus purchase of temporary wall for interior building and tent for outdoor classrooms.
- $ 91,800 Jones Campus replace old section of windows with energy efficient windows. (Original windows were dated back to 1950s when the building was constructed.) This was used by the bond funds through D60.
- $ 42,000 Jones Campus new gym floor.
- $ 79,000 Jones Campus for purchase of new security cameras.
- $ 33,000 Fulton Campus for purchase of new security cameras.
- $ 10,000 Fulton Campus new carpet in hallway and classrooms.
- $ 15,000 Fulton Campus abatement of asbestos before new carpet installation.
- $ 537,000 Fulton Campus beginning construction for the new building as part of the bond project.

Debt Administration

In FY22, PSAS has $2,460,578 issued on loans for purchase of real estate and additional modulars for classes at the PCA campus. The property purchased is on Spaulding Ave in Pueblo West, CO and is the current location for the PCA school located in school District 70. A portion of the loans were draw down construction loans of which the PSAS board will be rolling over into FY23 to accommodate the construction project in progress during both the FY22 and the FY23.

ECONOMIC FACTORS

- Pueblo School for Arts and Sciences is located in southern Pueblo. The State economy was stabilizing and PPR was increasing for schools across the state with the prediction that would maintain a steady increase pre-pandemic. Broad measures of economic activity indicate continued recovery from pandemic-induced recession. Businesses and families trying to return to normalcy have faced challenges with the virus reasserting itself as a prime driver of economic recovery as consumers, businesses, and workers adjust to fluctuating health risks and mandates therefore still bearing the brunt of lingering effects on the Colorado lifestyle and economy. Some businesses have emerged from this untouched or even better off than before however, some state revenue tied to sectors that require in-person services are still not at their pre-pandemic levels and are subject to the fluctuations of the virus. This is expected to persist into 2023 boosting inflationary pressures and challenging the economic recovery. Education remains a priority in the Colorado legislature and the Governor's office so, it is anticipated that the school funding will remain consistent with pre-pandemic amounts, although it is not anticipated to see increase in school funding in 2023.

SCHOOL INFORMATION

- Pueblo School for Arts and Sciences was a K-8 charter school operating under the authorization of Pueblo City School District 60 since 1994. Colorado State University-Pueblo, the local undergrad/graduate university, historically provided administrative services but the School took over that responsibility July 1, 2011. In August of 2018, PSAS opened the Homeschool Program under the governance of Pueblo County School District 70. In August of 2022, PSAS opened the Pueblo Classical Academy and for the FY22 school year serving grades K-9. The PCA will be expanding a grade level a year until it reaches full capacity of K-12.

- The school maintains a steady and full enrollment of 878 funded students on three campuses, Jones, Fulton Heights and Pueblo Classical Academy (which includes the Homeschool students.) This number may fluctuate slightly on student count day causing the annual operating budget to be originally based on slightly fewer students and then adjusted to actual enrollment at mid-year.

REQUESTS FOR INFORMATION

This financial report is designed to provide the School's taxpayers and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Theresa Martinez, Pueblo School for Arts and Sciences 1850 B East Platteville Blvd, Pueblo West, CO 81007.

BASIC FINANCIAL STATEMENTS

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	
Cash and investments	$ 3,247,805
Grants receivable	474,155
Intergovernmental receivables	505,204
Deposits	7,500
Capital assets not being depreciated	909,551
Capital assets, net of accumulated depreciation/amortization	2,441,411
Total assets	7,585,626
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	2,451,826
Deferred OPEB outflows	145,163
Total deferred outflows of resources	2,596,989
LIABILITIES	
Accounts payable	109,658
Intergovernmental payables	156,612
Accrued salaries and benefits	339,471
Accrued interest	12,830
Unearned revenue	14,486
Noncurrent liabilities:	
Due within one year	284,568
Due in more than one year	2,389,722
Net pension liability	6,914,849
Net OPEB liability	334,542
Total liabilities	10,556,738
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	2,599,777
Deferred OPEB inflows	118,179
Total deferred inflows of resources	2,717,956
NET POSITION	
Net investment in capital assets	1,877,796
Restricted:	
Capital construction	32,925
Emergencies	250,000
Unrestricted	(5,252,800)
Total net position (deficit)	$ (3,092,079)

