

VILLA BELLA EXPEDITIONARY SCHOOL
PUEBLO, COLORADO
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

June 30, 2020

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Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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December 31, 2020

Board of Directors
Villa Bella Expeditionary School
Pueblo, Colorado

We have audited the accompanying financial statements of the governmental activities of Villa Bella Expeditionary School, a component unit of Pueblo County School District No. 70, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Villa Bella Expeditionary School as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, and required supplementary information as listed in the table of contents on pages 36 through 40 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.

Darren Ross & DeNardo, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
VILLA BELLA EXPEDITIONARY SCHOOL
JUNE 30, 2020

As management of Villa Bella Expeditionary School (the School), we offer readers of the School's financial statements this narrative and analysis of the financial activities of the School for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the School's financial performance.

The School was organized in 2019 pursuant to the Colorado Charter Schools Act. The school operates within Pueblo County School District No. 70. The initial school year ending June 30, 2020 included kindergarten through third grade with plans to add fourth grade in 2021 and fifth grade in 2022.

Financial Highlights

The total net position increased during the current year by \$8,404, from \$10,770 to \$19,174. Of this amount, \$68,180 is invested in capital assets or restricted by law.

The School's General Fund balance increased during the current year by \$49,582 from (\$12,911) to \$36,671. Of this amount, \$40,900 is reserved for emergencies.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to the financial statements. The MD&A provides an analysis of the School's overall financial position and results of the previous year's operations to assist the users of financial statements to assess whether the government's finances have improved or deteriorated. The basic financial statements include two kinds of statements that present different views of the school.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements.

Government-wide Financial Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position presents information on all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how it has changed. Net position – the difference between the School's assets and liabilities is one way to measure the School's financial health or position.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
JUNE 30, 2020

Fund Financial Statements

The Fund financial statements provide more detailed information about the School's general fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School only has one type of fund – general fund.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 35 of this report.

Budgetary Comparisons

The School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided on page 36 of this report.

Government-wide Financial Analysis – Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2020, the combined assets exceeded liabilities by \$19,174. Of the \$19,174, \$40,900 is restricted to comply with Tabor. An additional \$68,180 is invested in capital assets.

The following table provides a summary of the School's government wide net position for 2020.

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets	\$ 253,344	\$ 231,470
Non-current assets	68,180	23,681
Total Assets	321,524	255,151
<u>Deferred Outflow of Resources</u>		
Related to Pensions and OPEB	1,172,143	-
<u>Liabilities</u>		
Current liabilities	216,673	244,381
Long-term liabilities	820,333	-
Total Liabilities	1,037,006	244,381
<u>Deferred Inflow of Resources</u>		
Related to Pensions and OPEB	437,487	-
<u>Net Position</u>		
Invested in capital assets, net of related debt	68,180	23,681
Restricted for emergency	40,900	-
Unrestricted	(89,906)	(12,911)
Total Net Position	\$ 19,174	\$ 10,770

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
JUNE 30, 2020

Government-wide Financial Analysis (Continued)

The assets of the School are classified as current assets and capital assets. Cash and receivables are current assets. These assets are available to provide resources for the near-term operations of the School. A portion of School's net position reflects its investment in capital assets. These assets include buildings and improvements and furniture and fixtures. Capital assets are discussed in greater detail in the section titled, capital assets, elsewhere in this analysis. In addition to assets there are deferred outflows relating to the pension and OPEB obligations. Deferred outflows represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable and accrued salaries and benefits. Long term liabilities include compensated absences, the net pension liability and OPEB liability. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets, or new resources that become available during fiscal year 2020. In addition to liabilities there are deferred inflows relating to the pension and OPEB. Deferred inflows represent an acquisition of net position that applies to a future period and will not be recognized as revenue until then.

