COLORADO EARLY COLLEGES

BASIC FINANCIAL STATEMENTS

June 30, 2024

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FINANCIAL SECTION

PROSPECTIVE BUSINESS SOLUTIONS, LLC
Certified Public Accountants
Auditing, Accounting, and Consulting Services for Governments and Nonprofit Organizations

Board of Directors
Colorado Early Colleges
Colorado Springs, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colorado Early Colleges (the "Network"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Network's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Colorado Early Colleges as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

• exercise professional judgment and maintain professional skepticism throughout the audit.

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

• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network'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 Network'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, the budgetary comparison information, the schedules of the Network's proportionate share, and the schedules of the Network's contributions on pages 53-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is also 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024, on our consideration of the Network's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Network's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Network's internal control over financial reporting and compliance.

PB Solutions LLC

Littleton, Colorado
October 10, 2024

Colorado Early Colleges
Management's Discussion and Analysis
Year Ended June 30, 2024

Following is a summary and analysis of Colorado Early Colleges (CEC) financial activities for the year ending June 30, 2024.

Financial Highlights

The year ending June 30, 2024, is the 18th year of operations for Colorado Early Colleges (CEC). As of June 30, 2024, CEC's net financial position changed by ($1,160,407 to $(43,358,673). This deficit net position is the result of the implementation of regulations under the Governmental Accounting Standards Board Statement (GASB) Numbers 68 and 75. Further information about GASB 68 and 75 is provided in Notes 6 and 7 of the financial statements. CEC operations are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue. CEC's Per Pupil Revenue for the year ending June 30, 2024, was $51,921,969. At the close of the fiscal year, CEC's governmental fund reported an ending fund balance of $20,299,166 an increase of $7,069,040 from prior year.

Overview of Financial Statements

The following analysis is intended to serve as an introduction to CEC's financial statements with supplementary information. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements in addition to Federal Awards Supplemental Information.

The statement of net position presents information on the CEC's assets, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the CEC is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents information showing how the CEC's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. This report also includes required supplementary information for the CEC's pension and other postemployment benefit plan for the purpose of additional analysis.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the GASB.

Governmental Financial Statements

The Governmental Financial Statements are designed to provide a broad overview of CEC's finances in a manner similar to a private-sector business.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. CEC, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for its general fund.

CEC adopts an annual budget for its general fund. As part of the basic financial statements, budgetary comparison has been provided for the general fund starting on page 53 of the audit.

Notes to Financial Statements

Additional information is provided via notes on pages 10-52 of the report.

Governmental-Wide Financial Analysis

As noted previously, net position may serve as a useful indicator of CEC's financial position over time. For the year ending June 30, 2024, CEC's liabilities and deferred inflows of resources were more than its assets and deferred outflows of resources by $43,358,673 $102,500 and $2,358,647 of total net position are restricted for fund purposes and to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

Net Position as of June 30, 2024

The total net position of CEC decreased to ($43,358,673) for the year ending June 30, 2024, from ($42,198,266) for the year ending June 30, 2023. This decrease in net position of $1,160,407 resulted primarily from the pension and OPEB liabilities as required by with GASB 68 and 75.

Net Position for the Years Ending June 30, 2024, and June 30 2023

	Governmental Activities	
	6/30/2024	6/30/2023
Cash and Investments	$20,281,568	$12,156,298
Restricted Cash and Investments	14,333,544	11,403,303
Other Assets	7,043,690	7,549,080
Capital Assets, Net	98,884,883	106,230,360
Total Assets	140,543,685	137,339,041
Deferred Outflow of Resources	24,827,828	15,329,389
Current Liabilities	2,245,580	2,264,954
Accrued Interest	3,447,547	3,478,147
Unearned Revenue	1,042,946	0
Noncurrent Liabilities	196,356,254	180,674,440
Total Liabilities	203,092,327	186,417,541
Deferred Inflow of Resources	5,637,859	8,449,155
Net Position		
Net Investment in Capital Assets	(36,378,038)	(29,606,075)
Restricted	2,461,147	2,016,370
Unrestricted	(9,441,782)	(14,608,561)
Total Net Position	$(43,358,673)	$(42,198,266)

Statement of Activities for the Years Ending June 30, 2024, and June 30, 2023

	Governmental Activities	
	6/30/2024	6/30/2023
Program Revenue:		
Charges for Services	$4,652,424	$2,934,856
Operating Grants and Contributions	5,133,469	6,940,204
Capital Grants and Contributions	3,120,800	1,416,820
Total Program Revenue	12,906,693	11,291,880
General Revenue:		
Per Pupil Operating Revenue	51,921,969	41,868,363
Mill Levy Override	6,963,256	3,912,367
Investment Earnings	1,248,661	1,002,629
Loss on Disposal	791,572	0
Other	2,762,430	4,026,848
Total General Revenue	62,104,744	50,810,207
Total Revenue	75,011,437	62,102,087
Expenses:		
Instruction	32,036,284	28,203,833
Supporting Services	36,578,444	32,529,838
Interest and Fiscal Charges	7,557,116	7,612,796
Total Expenses	76,171,844	68,076,467
Increase (Decrease) in Net Position	(1,160,407)	(5,974,380)
Beginning Net Position	(42,198,266)	(36,223,886)
Ending Net Position	$(43,358,673)	$(42,198,266)

Financial Analysis of CEC's Funds

CEC has one governmental fund, which is the general fund. The general fund is considered a major fund and is used to account for CEC's general operations. The general fund had a fund balance of $20,299,166 for the year ending June 30, 2024. The fund balance of the general fund increased by $7,069,040 from June 30, 2023. Approximately $2,358,647 of total fund balance is restricted to satisfy the requirements of the TABOR Amendment. $3,472,727 of total fund balance is assigned for intended uses related to special education costs and future expenditures. CEC has a positive unassigned fund balance of $14,364,116.

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 activities in the government-wide financial statements. This comparison illustrates the long-term impact of CEC's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds

CEC maintains two proprietary funds to record the activity of the Colorado Springs Early Colleges Building Corporation and the Aurora Charter School BC (the Building Corporations). The Building Corporations were formed solely to issue and pay debt on behalf of CEC and to fund the construction and improvement of buildings. On May 24, 2022, Colorado Education and. Cultural Facilities CEC issued charter school refunding and improvement revenue bond series 2022A and 2022B totaling $136,955,000. The May 2022 bond refinance resulted in the consolidation of six building corps down to the two listed above. Proceeds from the bonds were used to redeem the Series 2019A and 2019B bonds and capital improvements. The Network is required to make lease payments to the Corporations for the use of the payment of the bonds. See Note 4 for more information.

General Fund Budgetary Highlights

CEC approves an adopted general fund budget in June of each year based on enrollment projections for the new school year. Each January, after enrollment is confirmed, adjustments are made to the budget. As of June 30, 2024, the network had some variances between its final budgeted and actual activities. Overall, the network recognized approximately $981K more revenue than expected and spent approximately $2.4M less than planned when compared to the final budget. Overall, the network recognized higher net income by approximately $3.6M than the final budgeted amount. A budget amendment was adopted in May 2024 for FY 2023-2024 to account for shifts in enrollment and other funding changes.

Capital Assets and Long Term Debt

As of June 30, 2024, capital assets consist primarily of buildings, building improvements, vehicles, and equipment. Capital assets, net of accumulated depreciation on June 30, 2024, were $99,290,072. See Note 3 for more information.

