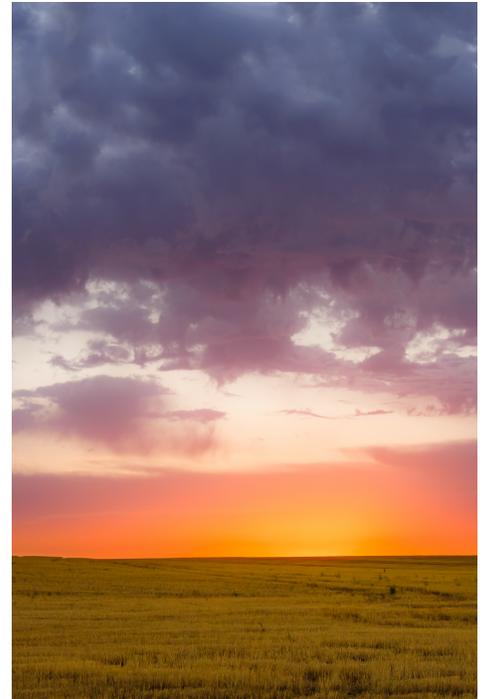


Colorado Educational and Cultural Facilities Authority

# Moral Obligation Bond Program Calendar Year 2023

Informational Report  
February 2024  
2451S



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OFFICE OF THE STATE AUDITOR

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*Working to improve government for the people of Colorado.*



OFFICE OF THE STATE AUDITOR

KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

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February 23, 2024

**Annual Report from the Colorado Educational and Cultural Facilities Authority  
on the Moral Obligation Bond Program, Calendar Year 2023**

Members of the Legislative Audit Committee  
Members of the Senate Education Committee  
Members of the House Education Committee  
Members of the Capital Development Committee  
Members of the Joint Budget Committee  
Colorado Department of Education

Please find attached the Colorado Educational and Cultural Facilities Authority's (CECFA) Calendar Year 2023 annual report on the State Charter School Debt Reserve Fund, known as the Moral Obligation Bond program, authorized under Section 22-30.5-407 and 408, C.R.S. CECFA is statutorily-required [Section 22-30.5-409, C.R.S.] to submit the report to the State Auditor prior to January 30 each year. The State Auditor is required to examine this report and report any findings no later than March 1 of each year to the Legislative Audit Committee, the Education Committees of the Senate and the House of Representatives, the Capital Development Committee, the Joint Budget Committee, and the Department of Education.

Our review of the report did not identify any findings related to CECFA's 2023 annual report on the Moral Obligation Bond program.

Kerri L. Hunter, CPA, CFE  
State Auditor



*Colorado Educational and Cultural Facilities Authority*

**CECFA**

January 25, 2024

Legislative Audit Committee  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80202

Dear Ladies and Gentlemen:

We are pleased to provide to you the report regarding Colorado charter school moral obligation bonds issued during calendar year 2023, as required by C.R.S. 22-30.5-409(1). Two series were issued during the year with a combined gross par amount of \$43,410,000.00. These two series included bonds issued for new money purposes.

The total principal amount of moral obligation bonds outstanding as of December 31, 2023 is \$622,782,628.45, which is within the statutory limit of \$750 million outstanding at any one time. The program capacity was increased in September, 2021 from \$500 million to \$750 million, per Senate Bill 21-157.

We appreciate your review of this information. Please let me know if you have any questions or need any additional information.

Sincerely,

Mark Heller  
Executive Director

cc: Dave Young, State Treasurer  
Crystal L. Dorsey, CPA, Office of the State Auditor

**COLORADO EDUCATIONAL AND CULTURAL  
FACILITIES AUTHORITY**

**2023 Report to the State Auditor  
Issuance of Qualified Charter School Bonds  
Required by C.R.S. 22-30.5-407 et seq.**

**As of December 31, 2023**

This report provides information concerning the issuance of qualified charter school bonds, as defined in C.R.S. Section 22-30.5-408(1)(c), 22-30.5-407(2)(a) and 22-30.5-408(2)(a). This report is required by C.R.S. Section 22-30.5-409(1).

- a) The total amount of qualified charter school bonds issued during the 2023 calendar year was \$43,410,000.
- b) The charter schools on whose behalf such qualified charter school bonds were issued were as follows:
  - Lemman Academy of Excellence
  - Loveland Classical Schools
- c) The proceeds of the bond issues were used as follows:

Charter School	Amount of the Issue	Total Cost of New Charter School Facilities	Percentage of Project Paid by Bond Proceeds	Refunding of a Prior Bond Issue for Savings
Leman Academy of Excellence (2023)	\$37,555,000	\$31,292,347	100%	No
Loveland Classical Schools (2023A and 2023B)	\$5,855,000	\$6,026,680	100%	No

- d) The investment ratings of the issues are summarized below:

Charter School	Moral Obligation Program Rating	Underlying Credit Rating
Leman Academy of Excellence	“Aa3” by Moody’s	“Baa3” by Moody’s
Loveland Classical Schools	“A+” by S&P	“BBB-” by S&P

- e) The total amount of net and gross proceeds obtained from the issuance of such qualified charter school bonds during the most recently completed calendar year was:

Aggregate Gross Proceeds in CY 2023	\$42,583,903
Aggregate Net Proceeds in CY 2023	\$41,234,285