Changes in Net Position

The following table summarizes the changes in the School's net position for governmental activities for the year ended June 30:

Revenue	<u>2020</u>	<u>2019</u>
Program Revenue		
Charges for services	\$ 4,993	\$ -
Operating grants	227,620	205,436
Capital grants	77,556	23,780
General Revenue		
School finance act	1,562,738	-
Other income	18,312	-
Total Revenue	<u>1,891,219</u>	<u>229,216</u>
Program Expenses		
Direct instruction	1,017,994	155,134
Indirect instruction	401,264	46,532
Transportation	102	-
Custodial and maintenance	376,300	-
Other support services	66,942	16,780
General administration	20,213	-
Interest Expense Unallocated	-	-
Total Expenses	<u>1,882,815</u>	<u>218,446</u>
Change in Net Position	8,404	10,770
Net position - beginning of year	<u>10,770</u>	<u>-</u>
Net position - end of year	<u>\$ 19,174</u>	<u>\$ 10,770</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
VILLA BELLA EXPEDITIONARY SCHOOL
JUNE 30, 2020

Financial Analysis of the School's Funds

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

Governmental Funds Overview - The focus of the School's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School's general fund reported an ending fund balance of \$36,671, an increase of \$49,582.

General Fund Budgetary Highlights

The School's budget is prepared according to Colorado statutes.

For 2020, management appropriated \$1,933,406 for general fund expenditures and other financing uses.

2020 General Fund Budget			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 1,841,931	\$ 1,916,892	\$ 1,891,219
Expenditures	\$ 1,837,341	\$ 1,933,406	\$ 1,841,637

Actual expenditures were less than the anticipated budget and actual revenues, which caused the ending fund balance to increase \$49,582 over the prior year before transfers and other financing sources.

Capital Assets

The School's investment in capital assets for its governmental activities as of June 30, 2020 totals \$68,180 (net of accumulated depreciation). This investment includes all furniture, and buildings and improvements.

Economic Factors and Next Year's Budget and Rates

The primary factor driving the budget for the School is student enrollment. Enrollment for the 2019-20 school year was 192. The enrollment projected for the 2020-21 school year is expected to be approximately 242. This factor was considered when preparing the School's budget for 2020-21.

Requests for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or for additional financial information should be addressed to: Villa Bella Expeditionary School, HR/Finance Director, 2390 Rawlings Blvd, Pueblo, CO 81001.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

STATEMENT OF NET POSITION
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash in bank and on hand	\$ 55,097
Accrued federal revenue	13,301
Due from primary government	155,314
Deposit	27,188
Assets held by primary government	2,444
Capital assets - net of depreciation	<u>68,180</u>
Total Assets	<u>321,524</u>
<u>Deferred Outflow of Resources</u>	
Related to OPEB	4,085
Related to pensions	<u>1,168,058</u>
Total Deferred Outflow of Resources	<u>1,172,143</u>
<u>Liabilities</u>	
Accounts payable	3,237
Accrued salaries and P.E.R.A.	106,758
Unearned income	106,678
Long term liabilities:	
Compensated absences	30,099
OPEB liability	37,454
Pension liability	<u>752,780</u>
Total Liabilities	<u>1,037,006</u>
<u>Deferred Inflow of Resources</u>	
Related to OPEB	6,795
Related to pensions	<u>430,692</u>
Total Deferred Inflow of Resources	<u>437,487</u>
<u>Net Position</u>	
Invested in capital assets - net of debt	68,180
Restricted - Tabor Reserve	40,900
Unrestricted	<u>(89,906)</u>
Total Net Position	<u>\$ 19,174</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
VILLA BELLA EXPEDITIONARY SCHOOL
For the year ended June 30, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
			Expenses		
Governmental Activities					
Direct instruction	\$ 1,017,994	\$ 4,875	\$ 227,620	\$ 77,556	\$ (707,943)
Indirect instruction	401,264	-	-	-	(401,264)
Transportation	102	-	-	-	(102)
Custodial and maintenance	376,300	-	-	-	(376,300)
Other support services	66,942	118	-	-	(66,824)
General administration	20,213	-	-	-	(20,213)
Total Governmental Activities	<u>1,882,815</u>	<u>4,993</u>	<u>227,620</u>	<u>77,556</u>	<u>(1,572,646)</u>
		General Revenues			
		School finance act			1,562,738
		Other income			18,312
			Total General Revenues		<u>1,581,050</u>
		Change in Net Position			8,404
		Net Position - July 1			10,770
		Net Position - June 30			<u>\$ 19,174</u>

The accompanying notes to financial statements are an integral part of this statement.