Economic Factors and Next Year's Budget

The primary factor in future budget development for CEC is student enrollment. CEC's enrollment is expected to be 4,113 students for the 2024-2025 school year. CEC expects to see a signiant increase in Mil Levi Equalization based on student enrollment. CEC also considers stability in PPR levels to be an important factor in developing its budget for fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of CEC Network finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Colorado Early Colleges
Attention: Cameron Mascoll, Chief Financial Officer
4424 Innovation Drive
Fort Collins, CO 80525

BASIC FINANCIAL STATEMENTS

COLORADO EARLY COLLEGES

STATEMENT OF NET POSITION
As of June 30, 2024

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 20,281,568
Restricted Cash and Investments	14,333,544
Accounts Receivable	3,094,009
Leases Receivable	3,543,316
Prepaid Expenses	1,176
Capital Assets, Not Depreciated	1,950,614
Capital Assets, Depreciated, Net of Accumulated Depreciation	96,934,269
Right to Use Assets, Net of Accumulated Amortization	405,189
TOTAL ASSETS	140,543,685
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	20,395,221
Related to OPEB	662,434
Deferred Charges on Bond Refunding	3,770,173
TOTAL DEFERRED OUTFLOWS OF RESOURCES	24,827,828
LIABILITIES	
Accounts Payable	1,162,536
Accrued Salaries and Benefits	1,083,044
Accrued Interest Payable	3,447,547
Unearned Revenue	1,042,946
Noncurrent Liabilities	
Due in One Year	1,253,557
Due in More than One Year	134,737,179
Net Pension Liability	58,942,301
Net OPEB Liability	1,423,217
TOTAL LIABILITIES	203,092,327
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	1,752,982
Related to OPEB	442,611
Unavailable Revenue - Leases	3,442,266
TOTAL DEFERRED INFLOWS OF RESOURCES	5,637,859
NET POSITION	
Net Investment in Capital Assets	(36,378,038)
Restricted	2,461,147
Unrestricted	(9,441,782)
TOTAL NET POSITION	$ (43,358,673)

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

COLORADO EARLY COLLEGES

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instructional	$ 32,036,284	$ 4,652,424	$ 2,152,579	$ -	$ (25,231,281)
Supporting Services	36,578,444	-	2,980,890	3,120,800	(30,476,754)
Interest and Other Fiscal Charges	7,557,116	-	-	-	(7,557,116)
Total Governmental Activities	$ 76,171,844	$ 4,652,424	$ 5,133,469	$ 3,120,800	(63,265,151)
			GENERAL REVENUES		
			Per Pupil Revenue		51,921,969
			Mill Levy Override Equalization		6,963,256
			Interest		1,248,661
			Other		2,762,430
			SPECIAL ITEM		
			Loss on Disposal of Assets		(791,572)
			TOTAL GENERAL REVENUES		62,104,744
			CHANGE IN NET POSITION		(1,160,407)
			NET POSITION, Beginning		(42,198,266)
			NET POSITION, Ending		$ (43,358,673)

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

COLORADO EARLY COLLEGES

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL FUND
ASSETS	
Cash and Investments	$ 20,281,568
Accounts Receivable	3,094,009
Due from Other Fund	109,889
Lease Receivables	3,543,316
Prepaid Expenses	1,176
TOTAL ASSETS	$ 27,029,958
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	$ 1,162,536
Accrued Salaries	1,083,044
Unearned Revenue	1,042,946
TOTAL LIABILITIES	3,288,526
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenues	3,442,266
FUND BALANCES	
Nonspendable	1,176
Restricted for Emergencies	2,358,647
Restricted for Grants	102,500
Assigned for Special Education	464,520
Assigned for Future Expenditures	3,008,207
Unassigned	14,364,116
TOTAL FUND BALANCES	20,299,166
TOTAL LIABILITIES AND FUND BALANCES	$ 27,029,958

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

COLORADO EARLY COLLEGES

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2024

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

Total fund balances of governmental funds		$ 20,299,166
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Capital Assets, not depreciated	1,950,614	
Capital Assets, depreciated	5,171,229	
Accumulated Depreciation	(4,137,858)	
Right to Use Assets	476,693	
Accumulated Amortization	(71,504)	3,389,174
Long-term liabilities and related assets are not due and payable in the current period and ,therefore, are not reported in the funds.		
Loan and Lease Payables	(430,736)	
Net Pension Liability	(58,942,301)	
Net OPEB Liability	(1,423,217)	(60,796,254)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources - Related to Pensions	20,395,221	
Deferred outflows of resources - Related to OPEB	662,434	
Deferred inflows of resources - Related to Pensions	(1,752,982)	
Deferred inflows of resources - Related to OPEB	(442,611)	18,862,062
Internal Service Funds are used by management to charge the lease costs to governmental funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		(25,112,821)
Net position of governmental activities		$ (43,358,673)

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

COLORADO EARLY COLLEGES

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	GENERAL FUND
REVENUES	
Local Sources	$ 67,624,144
State Sources	5,875,159
Federal Sources	2,035,569
TOTAL REVENUES	75,534,872
EXPENDITURES	
Current	
Instruction	29,900,975
Supporting Services	38,612,455
Debt Service	
Principal	164,447
Interest	23,161
TOTAL EXPENDITURES	68,701,038
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,833,834
OTHER FINANCING SOURCES	
Lease Proceeds	235,206
NET CHANGE IN FUND BALANCES	7,069,040
FUND BALANCES, Beginning	13,230,126
FUND BALANCES, Ending	$ 20,299,166

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

COLORADO EARLY COLLEGES

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds		$ 7,069,040
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlay	2,369,065	
Capital Outlay - Right to Use Assets	79,059	
Gain (Loss) on Disposal of Assets	(23,503)	
Depreciation and Amortization	(271,275)	2,153,346
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.		
Debt and Lease Principal Payments		164,447
Some revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.		(172,249)
The Internal Service Fund is used by management to charge the cost of lease payments to the governmental funds. The net revenue of the Internal Service Fund is reported with the governmental activities.		(5,582,911)
Lease proceeds provide current financial resources in the governmental funds. However, the proceeds create additional long-term liabilitites in the statement of net position.		(235,206)
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide statements those amounts are capitalized and amortized.		
Deferred charges related to Pension Plan	(4,590,781)	
Deferred charges related to OPEB	33,907	(4,556,874)
Change in net position of governmental activities		$ (1,160,407)

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

COLORADO EARLY COLLEGES

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2024

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets	
Restricted Cash and Investments	$ 14,333,544
Total Current Assets	14,333,544
Noncurrent Assets	
Capital Assets, Not Being Depreciated	-
Capital Assets, Net of Accumulated Depreciation	95,900,898
Total Noncurrent Assets	95,900,898
TOTAL ASSETS	110,234,442
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges on Bond Refunding	3,770,173
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Accrued Interest Payable	3,447,547
Due to Other Fund	109,889
Bonds Payable, Current Portion	1,155,000
Total Current Liabilities	4,712,436
Noncurrent Liabilities	
Bonds Payable	134,405,000
Total Noncurrent Liabilities	134,405,000
TOTAL LIABILITIES	139,117,436
NET POSITION	
Net Investment in Capital Assets	(39,336,476)
Unrestricted	14,223,655
TOTAL NET POSITION	$ (25,112,821)

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

COLORADO EARLY COLLEGES

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2024

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Rent Income	$ 8,048,094
Other Revenues	-
TOTAL OPERATING REVENUES	8,048,094
OPERATING EXPENSES	
Purchased Services	300,606
Property	73,748
Depreciation Expense	5,274,034
TOTAL OPERATING EXPENSES	5,648,388
NET OPERATING INCOME	2,399,706
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	319,407
Interest Expense	(7,533,955)
Loss on Disposal of Assets	(768,069)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(7,982,617)
CHANGE IN NET POSITION	(5,582,911)
NET POSITION, Beginning	(19,529,910)
NET POSITION, Ending	$ (25,112,821)

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

COLORADO EARLY COLLEGES

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2024
Increase (Decrease) in Cash and Investments

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations and Others	$ 8,048,094
Cash Paid to Suppliers	(825,641)
Net Cash Provided by Operating Activities	7,222,453
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments to/from Other Funds	109,889
Net Cash Provided by Noncapital Financing Activities	109,889
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(995,314)
Proceeds from Sale of Assets	4,300,000
Debt Principal Payments	(1,090,000)
Interest Payments	(6,936,194)
Net Cash Used by Capital Financing Activities	(4,721,508)
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	319,407
NET INCREASE(DECREASE) IN CASH AND INVESTMENTS	2,930,241
CASH AND INVESTMENTS, Beginning	11,403,303
CASH AND INVESTMENTS, Ending	$ 14,333,544
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income (Loss)	$ 2,399,706
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	5,274,034
Changes in Assets and Liabilities	
Accounts Payable	(451,287)
Total Adjustments	4,822,747
Net Cash Provided by Operating Activities	$ 7,222,453

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Colorado Springs Early Colleges (the "Network") was formed in 2006 pursuant to the Colorado Charter Schools Act to form and operate a charter school. Colorado Early Colleges was approved for replication as part of the Colorado Springs Early Colleges Corporation and is a Network. During the fiscal year ended June 30, 2024 the Network operated six schools (the "Schools") as follows:

- Colorado Springs Early Colleges
- CEC Aurora
- CEC Douglas County
- CEC Fort Collins
- CEC Windsor
- Colorado Early Colleges Online Campus (CECOLC)

The Network provides a means for students to obtain college credit while completing their high school diploma requirements. The Network is a member of the Charter School Institute ("CSI") and receives state funding from this Organization. The Network is governed by an eight-member Board of Directors.