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

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Governmental activities:					
Instruction	$ 3,932,183	$ 31,471	$ 2,372,247	$ -	$ (1,528,465)
Support services	3,455,957	-	-	116,263	(3,339,694)
Facilities acquisition and construction	187,000	-	-	-	(187,000)
Interest expense and fiscal charges	20,846	-	-	-	(20,846)
Total governmental activities	$ 7,595,986	$ 31,471	$ 2,372,247	$ 116,263	(5,076,005)
General Revenues:					
Per pupil revenue					7,175,480
Grants and contributions not restricted to specific programs					636,728
Unrestricted investment earnings					1,474
Miscellaneous					12,547
Total general revenues					7,826,229
Change in net position					2,750,224
Net position, beginning (deficit)					(5,842,303)
Net position, ending (deficit)					$ (3,092,079)

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

PUEBLO SCHOOL FOR ARTS AND SCIENCES
BALANCE SHEET
GENERAL FUND
JUNE 30, 2022

ASSETS		
Cash and investments	$	3,247,805
Grants receivable		474,155
Intergovernmental receivables		505,204
Deposits		7,500
Total Assets	$	4,234,664
LIABILITIES		
Accounts payable	$	109,658
Intergovernmental payables		156,612
Accrued salaries and benefits		339,471
Unearned revenue		14,486
Total Liabilities		620,227
FUND BALANCE		
Restricted for:		
Capital construction		32,925
Emergencies		250,000
Unassigned		3,331,512
Total Fund Balance		3,614,437
Total Liabilities and Fund Balance	$	4,234,664

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

PUEBLO SCHOOL FOR ARTS AND SCIENCES
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balance of Governmental Funds			$	3,614,437
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.				
Capital assets not being depreciated	$	909,551		
Capital assets, net of accumulated depreciation/amortization		2,441,411		3,350,962
Long-term liabilities and related items are not due and payable in the current year and therefore, are not reported in the governmental funds.				
Long-term debt payable	$	(2,674,290)		
Accrued interest		(12,830)		
Net pension liabilities		(6,914,849)		
Pension outflows		2,451,826		
Pension inflows		(2,599,777)		
Net OPEB liabilities		(334,542)		
OPEB outflows		145,163		
OPEB inflows		(118,179)		(10,057,478)
Total Net Position of Governmental Activities			$	(3,092,079)

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

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	
Local sources	$ 685,209
State sources	8,231,990
Federal sources	946,157
Total revenues	9,863,356
EXPENDITURES	
Instruction	4,732,234
Support services	4,289,083
Facilities acquisition and construction	2,074,197
Total expenditures	11,095,514
Excess (deficiency) of revenues over expenditures	(1,232,158)
OTHER FINANCING SOURCES (USES)	
Proceeds from long-term debt	2,460,678
Net change in fund balance	1,228,520
Fund balance - beginning	2,385,917
Fund balance, ending	$ 3,614,437

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

PUEBLO SCHOOL FOR ARTS AND SCIENCES
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balance of Governmental Funds			$	1,228,520
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:				
Capital Outlay	$	2,024,973		
Depreciation/amortization expense		(224,695)		1,800,278
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.				
Loans issued	$	(2,460,678)		
PPP loan forgiveness		567,486		
Repayment of principal		112,834		(1,780,358)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.				
Interest expense	$	(12,830)		
Pension expenses		1,508,280		
OPEB expenses		6,334		1,501,784
Change in Net Position of Governmental Activities			$	2,750,224

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pueblo School for Arts and Sciences (the "Network") have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Network are discussed below.

A. REPORTING ENTITY

The Pueblo School for Arts and Sciences is a federal 501(c)(3) tax-exempt, state nonprofit corporation, organized in 1995 pursuant to the Colorado Charter Schools Act to form and operate charter Schools within the State of Colorado.