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

BALANCE SHEET
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

	<u>General Fund</u>
<u>Assets</u>	
Cash in bank	\$ 55,097
Accrued federal revenue	13,301
Due from primary government	155,314
Deposit	27,188
Assets held by the primary government	2,444
Total Assets	<u>253,344</u>
<u>Liabilities</u>	
Accounts payable	3,237
Accrued salaries and P.E.R.A.	106,758
Unearned revenue	106,678
Total Liabilities	<u>216,673</u>
<u>Fund Balances</u>	
Restricted - Tabor Reserve	40,900
Unassigned	(4,229)
Total Fund Balances	<u>36,671</u>
Total Liabilities and Fund Balances	\$ <u>253,344</u>

The accompanying notes to financial statements are an integral part of this statement.

RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET POSITION
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

Total Fund Balances - General Fund	\$ 36,671
Capital assets used by Villa Bella Expeditionary School are not considered current financial resources and, therefore, are not reported in the governmental funds.	68,180
Long term liability for compensated absences are not due and payable in the current period and, therefore, are not reported in the government funds.	(30,099)
Deferred activity related to pension (\$1,168,058) and OPEB (\$4,085) assumptions are not recorded and included in the governmental funds.	1,172,143
Pension (\$430,692) and OPEB (\$6,795) contributions subsequent to plan measurement date are not included in the long term liability and are deferred.	(437,487)
The long-term liabilities for pension (\$752,780) and OPEB (\$37,454) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(790,234)</u>
Total Net Position - Government Activities	\$ <u>19,174</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

	<u>General Fund</u>
Revenues	
State sources	\$ 75,926
Federal sources	229,250
Other sources	23,305
Fund allocations	<u>1,562,738</u>
Total Revenues	<u>1,891,219</u>
Expenditures	
Direct instruction	973,178
Indirect instruction	360,007
Transportation	102
Custodial and maintenance	373,521
Other support services	62,732
General administration	20,213
Capital outlay	<u>51,884</u>
Total Expenditures	<u>1,841,637</u>
Excess of Revenues Over (Under) Expenditures	49,582
Fund Balances - July 1	<u>(12,911)</u>
Fund Balances - June 30	<u>\$ 36,671</u>

The accompanying notes to financial statements are an integral part of this statement.

RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
VILLA BELLA EXPEDITIONARY SCHOOL
For the year ended June 30, 2020

Total Change in Fund Balances - General Fund	\$ 49,582
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$51,884) exceeds depreciation expense (\$7,385).

44,499

In the government-wide statements accrued compensated absences are measured by the amount earned and unused. In the governmental funds, the expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts paid). Therefore, the change in the accrued compensated absences is recognized.

(30,099)

Net pension (\$15,414) and OPEB (\$40,164) expense related items are reported in the statement of activities and do not require the use of current financial sources, and therefore, are not reported in the governmental funds.

(55,578)

Total Change in Net Position - Government Activities	\$ <u>8,404</u>
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The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Villa Bella Expeditionary School (the School) was organized in 2019 pursuant to the Colorado Charter Schools Act to operate a charter school within the Pueblo County School District No. 70 (the "District") in the State of Colorado.

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

Reporting Entity

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

Based upon the application of this criteria, no additional organizations are included in the School's reporting entity. The School is a component unit of the Pueblo County School District No. 70. The School's charter is granted by the District and the majority of the School's funding is provided by the District.

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentations

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Accounting

The accounts of the School are organized into one fund - the general fund.

General Fund

The general fund records financial transactions for the current educational operations of the School. All revenues and expenditures are accounted for in this fund.

Cash and Cash Equivalents

The School considers all highly liquid investments with a maturity of three months or less when purchased, net of outstanding checks in excess of bank balance, to be cash equivalents.

Budgets and Budgetary Data

The School follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgetary accounting is employed by Pueblo County School District No. 70 as a management control for all funds, including the School. Annual operating budgets are adopted each fiscal year through the passage of an annual appropriation resolution. For each legally adopted budget, budgetary control exists at the total fund level.
- b. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- c. All unencumbered budget appropriations lapse at the end of each fiscal year.