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

Reporting Entity

The definition of the reporting entity is based primarily on financial accountability. The financial reporting entity consists of the Network and organizations for which the Network is financially accountable. It is also financially accountable for legally separate organizations if the Network's officials appoint a voting majority of the organization's governing body and either it is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Network. The Network may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of this criteria, the Network includes the following organizations within its reporting entity:

- Colorado Early Colleges Building Corporation (CECBC)
- Aurora Charter School Building Corporation (ACSBC)

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

Reporting Entity (Continued)

The above listed Building Corporations (the "Corporations") were formed to support the Network to perform its function and to carry out its purpose, specifically to provide a mechanism to issue debt on behalf of the Network. The Corporations are considered to be part of the Network for financial reporting purposes because their resources are entirely for the benefit of the Network. The Corporations are reported in the Network's financial statements as internal service funds. Separate financial statements are not available for the Corporations.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Network. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

The statement of net position reports all financial, capital and debt resources of the Network. The difference between the assets plus deferred outflows of resources and liabilities and deferred inflows of resources of the Network is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenue and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported in separate columns in the fund financial statements.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current 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.

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

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.

When both restricted and unrestricted resources are available for use, it is the Network's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, 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 Network, except those required to be accounted for in another fund.

In addition, the Network reports the following fund type:

The *Internal Service Fund* accounts for the activities of the Corporations.

Assets, Liabilities, and Fund Balance/Net Position

<u>Deposits and Investments</u> – For purposes of the statement of cash flows, the Network considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Prepaid Expenses – Payments made to vendors for services that will benefit future periods are recorded as prepaid expenses. An expenditure is reported in the year in which the services are consumed.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Network as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported in the statement of net position in the government-wide financial statements. Property and equipment of the Network is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	15 to 30 years
Vehicles and Equipment	5 to 15 years

Unearned Revenues – The unearned revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2024 are reported as a liability in the General Fund.

Deferred Outflows of Resources - In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future

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

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

period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Long-Term Debt – In the government-wide financial statements, and internal service fund, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Leases – The Network is a lessee for noncancellable leases of copiers. The Network recognizes a lease liability and intangible right-to-use lease assets (lease assets) in the governmental activities column in the government-wide financial statements. The Network recognizes lease assets and liabilities with an initial value of $5,000 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.

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

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

Leases – (continued)

- 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.

The Network is a lessor for noncancelable leases of certain building spaces to various third parties. The Network recognizes a lease receivable and a deferred inflow of resources, where applicable, in the financial statements.

At the commencement of a lease, the Network initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Network determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

The Network uses the applicable federal rate corresponding to the lease term and applicable on the commencement date of the lease as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

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

Leases – (continued)

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

Compensated Absences – The Network's policy allows employees to accumulate paid time off. Employees with 5 or more years of service who resign or terminate employment from the Network in good standing will be paid for their unused paid time off up to a maximum of 50% of their unused paid time off as of their last day of employment. At June 30, 2024, no liability has been accrued for these compensated absences.

Net Position – The government-wide and proprietary fund type financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position represents liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While Network management may have categorized and segmented portion for various purposes, the Network Board has the unrestricted right to revisit or alter these managerial decisions.

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 used in the governmental fund financial statements are as follows:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Network reports prepaid expenses as nonspendable at June 30, 2024.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Network has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Network also reports fund balances restricted for grant purposes at June 30, 2024.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Network did not have any committed resources as of June 30, 2024.

- Assigned – This classification includes spendable fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted nor committed. The Network reports assigned fund balances for special education costs and future expenditures as of June 30, 2024.

- 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 fund balance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Risk Management

The Network is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The Network purchases commercial insurance for these risks of loss. Settled claims have not exceeded this coverage in the last three years.

Income Taxes

The Network is a tax-exempt entity under section 501 (c) 3 of the US Internal Revenue Code. The Network's tax filings are subject to audit by various taxing authorities. The Network believes it has no significant uncertain tax provisions for the year ended June 30, 2024.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Subsequent Events

The Network has evaluated events subsequent to the year ended June 30, 2024, through October 10, 2024, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: ***CASH AND INVESTMENTS***

At June 30, 2024 cash and investments consist of the following:

Deposits	$ 8,834,135
Investments	25,780,977
Total	$ 34,615,112

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	$ 20,281,568
Cash and Investments - Restricted	14,333,544
Total	$ 34,615,112

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the Network are eligible public depositories.

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.

As of June 30, 2024, the combined operating cash for the Network had deposits with financial institutions with a carrying amount of $8,834,135. The bank balances with the financial institutions were $9,373,416. Of these balances, $500,000 was covered by federal depository insurance and $8,873,416 was covered by collateral held by authorized escrow agents in the financial institutions' name (PDPA).

NOTE 2: ***CASH AND INVESTMENTS*** (Continued)

Investments

Interest Rate Risk

The Network does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The Network does not have a formal investment policy to limit credit risk. However, the Network follows state statutes regarding investments.

Local Government Investment Pools

The Network invested $25,780,977 in the Colorado Government Liquid Asset Trust (ColoTrust), which included amounts held by the Network, and the Corporations. ColoTrust is an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. The Trust operates similar to a money market fund and each share is equal in value to $1.00 (net asset value). ColoTrust is an external investment pool that records its investments at fair value. The Network records its investment in ColoTrust using the net asset value method. ColoTrust is rated AAAm by Standard and Poor's. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 2: ***CASH AND INVESTMENTS*** (Continued)

Restricted Cash and Investments

Cash and Investments in the amount of $14,333,544 are restricted in the Internal Service Fund for debt service and capital projects.

NOTE 3: ***CAPITAL ASSETS***

Capital Asset activity for the year ended June 30, 2024 is summarized below:

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024
Governmental Activities				
Capital Assets, Not Depreciated				
Construction in Progress	$ 2,258,089	$ 2,783,706	$ 3,091,181	$ 1,950,614
Capital Asset, Being Depreciated/Amortized				
Buildings	92,848,423	-	6,292,078	86,556,345
Building Improvements - Corporations	30,883,105	3,091,181	1,047,932	32,926,354
Building Improvements - General	2,922,712	38,995	-	2,961,707
Vehicles and Equipment	2,024,009	541,678	235,588	2,330,099
Right to Use Assets - Copiers	397,634	79,059	-	476,693
Total Capital Assets, Being Depreciated/Amortized	129,075,883	3,750,913	7,575,598	125,251,198
Accumulated Depreciation/ Amortization			-	-
Buildings	16,473,380	3,094,948	1,992,492	17,575,836
Building Improvements - Corporations	4,106,330	2,179,086	279,449	6,005,967
Building Improvements - General	2,784,472	140,406	-	2,924,878
Vehicles and Equipment	1,341,796	203,844	212,085	1,333,555
Right to Use Assets - Copiers	144,479	-	72,975	71,504
Total Depreciation/Amortization	24,850,457	5,618,284	2,557,001	27,911,740
Total Capital Assets, Being Depreciated/Amortized, Net	104,225,426	(1,867,371)	5,018,597	97,339,458
Net Capital Assets	$ 106,483,515	$ 916,335	$ 8,109,778	$ 99,290,072

Depreciation and amortization have been charged to the Supporting Services program of

NOTE 4: ***LONG-TERM DEBT***

The following is a summary of the Network's long-term debt transactions for the year ended June 30, 2024:

	Balance 7/1/2023	Additions	Payments	Balance 6/30/2024	Due In One Year
Direct Borrowings					
Series 2022 Charter School Bonds	$ 136,650,000	$ -	$ 1,090,000	$ 135,560,000	$ 1,155,000
Loan-Buses	99,831	-	86,004	13,827	13,827
Net Pension Liability	42,232,091	16,710,210	-	58,942,301	-
Net OPEB Liability	1,432,372	-	9,155	1,423,217	-
Total	$ 180,414,294	$ 16,710,210	$ 1,185,159	$ 195,939,345	$ 1,168,827

Series 2022A and 2022B Charter School Refunding and Improvement Revenue Bonds

On May 24, 2022, the Colorado Educational and Cultural Facilities Authority issued Charter School Refunding and Improvement Revenue Bonds Series 2022A and 2022B in the amounts of $48,825,000 to CECBC and $88,130,000 to ACSBC. Proceeds of the bonds were used to redeem the Series 2019A and 2019B bonds and for capital improvements. The Network is required to make lease payments to the Corporations for the use of the buildings and the Corporations are required to make equal payments to the Trustee, for payment of the bonds.

The bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption rate. The Corporations are required to deposit funds into the bond principal funds and bond interest funds, sufficient to redeem the principal and interest amounts when due.

The CECBC bonds carry interest rates ranging from 4.875% to 5.125%. Semi-annual interest payments are due starting on July 1, 2022. Annual principal payments are due beginning on January 1, 2023 through January 1, 2041. A final balloon payment in the amount of the then outstanding principal balance and accrued interest is due on January 1, 2042.