The Network comprises of three charter schools: Jones Charter Academy ("Jones Avenue"), Fulton Heights Charter Academy ("Fulton Heights") and Pueblo Classical Academy. The Jones Avenue and Fulton Heights locations operate under Pueblo School District No. 60 (the "District"). The Pueblo Classical Academy operates under contract with Education ReEnvisioned Board of Cooperative Education Services (the "BOCES").

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

Based on the application of these criteria, the Network does not include additional organizations within its reporting entity.

The Network is a component unit of the District.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Network and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by per pupil revenue and intergovernmental revenues.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The Network reports the following major governmental funds:

The *General Fund* is the Network's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the Network considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the Network the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Network.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

Receivables

All receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE (CONTINUED)

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the Network as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than $15,000 are reported as capital assets.

As the Network constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible assets of the Network are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 to 40 years
Equipment	7 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a School year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

Unearned Revenue

Unearned revenue includes resources received by the School before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE (CONTINUED)

Leases

Lessee: The Network is a lessee for noncancellable a lease of buildings. The Network recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The Network recognizes lease liabilities with an initial, individual value of $15,000 or more.

At the commencement of a lease, the Network initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Network determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Network uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Network generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Network is reasonably certain to exercise.

The Network monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the 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 debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE (CONTINUED)

Pensions

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

Other Post Employment Benefit (OPEB) Plan

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

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE (CONTINUED)

Sometimes the Network will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Network's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 Network is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

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.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal resolution of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used 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.

Assigned – This classification includes amounts that are constrained by the Network's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

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

The Network would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences

The School's policy allows 12 month employees (not the Professional and Instructional staff) to accumulate vacation leave at a rate of 20 hours per month. Upon termination of employment from the School, an employee will be compensated for accrued vacation time up to 200 hours.

These compensated absences are recognized as current salary costs when due in the governmental fund types. As no material amounts were due, no liability has been recorded in the government-wide financial statements for the accrued compensated absences as of June 30, 2022.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. UPCOMING ACCOUNTING AND REPORTING CHANGES

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based informational technology arrangements (SBITAs). Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset and a corresponding liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

Management has not yet determined the effect this statement will have on the Network's financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Head of Network submits a proposed budget to the Board of Directors for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the Network and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Directors to obtain public comments.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Head of Network. Revisions that alter the total expenditures in any fund must be approved by the Board of Directors. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Directors.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the Network budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Head of Network and/or Board of Directors throughout the year. All appropriations lapse at the end of each fiscal year.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2022 is as follows:

Deposits	$ 2,635,352
Investments	612,453
Total	$ 3,247,805

Deposits and investments are reported in the financial statements as follows:

Cash and investments	$ 3,247,805

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Network's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the Network's deposits at June 30, 2022 was $2,635,352 and the bank balances were $2,708,038. Of the bank balances, $250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The Network is authorized by Colorado statutes to invest in the following:

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

At June 30, 2022 the Network's investment balances were as follows:

Investment Type	Year-end Balance	Measurement	Maturity	Standard & Poor's Rating
Money Market	$ 461,225	Amortized cost	Less than 90 days	AAA
Certificates of Deposit	151,228	Amortized cost	Less than 90 days	AAA
	$ 612,453			

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the Network has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and Network policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the Network's investment in a single issuer. The Network places no limit on the amount it may invest in any one issuer. More than 20 percent of the Network's investments are in Money Market and Certificates of Deposit. These investments are 75.0% and 25.0%, respectively, of the Network's total investments.