Capital Assets

All capital assets are capitalized at cost or estimated historical cost. Donated assets are recorded at fair market value at the time of donation. The costs of normal maintenance, repairs and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. The proceeds from the sale of assets used in the operations of the governmental fund types are recorded as revenues in the general fund. The School does not capitalize interest on the construction of capital assets. The School maintains a capitalization threshold of \$5,000.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Depreciation is recorded starting in the month the asset is placed in service. Estimated useful lives are as follows:

	<u>ESTIMATED USEFUL LIFE</u>
Buildings and improvements	20 to 50 years
Furniture and fixtures	5 to 20 years

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflow / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has two items that qualify for reporting under this category, OPEB related items and pension related items.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has two items that qualify for reporting under this category, OPEB related items and pension related items. These items are deferred and recognized as an inflow of resources in the period that the amounts become available.

Accounts Payable

Accounts payable represent obligations due to vendors for goods delivered or services rendered prior to June 30, 2020.

Compensated Absences

The School follows the Pueblo County School District No. 70's policy for compensated absences. The School District affords certain employees sick leave benefits which are vesting, accumulating rights and are carried forward to subsequent years. Payment of unused sick leave, or liability of the School District to the employee, if any, is payable only upon termination of an employee with ten years of continuous service to the District. The benefits are paid at varied rates applied to varied maximum accumulated days, depending on the employee group. The sick pay benefits are recognized at the time of the employee absence (i.e.: days off for sick leave) which is in accordance with generally accepted accounting principles for these on-going benefits.

The School District also affords certain employees vacation benefits. These benefits are earned based upon the length of service and accumulation is limited to a maximum of 40 days. Accrued vacation is paid to employees upon termination of employment.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE C - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Risk Management

The School is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The School carries commercial insurance for such risks, including workers' compensation. There were no settled claims from these risks during the fiscal year.

NOTE D - CASH DEPOSITS AND INVESTMENTS

Deposits

Colorado State statutes govern the School's deposits of cash. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal insurance (FDIC or FSLIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool.

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned to it. The School's policy for custodial risk parallels Colorado statutes.

A summary of deposits held at year end follows:

	<u>Deposits</u>	<u>Carrying Amount</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Checking		\$ 55,097	\$ 55,097	\$ -

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

Interest rate risk - The School's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from the date of purchase unless the governing body authorizes a longer period.

Credit risk - The School does not have a policy that would further limit its choices beyond the requirements of Colorado statutes. The School had no investments at June 30, 2020.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE E - CHANGES IN CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended June 30, 2020:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Depreciable Assets:				
Furniture and fixtures	\$ 23,780	\$ 12,000	\$ -	\$ 35,780
Buildings and improvements	-	39,884	-	39,884
Total Depreciable Assets	<u>23,780</u>	<u>51,884</u>	<u>-</u>	<u>75,664</u>
Less Accumulated Depreciation for:				
Furniture and fixtures	99	1,922	-	2,021
Bldg. and improvements	-	5,463	-	5,463
Total Accumulated Depreciation	<u>99</u>	<u>7,385</u>	<u>-</u>	<u>7,484</u>
Total Capital Assets, Net	<u>\$ 23,681</u>	<u>\$ 44,499</u>	<u>\$ -</u>	<u>\$ 68,180</u>

Depreciation expense was charged to functions/ programs of the School as follows:

Direct instruction	\$ 3,175
Other supporting services	4,210
Total	<u>\$ 7,385</u>

NOTE F - ACCRUED SALARIES AND P.E.R.A.

Salaries of certain contractually employed personnel are paid over a twelve month period, but are earned during the school year, a period of approximately nine months. The amounts representing accrued salaries are those earned through June 30, 2020, but not yet paid by the School. Accrued P.E.R.A. represents the School District's 20.9% contribution on the accrued salaries. At June 30, 2020 accrued salaries and P.E.R.A. have been recognized as a liability in the general fund. The accrued salaries and P.E.R.A. at June 30, 2020 are \$106,758.

NOTE G - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

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

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Pensions (Continued)

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

General Information about the Pension Plan

Plan Description

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

Benefits Provided as of December 31, 2019

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by the years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided as of December 31, 2019 (Continued)

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living-adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to CRS § 24-51-413. Benefit recipients under PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula 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 the service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions Provisions as of June 30, 2020

Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate	10.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208 (1)(f)	(1.02%)
Amount apportioned to SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.5%
Supplemental Amortization Equalization Disbursement (SAED) as in C.R.S. § 24-51-411	5.5%
Total Employer Contribution Rate to the SCHDTF	19.38%

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

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Contributions Provisions as of June 30, 2020 (Continued)

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$126,534 for the year ended June 30, 2020.