NOTE 4: ***LONG-TERM DEBT*** (Continued)

Future debt service requirements on the CECBC bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 445,000	$ 2,453,344	$ 2,898,344
2026	465,000	2,431,438	2,896,438
2027	490,000	2,408,770	2,898,770
2028	515,000	2,384,882	2,899,882
2029	540,000	2,359,776	2,899,776
2030-2034	3,110,000	11,377,836	14,487,836
2035-2039	3,965,000	10,523,054	14,488,054
2040-2042	38,630,000	5,795,608	44,425,608
Total	$ 48,160,000	$ 39,734,708	$ 87,894,708

The ACSBC bonds carry interest rates ranging from 4.875% to 5.125%. Semi-annual interest payments are due starting on January 1, 2023. Annual principal payments are due beginning on July 1, 2022 through July 1, 2031. A final balloon payment in the amount of the then outstanding principal balance and accrued interest is due on July 1, 2032.

Future debt service requirements on the ACSBC bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 710,000	$ 4,420,450	$ 5,130,450
2026	755,000	4,376,500	5,130,450
2027	800,000	4,329,850	5,131,500
2028	850,000	4,280,350	5,129,850
2029	900,000	4,227,850	5,127,850
2030 -2033	83,385,000	14,343,163	97,728,163
Total	$ 87,400,000	$ 35,978,163	$ 123,378,263

NOTE 4: ***LONG-TERM DEBT*** (Continued)

Loan – Buses

In August 2019, the Network entered into a loan agreement with Daimler Truck Financial in the amount of $389,184 for the acquisition of four buses. Monthly payments of $7,373 are due and payable from September 2019 through August 2024. The interest rate of this loan is 5.15% per annum.

Future debt service requirements on this loan are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 13,827	$ 93	$ 13,920

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NOTE 5: *LEASES*

The Network, as Lessor, entered into various agreements to lease and sublease premises to various third parties from 2017 through to 2029.

Following is a summary of these lease transactions for the year ended June 30, 2024:

	Lease Receivable 7/1/2023	Additions/ Deletions	Revenue	Interest	Lease Receivable 6/30/2024
Defy Extreme Air Sports	$ 2,485,889	$ -	$ 350,525	$ 120,566	$ 2,135,364
Discovery Trails Preschool	41,651	-	35,641	2,344	6,010
Keys Explorers Preschool	41,938	201,648	61,404	2,033	182,182
Mill City Church	71,083	-	71,083	-	-
Academy of Arts & Knowledge	263,938	507,717	233,848	38,583	537,807
Liberty Commons School	1,331,682	-	649,729	64,587	681,953
	$ 4,236,181	$ 709,365	$ 1,402,230	$ 228,113	$ 3,543,316

	Deferred Inflow 7/1/2023	Additions/ Deletions	Amortization	Interest	Deferred Inflow 6/30/2024
Defy Extreme Air Sports	$ 2,485,889	$ -	$ 350,525	$ -	$ 2,135,364
Discovery Trails Preschool	41,651	-	35,641	-	6,010
Keys Explorers Preschool	41,938	201,648	89,764	-	153,822
Mill City Church	71,083	-	71,083	-	-
Academy of Arts & Knowledge	263,938	507,717	274,823	-	496,832
Liberty Commons School	1,331,682	-	681,444	-	650,238
	$ 4,236,181	$ 709,365	$ 1,503,280	$ -	$ 3,442,266

Copier Lease Agreements

Between February 2021 and January 2022, the Network, as lessee, entered into various lease agreements with All Copy Products to lease copiers. During the year ended June 30, 2024 the leases were modified and consolidated. The interest rate implied in the leases is calculated at 5%. The lease payment schedules require the Network to make monthly lease payments of $8,426.

Total lease liability under these leases after modification is $476,693 and the balance at June 30, 2024 was $416,909.

NOTE 5: ***LEASES*** (Continued)

The following is a summary of the Network's lease transactions for the year ended June 30, 2024:

	Balance 7/1/2023	Additions	Payments	Balance 6/30/2024	Due In One Year
Copier Leases	$ 260,146	$ 235,206	$ 78,443	$ 416,909	$ 84,730

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 84,730	$ 18,926	$ 103,656
2026	89,067	14,589	103,656
2027	93,622	10,034	103,656
2028	98,411	5,245	103,656
2029	51,079	749	51,828
Total	$ 416,909	$ 49,543	$ 310,968

Total lease expense for the year ended June 30, 2024 was $98,418.

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NOTE 6: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The Network 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Network 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, 2023. 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.

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

General Information about the Pension Plan (Continued)

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% 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.

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.

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

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2024: Eligible employees of the Network and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024.

Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	**20.38%**

*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 Network is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the Network were $4,946,408 for the year ended June 30, 2024.

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

General Information about the Pension Plan (Continued)

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 a $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the 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. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

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, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. Network's proportion of the net pension liability was based on the Network's contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024 the Network reported a liability of $58,942,301 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Network as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the Network were as follows:

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

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

Network's proportionate share of the net pension liability	$ 58,942,301
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	$ 1,292,430
Total	$ 60,234,731

At December 31, 2023, the Network's proportion was 0.333%, which was an increase of 0.101% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Network recognized pension expense of $9,658,168, and revenue of $98,470 for support from the State as a nonemployer contributing entity. At June 30, 2024, the Network reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,794,981	$ -
Changes in assumptions and other inputs	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ 4,225,245	$ -
Changes in proportion between contributions recognized and proportionate share of contributions	$ 10,832,388	$ 1,752,982
Contributions subsequent to the measurement date	$ 2,542,607	$ -
Total	$ 20,395,221	$ 1,752,982

$2,542,607 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, 2025. 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	
2025	$ 4,563,314
2026	$ 7,233,914
2027	$ 5,480,515
2028	$ (1,178,111)
2029	$ -
Thereafter	$ -

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

Actuarial assumptions

The TPL in the December 31, 2022, 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 mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

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

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

Actuarial assumptions (Continued)

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, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. 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.

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:

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

Actuarial assumptions (Continued)

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 SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 5: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

Discount rate (Continued)

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

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

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

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

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

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

Discount rate (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$78,815,663	$58,942,301	$42,370,324

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

Summary of Significant Accounting Policies

OPEB. The Network 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.

General Information about the OPEB Plan

Plan description. Eligible employees of the Network 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.

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

General Information about the OPEB Plan (Continued)

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.

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 on behalf of benefit recipients not covered by Medicare Part A.

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

General Information about the OPEB Plan (Continued)

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% 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 Network is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Network were $247,584 for the year ended Jun 30, 2024.

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

At June 30, 2024, the Network reported a liability of $1,423,217 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. Network's proportion of the net OPEB liability was based on the Network's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Network's proportion was 0.199%, which was an increase of 0.024% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Network recognized OPEB expense of $213,677 At June 30, 2024, the Network reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 291,702
Changes in assumptions and other inputs	$ 16,736	$ -
Net difference between projected and actual earnings on OPEB plan investments	$ 44,017	$ 150,909
Changes in proportion between contributions recognized and proportionate share of contributions	$ 474,405	$ -
Contributions subsequent to the measurement date	$ 127,276	$ -
Total	$ 662,434	$ 442,611

$127,276 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, 2025. 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,	
2025	$ 13,738
2026	$ 3,819
2027	$ 42,917
2028	$ (6,712)
2029	$ 23,802
Thereafter	$ 14,983

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

Actuarial assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	School Division
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.40%-11.00%
Safety Officers	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035

[1] UnitedHealthcare MAPD PPO plans are 0% for 2023.

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

Actuarial assumptions (Continued)

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,692	$1,406	$579	$481	$1,913	$1,589
70	$1,901	$1,573	$650	$538	$2,149	$1,778
75	$2,100	$1,653	$718	$566	$2,374	$1,869

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

Actuarial assumptions (Continued)

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,469	$5,373	$4,198	$3,487	$6,719	$5,581
70	$7,266	$6,011	$4,715	$3,900	$7,546	$6,243
75	$8,026	$6,319	$5,208	$4,101	$8,336	$6,563

The 2023 Medicare Part A premium is $506 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Actuarial assumptions (Continued)

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, 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 on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

Actuarial assumptions (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Actuarial assumptions (Continued)

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

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

Actuarial assumptions (Continued)

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

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

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

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%.

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

Actuarial assumptions (Continued)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$1,382,368	$1,423,217	$1,467,650

[1]For the January 1, 2024, plan year.

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, 2023, measurement date.

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

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

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

Discount rate (Continued)

- 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.