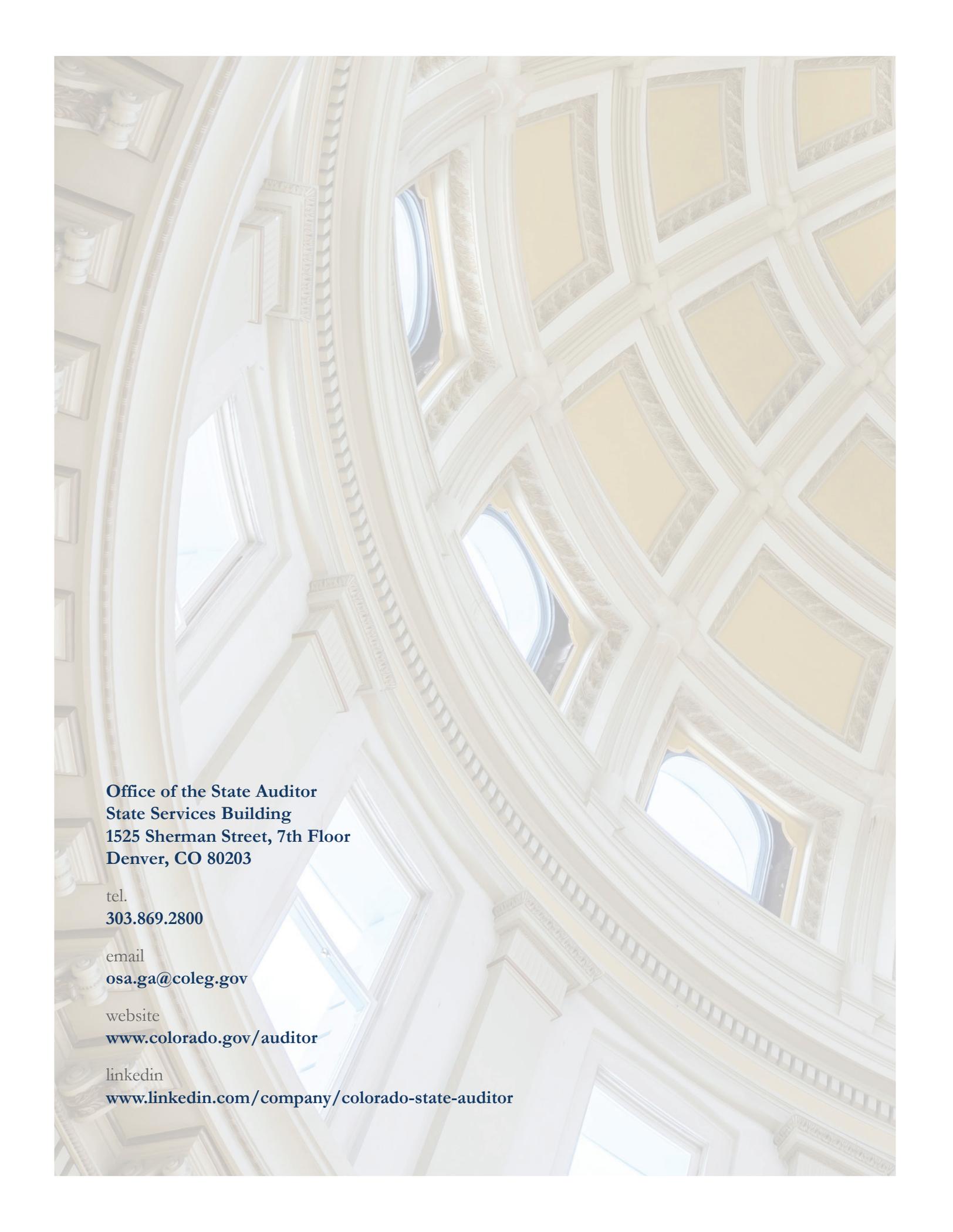
- f) The total principal amount outstanding of qualified charter school bonds as of December 31, 2023 was \$622,782,628.
- g) The total amount of annual installments of principal and interest on all outstanding qualified charter school bonds scheduled for payment during the 2023 calendar year was \$39,934,381.33.

The total amount of such annual installments actually paid during the 2023 calendar year was \$40,350,877 (different than the amount above due to new issuances closing and existing bonds being prepaid during the calendar year). The total amount of annual installments due in the 2024 calendar year is \$42,434,511 and the annual installments due in the calendar years 2024 through 2062 total \$1,050,827,994.

- h) To CECFA's knowledge, the total amount of moneys expended from the charter schools' own debt service reserve funds or accounts during the 2023 calendar year for the purpose of paying principal and interest on such qualified charter school bonds was \$0.
- i) To CECFA's knowledge, the total amount of moneys expended from the state charter school debt reserve fund during the 2023 calendar year for the purpose of paying principal and interest on such qualified charter school bonds was \$0.
- j) To CECFA's knowledge, all 2023 scheduled Treasury Intercept Program payments were made.
- k) To CECFA's knowledge, there were no defaults of Moral Obligation Program bonds in 2023.

Leman Academy of Excellence and Loveland Classical Schools issued new money Moral Obligation Bonds for the purpose of constructing new school facilities and/or improving existing school facilities.





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