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

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

At June 30, 2020 the School reported a liability of \$752,780 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School's proportionate share of the net pension liability	\$ 752,780
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	95,481
Total	<u>\$ 848,261</u>

At December 31, 2019, the School's proportion was .0050395068 percent, which was a increase of .0050395068 percent from its proportion measured as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2020, the School recognized pension expense of \$15,414 and revenue of \$7,189 for support from the State as a nonemployer contributing entity. At June 30, 2020, the School reported deferred outflows of the resources and deferred inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 41,268	\$ -
Changes of assumptions or other inputs	1,057,280	340,247
Net difference between projected and actual earnings on pension plan investments	-	90,445
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	69,510	-
Total	<u>\$ 1,168,058</u>	<u>\$ 430,692</u>

\$69,510 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
2021	\$ 222,618
2022	222,619
2023	222,619
	<u>\$ 667,856</u>

Actuarial Assumptions

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

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

*For 2019 the annual increase was 0.00 percent.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 board meeting.

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.5%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE G - DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

- As specified in law, the State provides an annual direct distribution of \$225 million which 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) 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	\$ 998,347	\$ 752,780	\$ 546,605

Pension Plan Fiduciary Net Position

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE H - DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description

Employees of the School that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, the School had no program members contributing to the Voluntary Investment program.

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB

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

General Information about the OPEB Plan

Plan Description

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

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Benefits Provided

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure

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

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were \$6,660 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE I - 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

At June 30, 2020, the School reported a liability of \$37,454 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019 the School's proportion was .0032724288 percent, which was an increase of .0032724288 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the School recognized OPEB expense of \$40,164. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 124	\$ -
Changes of assumptions or other inputs	303	6,183
Net difference between projected and actual earnings on OPEB plan investments	-	612
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	3,658	-
Total	<u>\$ 4,085</u>	<u>\$ 6,795</u>

\$3,658 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
2021	\$ (1,061)
2022	(1,061)
2023	(1,061)
2024	(1,061)
2025	(1,061)
2026	(1,063)
	<u>\$ (6,368)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net OPEB plan investment expense including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure::	
Service-based premium subsidy	0.00%
PERACare Medicare plan	5.00% in 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually increasing to 4.50% in 2029

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

The actuarial assumptions used in the December 31, 2018 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTES TO FINANCIAL STATEMENTS (Continued)

VILLA BELLA EXPEDITIONARY SCHOOL

June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

Sensitivity of the School's Proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sensitivity of the School's Proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates (Continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 36,564	\$ 37,454	\$ 38,482

Discount Rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE I - DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 38,889	\$ 37,454	\$ 30,550

OPEB Plan Fiduciary Net Position

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

NOTE J - INTERFUND TRANSACTIONS

Due From / To Primary Government:

The amount due from the primary government is \$155,314 at June 30, 2020. The Charter School also has assets held in the capital reserve and insurance reserve funds maintained by the primary government.

NOTE K - FUND BALANCE

Government-wide Net Position:

Government-wide net position is divided into three components:

- Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the School's creditors (for example, through debt covenants), by state enabling legislation (through restricts on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

Fund balance categories are used to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE K - FUND BALANCE (Continued)

Governmental Fund Balances (Continued)

- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the School's highest level of decision making authority, Board of Directors, prior to the end of the current year. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The School will only report a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is the School's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

NOTE L - OPERATING LEASE

The School entered into an operating lease dated October 22, 2018, for land, building and improvements. The lease term is 20 years, commencing on August 1, 2019 with options to extend terms. The lease has termination provisions as stated in the lease. The School paid a security deposit of \$27,188. For the year ended June 30, 2020, lease expenditures were \$310,309. Future minimum base lease payments are as follows:

Year Ending June 30:

2021	\$	398,436
2022		498,696
2023		508,392
2024		518,268
2025		528,636
2026-2030		2,806,032
2031-2035		3,098,088
2036-2039		2,709,072

Total \$ 11,065,620

NOTE M - COMMITMENTS AND CONTINGENCIES

Tax, Revenue, Spending and Debt Limitation

In November, 1992 Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992, which for the School was the year ended June 30, 1994.