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF 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 Network's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

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

Discount rate (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$1,680,998	$1,423,217	$1,202,685

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 8: ***COMMITMENTS AND CONTINGENCIES***

Claims and Judgments

The Network participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Network may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited but the Network believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Network.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The Network believes it has complied with the Amendment.

NOTE 8: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

Tabor Amendment (Continued)

The Network has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2024, the emergency reserve of $2,358,647 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

NOTE 9: ***DEFICIT NET POSITION***

At June 30, 2024, the net position of the governmental activities is in a deficit position in the amount of $43,358,673 due to the Network including its Net Pension and Net OPEB liabilities per requirements of GASB No. 68 and No.75, as well as the net position of the Internal Service Fund, as noted below.

At June 30, 2024, the net position of the Internal Service Fund is in a deficit position in the amount of $25,112,821 . The deficit is a result of the capital assets depreciating faster than the principal balance of the related debt is paid. Management expects this deficit to be eliminated once the Network’s annual principal payments on its debt increase.

REQUIRED SUPPLEMENTARY INFORMATION

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$48,958,610	$51,635,348	$51,921,969	$ 286,621	$41,868,363
Mill Levy Override	6,748,420	6,936,420	6,963,256	26,836	3,912,367
Charges for Services	3,316,782	6,144,000	4,652,424	(1,491,576)	2,929,509
CEC Network Charges	-	-	-	-	-
Contributions	191,947	376,768	394,811	18,043	234,412
Rental Income	1,812,901	1,940,745	1,882,888	(57,857)	2,858,420
Interest Income	200,001	340,166	929,254	589,088	690,209
Other	64,356	383,876	879,542	495,666	939,392
State Sources					
Capital Construction	1,545,289	1,729,738	1,709,228	(20,510)	1,416,820
PERA-On Behalf Contribution	382,467	833,051	98,470	(734,581)	1,049,456
Grants and Donations	2,595,107	2,900,994	4,067,461	1,166,467	1,373,710
Federal Sources					
Grants and Donations	2,314,499	1,333,255	2,035,569	702,314	2,663,166
TOTAL REVENUES	68,130,379	74,554,361	75,534,872	980,511	59,935,824
EXPENDITURES					
Current					
Salaries	22,933,685	25,209,823	25,011,477	198,346	20,345,174
Employee Benefits	7,690,233	8,495,035	7,504,538	990,497	7,032,161
Purchased Services	15,712,641	31,379,019	29,571,135	1,807,884	25,687,242
Supplies and Materials	3,263,230	3,086,535	3,476,742	(390,207)	2,900,464
Property	13,260,243	1,673,190	2,394,033	(720,843)	798,414
Other	-	1,150,925	555,505	595,420	437,911
Debt Service					
Principal	-	82,551	164,447	(81,896)	155,762
Interest	-	-	23,161	(23,161)	22,014
TOTAL EXPENDITURES	62,860,032	71,077,078	68,701,038	2,376,040	57,379,142
			-		-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,270,347	3,477,283	6,833,834	3,356,551	2,556,682
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	235,206	235,206	227,129
NET CHANGE IN FUND BALANCE	5,270,347	3,477,283	7,069,040	3,591,757	2,783,811
FUND BALANCE, Beginning	11,760,763	12,269,077	13,230,126	961,049	10,446,315
FUND BALANCE, Ending	$17,031,110	$15,746,360	$20,299,166	$ 4,552,806	$13,230,126

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

SCHEDULE OF THE NETWORK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension Liability (Asset)	0.333%	0.232%	0.257%	0.273%	0.229%	0.168%	0.164%	0.119%	0.091%	0.108%
Proportionate Share of the Net Pension Liability (Asset)	$ 58,942,301	$ 42,232,091	$ 29,896,412	$ 41,149,149	$ 34,260,691	$ 29,621,639	$ 52,941,168	$ 35,294,983	$ 14,195,558	$ 10,305,009
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	1,292,430	12,306,856	3,427,242	-	4,502,413	4,050,348	-	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	60,234,731	54,538,947	33,323,654	41,149,149	38,763,104	33,671,987	52,941,168	35,294,983	14,195,558	10,305,009
Covered payroll	$ 22,035,378	$ 17,347,040	$ 16,047,732	$ 14,559,062	$ 14,193,830	$ 9,203,320	$ 7,077,302	$ 5,320,445	$ 4,044,901	$ 2,879,467
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	267.5%	243.5%	186.3%	282.6%	273.1%	365.9%	748.0%	663.4%	350.9%	357.9%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%

COLORADO EARLY COLLEGES

SCHEDULE OF THE NETWORK'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 4,946,408	$ 4,065,063	$ 3,450,786	$ 2,948,141	$ 2,812,641	$ 2,019,393	$ 1,574,345	$ 1,078,025	$ 907,772	$ 601,812
Contributions in Relation to the Contractually Required Contributions	4,946,408	4,065,063	3,450,786	2,948,141	2,812,641	2,019,393	1,574,345	1,078,025	907,772	601,812
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 24,272,965	$ 19,946,289	$ 17,137,421	$ 14,828,958	$ 14,404,469	$ 10,548,053	$ 8,329,791	$ 5,820,622	$ 4,837,179	$ 3,359,772
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.14%	19.88%	19.53%	19.14%	18.90%	18.52%	18.77%	17.91%

See the accompanying independent auditor's report

COLORADO EARLY COLLEGES

SCHEDULE OF THE NETWORK'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.19940%	0.17543%	0.16766%	0.15744%	0.14938%	0.13505%	0.09310%	0.06720%
Proportionate Share of the Net OPEB Liability (Asset)	$ 1,423,217	$ 1,432,372	$ 1,445,704	$ 1,496,024	$ 1,682,911	$ 1,844,960	$ 1,208,952	$ 873,622
Covered payroll	$22,035,378	$17,347,040	$16,047,732	$14,559,062	$14,193,830	$ 9,203,320	$ 7,077,302	$ 5,320,445
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	6.46%	8.26%	9.01%	10.28%	11.86%	20.05%	17.08%	16.42%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.70%

NOTE: Information for the prior two years was not available for this report.

See the accompanying independent auditor's report

COLORADO EARLY COLLEGES

SCHEDULE OF THE NETWORK'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 247,584	$ 203,452	$ 174,802	$ 151,261	$ 146,926	$ 107,590	$ 85,014	$ 59,370
Contributions in Relation to the Contractually Required Contributions	247,584	203,452	174,802	151,261	146,926	107,590	85,014	59,370
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$24,272,965	$19,946,289	$17,137,421	$14,828,958	$14,404,469	$10,548,053	$ 8,329,791	$ 5,820,622
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior two years was not available for this report.

See the accompanying independent auditor's report

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1: ***BUDGETS AND BUDGETARY ACCOUNTING***

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. Management submits to the Board of Directors a proposed budget for the fiscal year commencing July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions to the budget must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All annual appropriations lapse at fiscal year-end.

NOTE 2: ***SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN***

2023 Changes in Plan Provisions Since 2022:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

NOTE 2: ***SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN*** (Continued)

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

NOTE 3: ***SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN***

There were no changes made to the actuarial methods or assumptions in 2023.

NOTE 4: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN

2023 Changes in Plan Provisions Since 2022:

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

NOTE 5: SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN

There were no changes made to the actuarial methods or assumptions in 2023.

SUPPLEMENTARY INFORMATION

COLORADO EARLY COLLEGES

COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	NETWORK OFFICE	CSEC SCHOOL	CEC AURORA	CEC-DOUGLAS COUNTY	CEC-FORT COLLINS
ASSETS					
Cash and Investments	$ 7,219,492	$ 1,405,002	$ 1,309,877	$ 2,632,481	$ 3,300,239
Accounts Receivable	103,614	755,283	317,715	551,687	943,022
Due from Other Funds	-	-	-	109,889	79,798
Lease Receivables	3,543,316	-	-	-	-
Prepaid Expenditures	-	-	-	1,176	-
TOTAL ASSETS	$ 10,866,422	$ 2,160,285	$ 1,627,592	$ 3,295,233	$ 4,323,059
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	199,473	172,449	124,066	194,381	193,053
Accrued Salaries	-	219,917	112,788	247,927	325,114
Due To Other Funds	-	28,785	4,378	16,281	-
Unearned Revenue	1,014,096	27,850	-	1,000	-
TOTAL LIABILITIES	1,213,569	449,001	241,232	459,589	518,167
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	3,442,266	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	1,176	-
Restricted for Emergencies	304,804	353,814	250,502	576,073	433,413
Restricted for Grants	-	100,000	-	-	2,500
Assigned for Special Education	-	80,070	52,600	100,000	100,000
Assigned for Future Expenditures	-	-	-	-	1,106,636
Unassigned	5,905,783	1,177,400	1,083,258	2,158,395	2,162,343
TOTAL FUND BALANCES	6,210,587	1,711,284	1,386,360	2,835,644	3,804,892
TOTAL LIABILITIES AND FUND BALANCES	$ 10,866,422	$ 2,160,285	$ 1,627,592	$ 3,295,233	$ 4,323,059

See the accompanying independent auditor's report.