Fair value of investments. The Network measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Network investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ -	$ 81,400	$ -	$ 81,400
Construction in progress	72,828	870,650	(115,327)	828,151
Total capital assets not being depreciated	72,828	952,050	(115,327)	909,551
Capital assets being depreciated:				
Buildings and improvements	1,492,445	1,057,097	-	2,549,542
Equipment	244,198	131,153	-	375,351
Total capital assets being depreciated	1,736,643	1,188,250	-	2,924,893
Less accumulated depreciation for:				
Buildings and improvements	(273,329)	(133,729)	-	(407,058)
Equipment	(145,761)	(45,165)	-	(190,926)
Total accumulated depreciation	(419,090)	(178,894)	-	(597,984)
Total capital assets being depreciated, net	1,317,553	1,009,356	-	2,326,909
Lease assets being amortized:				
Furniture and equipment	160,303	-	-	160,303
Total lease assets being amortized	160,303	-	-	160,303
Less accumulated amortization for:				
Furniture and equipment	-	(45,801)	-	(45,801)
Total accumulated amortization	-	(45,801)	-	(45,801)
Total lease assets being amortized, net	160,303	(45,801)	-	114,502
Capital assets, net of accumulated depreciation/amortization	1,477,856	963,555	-	2,441,411
Total governmental activities capital assets	$ 1,550,684	$ 1,915,605	$ (115,327)	$ 3,350,962

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the Network as follows:

Governmental Activities

Instruction – Jones Avenue	$ 123,632
Instruction – Fulton Heights	65,253
Instruction – Pueblo Classical Academy	35,810
Total depreciation/amortization expense	$ 224,695

NOTE 5 – LEASES

Network as lessee

The Network, as a lessee, has entered into a lease agreement involving educational facilities with a lease term of 3 years. The total costs of these right-to-use lease assets are recorded as $160,303, less accumulated amortization of $45,801. The Network has determined that as of June 30, 2022, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2022 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	$ 44,997	$ 5,920	$ 50,917
2024	48,246	3,670	51,916
2025	25,159	1,258	26,417
Total	$ 118,402	$ 10,848	$ 129,250

NOTE 6 – LONG-TERM LIABILITIES

2019 Modular Loan

On May 1, 2019, the School executed a $200,000 loan and security agreement to finance the purchase of a new modular trailer. This loan bears interest at 4.9% and requires monthly debt services payment of $2,119 beginning on June 1, 2019 and continuing through May 1, 2029.

2020 Paycheck Protection Loan

On July 1, 2020, the School obtained a loan under the SBA Paycheck Protection Program in the amount of $567,486 to fund salaries, benefits, and certain operating expenses. Principal and interest are paid monthly, at an interest rate of 1%, with payments deferred for 10 months after the last day of the covered period. Final maturity is June 1, 2026. The Network applied for forgiveness of the loan, and as of March 2, 2022, the full principal and interest amount of $567,486 was forgiven.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

2022 Building Loan

On August 24, 2021, the School executed a $1,225,744 loan and security agreement to finance the purchase of a new modular trailer. This loan bears interest at 3.260% and requires monthly debt services payments of $8,647 beginning on September 24, 2021 and continuing through July 24, 2026. With a final payment of 891,382 due August 24, 2026.

2022 Modular Loan

On April 1, 2022, the School executed a $1,234,934 loan and security agreement to finance the purchase of a new modular trailer. This loan bears interest at 4.120% and requires semi-annual debt services payments of $102,439 beginning on October 1, 2022 and continuing through April 1, 2029.

Annual debt service requirements to maturity for loan payable is as follows:

	Governmental Activities	
Fiscal Year Ending June 30	Principal	Interest
2023	$ 239,570	$ 94,501
2024	249,126	84,945
2025	259,300	74,772
2026	269,777	64,295
2027	1,100,461	29,828
2028 –2029	437,654	22,942
Total	$ 2,555,888	$ 371,283

Changes in the Network's long-term liabilities for the year ended June 30, 2022, are as follows:

	Beginning Balance, As Restated	Debt Issued And Additions	Reductions	Ending Balance	Due Within One year
Governmental Activities					
Loans	$ 733,629	$ 2,460,678	$ (638,419)	$ 2,555,888	$ 239,571
Leases	160,303	-	(41,901)	118,402	44,997
Net pension liability	8,613,688	1,544,618	(3,243,457)	6,914,849	-
Net OPEB liability	313,135	46,457	(25,050)	334,542	-
Total Governmental Activities	$ 9,820,755	$ 4,051,753	$ (3,948,827)	$ 9,923,681	$ 284,568

All long-term liabilities are liquidated in the general fund.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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.