NOTES TO FINANCIAL STATEMENTS (Continued)
VILLA BELLA EXPEDITIONARY SCHOOL
June 30, 2020

NOTE M - COMMITMENTS AND CONTINGENCIES (Continued)

On November 4, 1997, the Pueblo School District No. 70 passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. The referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1997 and thereafter. The School believes it is in compliance with the tax raising, revenue, spending, debt and other limitations.

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies establish an "emergency reserve". To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended June 30, 2020, the School's reserve requirement was approximately \$40,900 which represents 3% of fiscal year spending.

NOTE N - SUBSEQUENT EVENT

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As a result, economic uncertainties have arisen which are likely to negatively impact operations or carrying value of assets. Other financial implications may result, and such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (BUDGET BASIS)

VILLA BELLA EXPEDITIONARY SCHOOL

For the year ended June 30, 2020

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State sources	\$ 51,260	\$ 69,722	\$ 75,926	\$ 6,204
Federal sources	229,250	344,250	229,250	(115,000)
Other sources	-	18,312	23,305	4,993
Fund allocations	<u>1,561,421</u>	<u>1,484,608</u>	<u>1,562,738</u>	<u>78,130</u>
Total Revenues	<u>1,841,931</u>	<u>1,916,892</u>	<u>1,891,219</u>	<u>(25,673)</u>
Expenditures				
Direct instruction	778,982	950,555	973,178	(22,623)
Indirect instruction	384,026	322,655	360,007	(37,352)
Transportation	-	-	102	(102)
Custodial and maintenance	429,624	369,250	373,521	(4,271)
Other support services	67,183	64,376	62,732	1,644
General administration	-	-	20,213	(20,213)
Capital outlay	177,404	177,404	51,884	125,520
Contingency	<u>122</u>	<u>49,166</u>	<u>-</u>	<u>49,166</u>
Total Expenditures	<u>1,837,341</u>	<u>1,933,406</u>	<u>1,841,637</u>	<u>91,769</u>
Excess of Revenues Over (Under) Expenditures	4,590	(16,514)	49,582	66,096
Fund Balances - July 1	<u>-</u>	<u>-</u>	<u>(12,911)</u>	<u>(12,911)</u>
Fund Balances - June 30	<u>\$ 4,590</u>	<u>\$ (16,514)</u>	<u>\$ 36,671</u>	<u>\$ 53,185</u>

SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE -
SCHOOL DIVISION TRUST FUND
VILLA BELLA EXPEDITIONARY SCHOOL
Last 10 Fiscal Years

	<u>2019</u>
School's proportion (percentage) of the net pension liability	0.5039506800%
School's proportionate share of the net pension liability	\$ 752,780
School's covered payroll	\$ 294,243
School's proportionate share of the net pension liability as a percentage of covered payroll	255.84%
Plan fiduciary net position as a percentage of the total pension liability	64.52%

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

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the years it is available.

SCHEDULE OF SCHOOL'S CONTRIBUTIONS - SCHOOL DIVISION TRUST FUND

VILLA BELLA EXPEDITIONARY SCHOOL

Last 10 Fiscal Years

	<u>2020</u>
Statutorily required contributions	\$ 60,026
Contributions in relation to the statutorily required contributions	<u>60,026</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 294,243
Contribution as a percentage of covered payroll	20.40%

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

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE -
HEALTH CARE TRUST FUND
VILLA BELLA EXPEDITIONARY SCHOOL
Last 10 Fiscal Years

	<u>2019</u>
School's proportion (percentage) of the net OPEB liability	0.32724%
School's proportionate share of the net OPEB liability	\$ 37,454
School's covered payroll	\$ 294,243
School's proportionate share of the net pension OPEB as a percentage of covered payroll	12.73%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%

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

The schedule is presented to show information for ten years. Until information for the full ten-year period is available, information will be presented for the years it is available.

SCHEDULE OF SCHOOL'S CONTRIBUTIONS - HEALTH CARE TRUST FUND
VILLA BELLA EXPEDITIONARY SCHOOL
Last 10 Fiscal Years

	<u>2020</u>
Statutorily required contributions	\$ 3,001
Contributions in relation to the statutorily required contributions	<u>3,001</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 294,243
Contribution as a percentage of covered payroll	1.02%

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

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.