	CEC WINDSOR	CEC-ONLINE CAMPUS	ELIMINATIONS	TOTAL
	$ 4,046,883	$ 367,594	$ -	$ 20,281,568
	322,297	100,391	-	3,094,009
	-	-	(79,798)	109,889
	-	-	-	3,543,316
	-	-	-	1,176
	$ 4,369,180	$ 467,985	$ (79,798)	$ 27,029,958
	236,151	42,963	-	1,162,536
	107,640	69,658	-	1,083,044
	30,354	-	(79,798)	-
	-	-	-	1,042,946
	374,145	112,621	(79,798)	3,288,526
	-	-	-	3,442,266
	-	-	-	1,176
	333,579	106,462	-	2,358,647
	-	-	-	102,500
	100,000	31,850	-	464,520
	1,901,571	-	-	3,008,207
	1,659,885	217,052	-	14,364,116
	3,995,035	355,364	-	20,299,166
	$ 4,369,180	$ 467,985	$ (79,798)	$ 27,029,958

COLORADO EARLY COLLEGES

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	NETWORK OFFICE	CSEC SCHOOL	CEC AURORA	CEC-DOUGLAS COUNTY	CEC-FORT COLLINS
REVENUES					
Local Sources					
Per Pupil Revenue	$ -	$ 8,148,548	$ 5,869,618	$ 11,420,261	$ 11,640,188
Mill Levy Override	-	1,142,739	753,320	1,565,204	1,395,078
Charges for Services	42,144	595,366	32,241	3,702,389	270,803
CEC Network Charges	9,210,397	250,000	1,008,513	600,000	85,000
Contributions	250,045	111,433	771	7,373	14,313
Rental Income	1,882,888	-	-	-	-
Interest Income	929,254	-	-	-	-
Other	229,597	53,314	54,782	411,909	102,457
State Sources					
Capital Construction	-	251,788	188,990	455,239	413,440
PERA-On Behalf Contribution	-	28,306	9,470	22,431	25,231
Grants and Donations	219,594	1,313,552	421,615	965,515	937,210
Federal Sources					
Grants and Donations	-	460,467	414,199	599,293	371,799
TOTAL REVENUES	12,763,919	12,355,513	8,753,519	19,749,614	15,255,519
EXPENDITURES					
Current					
Salaries	3,240,590	4,675,749	2,393,805	5,778,575	5,753,589
Employee Benefits	905,812	1,443,667	729,570	1,644,936	1,793,814
Purchased Services	4,523,741	4,520,607	4,821,785	11,101,960	5,683,325
Supplies and Materials	640,068	560,201	364,545	719,186	741,315
Property	267,473	950,167	103,295	265,615	761,701
Other	525,777	822	632	3,490	24,181
Debt Service					
Principal	86,004	10,105	11,532	23,461	27,690
Interest	3,328	1,902	3,746	5,761	6,826
TOTAL EXPENDITURES	10,192,793	12,163,220	8,428,910	19,542,984	14,792,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,571,126	192,293	324,609	206,630	463,078
OTHER FINANCING SOURCES					
Lease Proceeds	-	26,923	54,143	59,935	49,112
NET CHANGE IN FUND BALANCE	2,571,126	219,216	378,752	266,565	512,190
FUND BALANCE, Beginning	3,639,461	1,492,068	1,007,608	2,569,079	3,292,702
FUND BALANCE, Ending	$ 6,210,587	$ 1,711,284	$ 1,386,360	$ 2,835,644	$ 3,804,892

See the accompanying independent auditor's report.

CEC WINDSOR	CEC-ONLINE CAMPUS	ELIMINATIONS	TOTAL
$ 11,789,563	$ 3,053,791	$ -	$ 51,921,969
1,651,177	455,738	-	6,963,256
9,481	-	-	4,652,424
-	-	(11,153,910)	-
9,906	970	-	394,811
-	-	-	1,882,888
-	-	-	929,254
27,197	286	-	879,542
399,771	-	-	1,709,228
8,254	4,778	-	98,470
153,837	56,138	-	4,067,461
113,881	75,930	-	2,035,569
14,163,067	3,647,631	(11,153,910)	75,534,872
1,819,828	1,349,341	-	25,011,477
568,644	418,095	-	7,504,538
8,532,607	1,541,020	(11,153,910)	29,571,135
211,135	240,292	-	3,476,742
45,782	-	-	2,394,033
603	-	-	555,505
5,655	-	-	164,447
1,598	-	-	23,161
11,185,852	3,548,748	(11,153,910)	68,701,038
2,977,215	98,883	-	6,833,834
45,093	-	-	235,206
3,022,308	98,883	-	7,069,040
972,727	256,481	-	13,230,126
$ 3,995,035	$ 355,364	$ -	$ 20,299,166

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
NETWORK OFFICE
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Mill Levy Override	$ -	$ -	$ -	$ -	$ 3,699,781
Charges for Services	2,000	2,795	42,144	39,349	-
CEC Network Charges	13,043,209	10,557,689	9,210,397	(1,347,292)	6,190,246
Contributions	10,000	250,020	250,045	25	114,175
Rental Income	1,812,901	1,940,745	1,882,888	(57,857)	2,858,420
Interest Income	200,001	340,166	929,254	589,088	690,209
Other	-	141,675	229,597	87,922	709,694
State Sources Sources					-
Grants and Donations	-	-	219,594	219,594	-
TOTAL REVENUES	15,068,111	13,233,090	12,763,919	(469,171)	14,262,525
EXPENDITURES					
Current					
Salaries	3,511,349	3,170,548	3,240,590	(70,042)	2,689,296
Employee Benefits	1,181,449	956,525	905,812	50,713	753,760
Purchased Services	6,154,985	7,855,660	4,523,741	3,331,919	8,251,083
Supplies and Materials	304,344	542,681	640,068	(97,387)	394,388
Property	495,672	105	267,473	(267,368)	32,983
Other	-	638,351	525,777	112,574	409,203
Debt Service					
Principal	-	207	86,004	(85,797)	81,062
Interest	-	-	3,328	(3,328)	7,420
TOTAL EXPENDITURES	11,647,799	13,164,077	10,192,793	2,971,284	12,619,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,420,312	69,013	2,571,126	2,502,113	1,643,330
OTHER FINANCING SOURCES					
Lease Buyout Gain	-	-	-	-	227,129
NET CHANGE IN FUND BALANCE	3,420,312	69,013	2,571,126	2,502,113	1,870,459
FUND BALANCE, Beginning	3,011,517	3,644,554	3,639,461	(5,093)	1,769,002
FUND BALANCE, Ending	$ 6,431,829	$ 3,713,567	$ 6,210,587	$ 2,497,020	$ 3,639,461

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CSEC SCHOOL
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$6,738,613	$ 8,148,549	$8,148,548	$ (1)	$5,779,044
Mill Levy Override	889,700	1,217,536	1,142,739	(74,797)	548,541
Charges for Services	616,341	682,448	595,366	(87,082)	538,848
CEC Network Charges	484,000	562,916	250,000	(312,916)	974,069
Contributions	32,246	104,586	111,433	6,847	100,000
Other	7,796	26,964	53,314	26,350	7,880
State Sources					
Capital Construction	225,360	254,810	251,788	(3,022)	224,511
PERA-On Behalf Contribution	97,950	318,838	28,306	(290,532)	296,838
Grants and Donations	1,186,236	1,443,002	1,313,552	(129,450)	374,121
Federal Sources					
Grants and Donations	643,358	348,996	460,467	111,471	479,474
TOTAL REVENUES	10,921,600	13,108,645	12,355,513	(753,132)	9,323,326
EXPENDITURES					
Current					
Salaries	3,449,042	4,635,429	4,675,749	(40,320)	3,104,745
Employee Benefits	1,229,843	1,719,803	1,443,667	276,136	1,231,818
Purchased Services	2,929,840	5,136,554	4,520,607	615,947	4,144,101
Supplies and Materials	576,142	623,373	560,201	63,172	392,411
Property	2,690,037	855,331	950,167	(94,836)	367,192
Other	-	-	822	(822)	65,453
Debt Service					
Principal Lease	-	21,286	10,105	11,181	10,115
Interest Lease	-	-	1,902	(1,902)	2,185
TOTAL EXPENDITURES	10,874,904	12,991,776	12,163,220	828,556	9,318,020
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	46,696	116,869	192,293	75,424	5,306
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	26,923	26,923	-
NET CHANGE IN FUND BALANCE	46,696	116,869	219,216	102,347	5,306
FUND BALANCE, Beginning	1,486,863	764,889	1,492,068	727,179	1,486,762
FUND BALANCE, Ending	$1,533,559	$ 881,758	$1,711,284	$ 829,526	$1,492,068