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 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, Pueblo School for Arts and Sciences 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:

	July 1, 2021 Through June 30, 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 SCHDTF	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 Pueblo School for Arts and Sciences is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Pueblo School for Arts and Sciences were $831,678 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 (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the $225 million (actual dollars) 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 (actual dollars), 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 Pueblo School for Arts and Sciences proportion of the net pension liability was based on Pueblo School for Arts and Sciences 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 Pueblo School for Arts and Sciences reported a liability of $6,914,849 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Pueblo School for Arts and Sciences 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 Pueblo School for Arts and Sciences were as follows:

Pueblo School for Arts and Sciences proportionate share of the net pension liability	$ 6,914,849
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Pueblo School for Arts and Sciences	792,699
Total	$ 7,707,548

At December 31, 2021, the Pueblo School for Arts and Sciences proportion was 0.0594193659%, which was an increase of 0.0024429279% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Pueblo School for Arts and Sciences recognized pension expense of $(1,508,280) and revenue of $(189,494) for support from the State as a nonemployer contributing entity. At June 30, 2022, the Pueblo School for Arts and Sciences reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 264,728	$ -
Changes of assumptions or other inputs	527,897	-
Net difference between projected and actual earnings on pension plan investments	-	2,599,777
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,225,537	-
Contributions subsequent to the measurement date	433,665	N/A
Total	$ 2,451,826	$ 2,599,777

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

$433,665 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 ended June 30:	
2023	$ 604,215
2024	(292,879)
2025	(577,394)
2026	(315,558)
2027	-
Thereafter	-

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

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[1]	Financed by the AIR

[1] Post-retirement 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.

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the 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.

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.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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%**	

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

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, 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.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- 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.

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 the Pueblo School for Arts and Sciences *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 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 10,178,092	$ 6,914,849	$ 4,191,794

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

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

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

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

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

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (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.

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 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Pueblo School for Arts and Sciences is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Pueblo School for Arts and Sciences were $42,674 for the year ended June 30, 2022.

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

At June 30, 2022, the Pueblo School for Arts and Sciences reported a liability of $334,542 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) 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 TOL to December 31, 2021. The Pueblo School for Arts and Sciences proportion of the net OPEB liability was based on Pueblo School for Arts and Sciences 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 Pueblo School for Arts and Sciences proportion was 0.0387962591%, which was an increase of 0.0058424746% from its proportion measured as of December 31, 2020.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2022, the Pueblo School for Arts and Sciences recognized OPEB expense of $(6,334). At June 30, 2022, the Pueblo School for Arts and Sciences 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	$ 510	$ 79,324
Changes of assumptions or other inputs	6,926	18,147
Net difference between projected and actual earnings on OPEB plan investments	-	20,708
Changes in proportion and differences between contributions recognized and proportionate share of contributions	115,475	-
Contributions subsequent to the measurement date	22,252	N/A
Total	$ 145,163	$ 118,179

$22,252 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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:	
2023	$ 6,985
2024	(1,683)
2025	(10,760)
2026	(422)
2027	8,924
Thereafter	1,688

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (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:

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 OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 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 (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

	Initial Costs for Members without Medicare Part A		
Medicare Plan	**Monthly Cost**	**Monthly Premium**	**Monthly Cost Adjusted to Age 65**
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (actual dollars) per month.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 that were 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%

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.

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Post-retirement non-disabled 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.

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

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

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

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.

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.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

Sensitivity of the Pueblo School for Arts and Sciences proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	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%
Net OPEB Liability	$ 324,935	$ 334,542	$ 345,671

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.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

- 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 388,536	$ 334,542	$ 288,422

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 - RISK MANAGEMENT

The Network is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Network carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the last three fiscal years.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Grants

The Network has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. However, in the opinion of the Network, any such adjustments will not have a material adverse effect on the financial position of the Network.

NOTE 11 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The Network is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2022 there is a $250,000 reservation of fund balance in the General Fund for the amendment.