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CEC AURORA
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$5,525,775	$5,868,024	$5,869,618	$ 1,594	$4,704,156
Mill Levy Override	667,800	740,939	753,320	12,381	409,200
Charges for Services	71,063	196,491	32,241	(164,250)	51,834
CEC Network Charges	1,412,397	1,383,699	1,008,513	(375,186)	1,294,809
Contributions	6,569	-	771	771	-
Other	2,000	7,487	54,782	47,295	14,866
State Sources					
Capital Construction	162,601	191,258	188,990	(2,268)	161,210
PERA-On Behalf Contribution	37,946	99,581	9,470	(90,111)	99,581
Grants and Donations	371,467	344,055	421,615	77,560	300,905
Federal Sources					
Grants and Donations	355,251	297,739	414,199	116,460	457,324
TOTAL REVENUES	8,612,869	9,129,273	8,753,519	(375,754)	7,493,885
EXPENDITURES					
Current					
Salaries	2,264,291	2,463,640	2,393,805	69,835	1,924,510
Employee Benefits	743,287	797,725	729,570	68,155	663,408
Purchased Services	2,381,754	5,269,151	4,821,785	447,366	4,439,856
Supplies and Materials	343,039	358,132	364,545	(6,413)	351,952
Property	2,653,779	10,345	103,295	(92,950)	48,259
Other	-	100,000	632	99,368	54,794
Debt Service					
Principal Lease	-	35	11,532	(11,497)	7,130
Interest Lease	-	-	3,746	(3,746)	1,401
TOTAL EXPENDITURES	8,386,150	8,999,028	8,428,910	570,118	7,491,310
				-	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	226,719	130,245	324,609	194,364	2,575
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	54,143	54,143	-
NET CHANGE IN FUND BALANCE	226,719	130,245	378,752	248,507	2,575
FUND BALANCE, Beginning	1,357,581	910,901	1,007,608	96,707	1,005,033
FUND BALANCE, Ending	$1,584,300	$1,041,146	$1,386,360	$ 345,214	$1,007,608

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CEC DOUGLAS COUNTY
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$12,641,793	$11,141,844	$11,420,261	$ 278,417	$10,499,080
Mill Levy Override	1,751,400	1,535,017	1,565,204	30,187	984,712
Charges for Services	1,951,348	4,365,307	3,702,389	(662,918)	1,885,993
CEC Network Charges	1,899,015	1,548,612	600,000	(948,612)	2,580,207
Contributions	51,062	3,158	7,373	4,215	4,750
Other	38,016	58,747	411,909	353,162	167,338
State Sources					
Capital Construction	450,360	460,703	455,239	(5,464)	354,160
PERA-On Behalf Contribution	80,094	80,094	22,431	(57,663)	233,040
Grants and Donations	648,422	775,189	965,515	190,326	268,583
Federal Sources					
Grants and Donations	958,828	464,824	599,293	134,469	972,550
TOTAL REVENUES	20,470,338	20,433,495	19,749,614	(683,881)	17,950,413
EXPENDITURES					
Current					
Salaries	5,694,454	5,775,383	5,778,575	(3,192)	4,649,181
Employee Benefits	1,712,813	1,769,045	1,644,936	124,109	1,571,294
Purchased Services	8,217,283	11,723,712	11,101,960	621,752	10,113,225
Supplies and Materials	846,540	728,303	719,186	9,117	938,109
Property	3,998,416	11,075	265,615	(254,540)	364,675
Other	-	400,000	3,490	396,510	95,743
Debt Service					
Principal Lease	-	25,609	23,461	2,148	25,211
Interest Lease	-	-	5,761	(5,761)	4,636
TOTAL EXPENDITURES	20,469,506	20,433,127	19,542,984	890,143	17,762,074
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	832	368	206,630	206,262	188,339
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	59,935	59,935	-
NET CHANGE IN FUND BALANCE	832	368	266,565	266,197	188,339
FUND BALANCE, Beginning	2,437,045	2,569,079	2,569,079	-	2,380,740
FUND BALANCE, Ending	$ 2,437,877	$ 2,569,447	$ 2,835,644	$ 266,197	$ 2,569,079

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CEC FORT COLLINS
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$11,551,091	$11,640,188	$11,640,188	$ -	$ 9,468,896
Mill Levy Override	1,610,000	1,370,769	1,395,078	24,309	897,335
Charges for Services	664,412	722,960	270,803	(452,157)	443,200
CEC Network Charges	679,824	1,200,000	85,000	(1,115,000)	1,767,758
Contributions	90,294	17,603	14,313	(3,290)	14,934
Other	665	104,278	102,457	(1,821)	17,838
State Sources					
Capital Construction	375,660	418,399	413,440	(4,959)	427,682
PERA-On Behalf Contribution	108,620	280,462	25,231	(255,231)	280,462
Grants and Donations	268,507	216,467	937,210	720,743	350,513
Federal Sources					
Grants and Donations	178,105	132,105	371,799	239,694	454,953
TOTAL REVENUES	15,527,178	16,103,231	15,255,519	(847,712)	14,123,571
EXPENDITURES					
Current					
Salaries	5,273,425	5,859,726	5,753,589	106,137	5,137,161
Employee Benefits	1,883,039	2,082,952	1,793,814	289,138	1,834,787
Purchased Services	5,554,957	6,621,544	5,683,325	938,219	6,044,660
Supplies and Materials	609,485	507,061	741,315	(234,254)	732,754
Property	2,206,172	715,776	761,701	(45,925)	115,325
Other	-	-	24,181	(24,181)	98,528
Debt Service					
Principal Lease	-	35,414	27,690	7,724	32,244
Interest Lease	-	-	6,826	(6,826)	6,372
TOTAL EXPENDITURES	15,527,078	15,822,473	14,792,441	1,030,032	14,001,831
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	100	280,758	463,078	182,320	121,740
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	49,112	49,112	-
NET CHANGE IN FUND BALANCE	100	280,758	512,190	231,432	121,740
FUND BALANCE, Beginning	2,117,345	3,292,701	3,292,702	1	3,170,962
FUND BALANCE, Ending	$ 2,117,445	$ 3,573,459	$ 3,804,892	$ 231,433	$ 3,292,702

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CEC WINDSOR
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 9,763,733	$11,782,952	$11,789,563	$ 6,611	$ 9,271,987
Mill Levy Override	1,430,520	1,623,918	1,651,177	27,259	863,077
Charges for Services	11,618	173,999	9,481	(164,518)	9,634
CEC Network Charges	-	143,066	-	(143,066)	-
Contributions	1,776	674	9,906	9,232	453
Other	1,059	32,117	27,197	(4,920)	21,776
State Sources					
Capital Construction	331,308	404,568	399,771	(4,797)	249,257
PERA-On Behalf Contribution	26,857	-	8,254	8,254	85,459
Grants and Donations	70,526	71,255	153,837	82,582	63,775
Federal Sources					
Grants and Donations	134,337	47,928	113,881	65,953	272,572
TOTAL REVENUES	11,771,734	14,280,477	14,163,067	(117,410)	10,837,990
EXPENDITURES					
Current					
Salaries	1,551,000	1,905,152	1,819,828	85,324	1,888,401
Employee Benefits	533,547	672,785	568,644	104,141	633,932
Purchased Services	6,901,272	8,609,006	8,532,607	76,399	7,462,260
Supplies and Materials	431,958	133,622	211,135	(77,513)	286,714
Property	1,216,167	80,558	45,782	34,776	192,004
Other	-	-	603	(603)	35,768
Debt Service					
Principal Lease	-	-	5,655	(5,655)	-
Interest Lease	-	-	1,598	(1,598)	-
TOTAL EXPENDITURES	10,633,944	11,401,123	11,185,852	215,271	10,499,079
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,137,790	2,879,354	2,977,215	97,861	338,911
OTHER FINANCING SOURCES					
Lease Proceeds	-	-	45,093	45,093	-
NET CHANGE IN FUND BALANCE	1,137,790	2,879,354	3,022,308	142,954	338,911
FUND BALANCE, Beginning	1,171,959	830,472	972,727	142,255	633,816
FUND BALANCE, Ending	$ 2,309,749	$ 3,709,826	$ 3,995,035	$ 285,209	$ 972,727

COLORADO EARLY COLLEGES

BUDGETARY COMPARISON SCHEDULE
CEC ONLINE CAMPUS
Year Ended June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2023 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$2,737,605	$3,053,791	$3,053,791	$ -	$2,145,200
Mill Levy Override	399,000	448,241	455,738	7,497	209,502
Contributions	-	727	970	243	100
Other	14,820	12,608	286	(12,322)	-
State Sources					
PERA-On Behalf Contribution	31,000	54,076	4,778	(49,298)	54,076
Grants and Donations	49,949	51,026	56,138	5,112	15,813
Federal Sources					
Grants and Donations	44,620	41,663	75,930	34,267	26,293
TOTAL REVENUES	3,276,994	3,662,132	3,647,631	(14,501)	2,450,984
EXPENDITURES					
Current					
Salaries	1,190,124	1,399,945	1,349,341	50,604	951,880
Employee Benefits	406,255	496,200	418,095	78,105	343,162
Purchased Services	1,090,995	1,559,374	1,541,020	18,354	722,038
Supplies and Materials	151,722	193,363	240,292	(46,929)	134,518
Other	-	12,574	-	12,574	42,905
TOTAL EXPENDITURES	2,839,096	3,661,456	3,548,748	112,708	2,194,503
NET CHANGE IN FUND BALANCE	437,898	676	98,883	98,207	256,481
FUND BALANCE, Beginning	178,453	256,481	256,481	-	-
FUND BALANCE, Ending	$ 616,351	$ 257,157	$ 355,364	$ 98,207	$ 256,481

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	CSEC SCHOOL	CEC AURORA	TOTAL
ASSETS			
Restricted Cash and Investments	$ 2,268,393	$ 12,065,151	$ 14,333,544
Total Current Assets	2,268,393	12,065,151	14,333,544
Noncurrent Assets			
Capital Assets, Not Being Depreciated	-	-	-
Capital Assets, Net of Accumulated Depreciation	36,564,516	59,336,382	95,900,898
Total Noncurrent Assets	36,564,516	59,336,382	95,900,898
TOTAL ASSETS	38,832,909	71,401,533	110,234,442
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Bond Refunding	1,698,928	2,071,245	3,770,173
LIABILITIES			
Current Liabilities			
Accounts Payable	-	-	-
Accrued Interest Payable	1,226,671	2,220,876	3,447,547
Due To Other Funds	-	109,889	109,889
Bonds Payable, Current Portion	445,000	710,000	1,155,000
Total Current Liabilities	1,671,671	3,040,765	4,712,436
Noncurrent Liabilities			
Bonds Payable	47,715,000	86,690,000	134,405,000
Total Noncurrent Liabilities	47,715,000	86,690,000	134,405,000
TOTAL LIABILITIES	49,386,671	89,730,765	139,117,436
NET POSITION			
Net Investment in Capital Assets	(11,123,227)	(28,213,249)	(39,336,476)
Unrestricted	2,268,393	11,955,262	14,223,655
TOTAL NET POSITION	$ (8,854,834)	$ (16,257,987)	$ (25,112,821)

See the accompanying independent auditor's report.

COLORADO EARLY COLLEGES

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	CSEC SCHOOL	CEC AURORA	TOTAL
REVENUES			
Rental Income	$ 2,896,344	$ 5,151,750	$ 8,048,094
Other	-	-	-
TOTAL OPERATING REVENUES	2,896,344	5,151,750	8,048,094
OPERATING EXPENSES			
Purchased Services	118,802	181,804	300,606
Property	73,748	-	73,748
Depreciation	1,990,342	3,283,692	5,274,034
TOTAL OPERATING EXPENSES	2,182,892	3,465,496	5,648,388
NET OPERATING INCOME	713,452	1,686,254	2,399,706
NON-OPERATING REVENUES (EXPENSES)			
Earnings on Investments	137,625	181,782	319,407
Interest Expense	(2,746,998)	(4,786,957)	(7,533,955)
Loss on Disposal of Assets	-	(768,069)	(768,069)
Transfers	50,135	(50,135)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(2,559,238)	(5,423,379)	(7,982,617)
CHANGE IN NET POSITION	(1,845,786)	(3,737,125)	(5,582,911)
NET POSITION, Beginning	(7,009,048)	(12,520,862)	(19,529,910)
NET POSITION, Ending	$ (8,854,834)	$ (16,257,987)	$ (25,112,821)

See the accompanying independent auditor's report.

COMPLIANCE

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

Board of Directors
Colorado Early Colleges
Colorado Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colorado Early Colleges (the "Network") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Network's basic financial statements, and have issued our report thereon dated October 10, 2024.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

PB Solutions LLC

Littleton, Colorado
October 10, 2024

PROSPECTIVE BUSINESS SOLUTIONS, LLC
Certified Public Accountants
Auditing, Accounting, and Consulting Services for Governments and Nonprofit Organizations

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Colorado Early Colleges
Colorado Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Colorado Early Colleges (the "Network") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Network's major federal programs for the year ended June 30, 2024. The Network's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Network complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Network and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Network's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Network's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Network's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Network's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Network's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Network's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PB Solutions LLC

Littleton, Colorado
October 10, 2024

CEC NETWORK
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Award Information	*AL/other #*	*Pass-Through Entity Name*	*Pass-Through Entity #*	*Federal Expenditures ($)*
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program	10.553	CO Dept of Education	4553	48,629
National School Lunch Program	10.555	CO Dept of Education	4555	323,804
National School Lunch Program	10.555	CO Dept of Education	6555	128,355
Total Child Nutrition Cluster-Cluster				500,788
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States	84.027	CO Dept of Education	4027	433,941
Other Programs (Treated individually for major program determination)				
United States Department of Agriculture				
Local Food for Schools Cooperative Agreement Program	10.185	CO Dept of Education	4185	24,130
Department of Education				
Title I Grants to Local Educational Agencies	84.010	CO Dept of Education	4010	128,650
Title I Grants to Local Educational Agencies	84.010	CO Dept of Education	9202	35,503
Title I Grants to Local Educational Agencies	84.010	CO Dept of Education	9211	2,471
Career and Technical Education -- Basic Grants to States	84.048	CO Community College System	4048	125,591
Charter Schools	84.282	CO Dept of Education	5282	400,000
English Language Acquisition State Grants	84.365	CO Dept of Education	4365	9,658
English Language Acquisition State Grants	84.365	CO Dept of Education	7365	12,741
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	CO Dept of Education	4367	38,063
Education Stabilization Fund - Covid 19	84.425	CO Dept of Education	4414	91,564
Education Stabilization Fund - Covid 19	84.425	CO Dept of Education	9414	176,543
Education Stabilization Fund - Covid 19	84.425	CO Dept of Education	4438	46,084
Total Department of Education				1,066,868.00
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CO Dept of Education	7354	9,842
Total Other Programs (Treated individually for major program determination)				1,100,840.00
Total Expenditures of Federal Awards				2,035,569.00

The accompanying notes are an integral part of this schedule

COLORADO EARLY COLLEGES
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Network. The Schedule includes federally funded amounts of pass-through awards received by the Network through the State of Colorado. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule represents only a selected portion of the operations of the Network, it is not intended to and does not present the financial position, changes in position or cash flows of the Network.

2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met. Such expenditures are recognized following, as applicable, either the cost principal contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursements. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors. The Network has elected not to use the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.

3. During the year ended June 30, 2024 the Network did not pass through any federal funds to subrecipients.

4. For federal awards expended by the Network as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.

COLORADO EARLY COLLEGES

Schedule of Findings and Questioned Costs
For the year ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was: Unmodified

2. The independent auditor's report on internal control over financial reported disclosed:

Significant deficiency(ies)?	______ Yes	___X_ None Reported
Material weakness(es)?	______ Yes	___X_ No

3. Noncompliance considered material to the financial statements was disclosed by the audit: ______ Yes ___X_ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?	______ Yes	___X_ None Reported
Material weakness(es)?	______ Yes	___X_ No

5. The opinions expressed in the independent auditor's report on compliance for major federal award programs were: Unmodified

6. The audit disclosed findings required to be reported by section 2 CFR §200.516(a)? ______ Yes ___X_ No

7. The Organization's major programs were:

Name of federal program	CDFA Number
Child Nutrition Cluster	10.553, 10.555

8. Dollar threshold used to distinguish between Type A and Type B Programs: $750,000

9. The Organization qualified as low-risk auditee: __X__Yes ___No

Schedule Findings and Questioned Costs
For the year ended June 30, 2024

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings

No findings noted.