The Amendment is complex and subject to judicial interpretation. The Network believes it is in compliance with the requirements of the amendment. However, the Network has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 12 – ADOPTION OF NEW ACCOUNTING STANDARD

Pueblo School for Arts and Sciences implemented GASB Statement No. 87, *Leases,* effective July 1, 2021. This Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. There is no effect on fund balance or net position as a result of the implementation of this standard. However, beginning lease assets and lease liabilities were restated by $160,303 to reflect the net present value of financing leases as of June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

PUEBLO SCHOOL FOR ARTS AND SCIENCES
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2022

District 60 **Jones Avenue and Fulton Heights**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
School's proportion of the net pension liability (asset)	0.0527669958%	0.0545822905%	0.0454397773%	0.0422115046%	0.0431022332%	0.0377175090%	0.0372916025%	0.0376489497%	0.0377023613%
School's proportionate share of the net pension liability (asset)	$ 6,140,687	$ 8,251,741	$ 6,788,604	$ 7,474,414	$ 13,937,730	$ 11,229,961	$ 5,703,487	$ 5,102,697	$ 4,808,926
State's proportionate share of the net pension liability (asset) associated with the School	703,951	-	861,048	1,022,022	-	-	-	-	-
Total	$ 6,844,638	$ 8,251,741	$ 7,649,652	$ 8,496,436	$ 13,937,730	$ 11,229,961	$ 5,703,487	$ 5,102,697	$ 4,808,926
School's covered payroll	$ 3,297,771	$ 2,919,137	$ 2,670,328	$ 2,320,593	$ 1,988,255	$ 1,692,829	$ 1,625,159	$ 1,577,221	$ 1,519,902
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	186.21%	282.68%	254.22%	322.09%	701.00%	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

BOCES **PCA (formerly Home School)**	**2021**	**2020**	**2019**	**2018**
School's proportion of the net pension liability (asset)	0.0066523701%	0.0023941475%	0.0034419988%	0.0031457207%
School's proportionate share of the net pension liability (asset)	$ 774,162	$ 361,947	$ 514,227	$ 557,014
State's proportionate share of the net pension liability (asset) associated with the School	88,748	-	65,223	76,164
Total	$ 862,910	$ 361,947	$ 579,450	$ 633,178
School's covered payroll	$ 415,752	$ 128,042	$ 202,274	$ 172,937
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	186.21%	282.68%	254.22%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	74.9%	67.0%	64.5%	57.0%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2022

District 60	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Jones Avenue and Fulton Heights									
Contractually required contribution	$ 738,567	$ 611,387	$ 542,304	$ 483,628	$ 431,785	$ 315,282	$ 298,693	$ 269,588	$ 245,715
Contributions in relation to the contractually required contribution	(738,567)	(611,387)	(542,304)	(483,628)	(431,785)	(315,282)	(298,693)	(269,588)	(245,715)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 3,715,124	$ 3,075,388	$ 2,798,267	$ 2,528,111	$ 2,286,997	$ 1,715,354	$ 1,684,675	$ 1,597,085	$ 1,537,640
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%

BOCES	**2022**	**2021**	**2020**	**2019**
PCA (formerly Home School)				
Contractually required contribution	$ 93,112	$ 26,817	$ 41,079	$ 36,041
Contributions in relation to the contractually required contribution	(93,112)	(26,817)	(41,079)	(36,041)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
School's covered payroll	$ 468,368	$ 134,896	$ 211,965	$ 188,402
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2022

District 60 **Jones Avenue and Fulton Heights**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
School's proportion of the net OPEB liability (asset)	0.0344527750%	0.0315690679%	0.0296923848%	0.0274376774%	0.0244905224%	0.0214390844%
School's proportionate share of the net OPEB liability (asset)	$ 297,088	$ 299,977	$ 333,742	$ 373,301	$ 318,279	$ 277,965
School's covered payroll	$ 3,297,771	$ 2,919,137	$ 2,670,328	$ 2,320,593	$ 1,988,255	$ 1,692,829
School's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.01%	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	39.4%	32.8%	24.5%	17.0%	17.5%	16.7%

BOCES **PCA (formerly Home School)**	**2021**	**2020**	**2019**	**2018**
School's proportion of the net OPEB liability (asset)	0.0043434841%	0.0013847166%	0.0022491561%	0.0020447333%
School's proportionate share of the net OPEB liability (asset)	$ 37,454	$ 13,158	$ 25,280	$ 27,819
School's covered payroll	$ 415,752	$ 128,042	$ 202,274	$ 172,937
School's proportionate share of the net OPEB liability (asset) as a percentage	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	39.4%	32.8%	24.5%	17.0%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2022

District 60 **Jones Avenue and Fulton Heights**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 37,896	$ 31,370	$ 28,543	$ 25,788	$ 23,320	$ 17,493
Contributions in relation to the contractually required contribution	(37,896)	(31,370)	(28,543)	(25,788)	(23,320)	(17,493)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 3,715,124	$ 3,075,388	$ 2,798,267	$ 2,528,111	$ 2,286,997	$ 1,715,354
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

BOCES **PCA (formerly Home School)**	**2022**	**2021**	**2020**		**2019**
Contractually required contribution	$ 4,778	$ 1,376	$ 2,162	#	$ 1,922
Contributions in relation to the contractually required contribution	(4,778)	(1,376)	(2,162)		(1,922)
Contribution deficiency (excess)	$ -	$ -	$ -		$ -
School's covered payroll	$ 468,368	$ 134,896	$ 211,965		$ 188,402
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%		1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Local sources	$ 16,000	$ 674,452	$ 685,209	$ 10,757
State sources	6,484,090	8,042,914	8,231,990	189,076
Federal sources	2,729,349	2,152,512	946,157	(1,206,355)
Total revenues	9,229,439	10,869,878	9,863,356	(1,006,522)
EXPENDITURES				
Instuction	3,485,954	4,641,566	4,732,234	(90,668)
Supporting services	5,473,297	5,037,207	4,289,083	748,124
Facilities acquisition and construction	270,188	2,681,082	2,074,197	606,885
Total expenditures	9,229,439	12,359,855	11,095,514	1,264,341
Excess (deficiency) of revenues Over expenditures	-	(1,489,977)	(1,232,158)	257,819
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	1,489,977	2,460,678	970,701
Net change in fund balances	-	-	1,228,520	1,228,520
Fund balance, beginning	1,894,526	2,385,917	2,385,917	-
Fund balance, ending	$ 1,894,526	$ 2,385,917	$ 3,614,437	$ 1,228,520

See the accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

PUEBLO SCHOOL FOR ARTS AND SCIENCES
BALANCE SHEET
GENERAL FUND BY LOCATION
JUNE 30, 2022

	District 60		BOCES	
	Jones Avenue	**Fulton Heights**	**Pueblo Classical Academy**	**Total**
ASSETS				
Cash and investments	$ 2,321,614	$ -	$ 926,191	$ 3,247,805
Grants receivable	311,544	162,611	-	474,155
Intergovernmental receivables	91,800	413,404	-	505,204
Deposits	7,500	-	-	7,500
Internal balances	(265,887)	265,887	-	-
Total Assets	$ 2,466,571	$ 841,902	$ 926,191	$ 4,234,664
LIABILITIES				
Accounts payable	103,317	6,341	-	109,658
Intergovernmental payables	106,525	50,087	-	156,612
Accrued salaries and benefits	211,713	90,063	37,695	339,471
Unearned revenue	11,612	1,363	1,511	14,486
Total Liabilities	433,167	147,854	39,206	620,227
FUND BALANCE				
Restricted for:				
Capital construction	-	32,925	-	32,925
Emergencies	250,000	-	-	250,000
Unassigned	1,783,404	661,123	886,985	3,331,512
Total Fund Balance	2,033,404	694,048	886,985	3,614,437
Total Liabilities and Fund Balance	$ 2,466,571	$ 841,902	$ 926,191	$ 4,234,664

See the accompanying independent auditor's report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND BY LOCATION
FOR THE YEAR ENDED JUNE 30, 2022

	District 60		BOCES	
	Jones Avenue	Fulton Heights	Pueblo Classical Academy	Total
REVENUES				
Local sources	$ 153,125	$ 531,481	$ 603	$ 685,209
State sources	5,094,572	2,331,627	805,791	8,231,990
Federal sources	710,872	178,985	56,300	946,157
Total revenues	5,958,569	3,042,093	862,694	9,863,356
EXPENDITURES				
Instruction	2,729,613	1,197,215	805,406	4,732,234
Support services	2,689,949	1,176,330	422,804	4,289,083
Facilities acquisition and construction	212,294	581,706	1,280,197	2,074,197
Total expenditures	5,631,856	2,955,251	2,508,407	11,095,514
Excess (deficiency) of revenues over expenditures	326,713	86,842	(1,645,713)	(1,232,158)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	2,460,678	2,460,678
Transfers	(448,442)	371,403	77,039	-
Total other financing sources (uses)	(448,442)	371,403	2,537,717	2,460,678
Net change in fund balance	(121,729)	458,245	892,004	1,228,520
Fund balance - beginning	2,155,133	235,803	(5,019)	2,385,917
Fund balance, ending	$ 2,033,404	$ 694,048	$ 886,985	$ 3,614,437

See the accompanying independent auditor's report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - JONES AVENUE
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Local sources	$ 150,721	$ 153,125	$ 2,404
State sources	4,979,637	5,094,572	114,935
Federal sources	1,592,761	710,872	(881,889)
Total revenues	6,723,119	5,958,569	(764,550)
EXPENDITURES			
Instruction	2,692,302	2,729,613	(37,311)
Support services	3,153,252	2,689,949	463,303
Facilities acquisition and construction	274,409	212,294	62,115
Total expenditures	6,119,963	5,631,856	488,107
Excess (deficiency) of revenues over expenditures	603,156	326,713	(276,443)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	1,000,000	-	(1,000,000)
Transfers	-	(448,442)	(448,442)
Total other financing sources (uses)	1,000,000	(448,442)	(1,448,442)
Net change in fund balance	1,603,156	(121,729)	(1,724,885)
Fund balance, beginning	2,155,133	2,155,133	-
Fund balance, ending	$ 3,758,289	$ 2,033,404	$ (1,724,885)

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - FULTON HEIGHTS
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Local sources	$ 523,137	$ 531,481	$ 8,344
State sources	2,276,528	2,331,627	55,099
Federal sources	433,607	178,985	(254,622)
Total revenues	3,233,272	3,042,093	(191,179)
EXPENDITURES			
Instruction	1,178,545	1,197,215	(18,670)
Support services	1,363,677	1,176,330	187,347
Facilities acquisition and construction	751,907	581,706	170,201
Total expenditures	3,294,129	2,955,251	338,878
Excess (deficiency) of revenues over expenditures	(60,857)	86,842	147,699
OTHER FINANCING SOURCES (USES)			
Transfers	-	371,403	371,403
Total other financing sources (uses)	-	371,403	371,403
Net change in fund balance	(60,857)	458,245	519,102
Fund balance, beginning	235,803	235,803	-
Fund balance, ending	$ 174,946	$ 694,048	$ 519,102

See the accompanying independent auditors' report.

PUEBLO SCHOOL FOR ARTS AND SCIENCES
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - PUEBLO CLASSICAL ACADEMY
FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Local sources	$ 594	$ 603	$ 9
State sources	786,749	805,791	19,042
Federal sources	126,144	56,300	(69,844)
Total revenues	913,487	862,694	(50,793)
EXPENDITURES			
Instruction	770,719	805,406	(34,687)
Support services	520,277	422,804	97,473
Facilities acquisition and construction	1,654,767	1,280,197	374,570
Total expenditures	2,945,763	2,508,407	437,356
Excess (deficiency) of revenues over expenditures	(2,032,276)	(1,645,713)	386,563
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	489,977	2,460,678	1,970,701
Transfers	-	77,039	77,039
Total other financing sources (uses)	489,977	2,537,717	2,047,740
Net change in fund balance	(1,542,299)	892,004	2,434,303
Fund balance, beginning	(5,019)	(5,019)	-
Fund balance, ending	$ (1,547,318)	$ 886,985	$ 2,434,303

See the accompanying independent auditors' report.