

Colorado Educational and Cultural Facilities Authority

Moral Obligation Bond Program Calendar Year 2024

Informational Report

February 2025

2466S



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KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

February 21, 2025

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

Re: Annual Report from the Colorado Educational and Cultural Facilities Authority on the Moral Obligation Bond Program, Calendar Year 2024

Please find attached the Colorado Educational and Cultural Facilities Authority's (CECFA) Calendar Year 2024 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 2024 annual report on the Moral Obligation Bond program.

Kerri L. Hunter, CPA, CFE
State Auditor





CECFA

Colorado Educational and Cultural Facilities Authority

December 31, 2024

Legislative Audit Committee
1525 Sherman Street, 7th 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 2024, as required by C.R.S. 22-30.5-409(1). Three series were issued during the year with a combined gross par amount of \$103,040,000.00. These three series included bonds issued for both new money and refunding purposes.

The total principal amount of moral obligation bonds outstanding as of December 31, 2024 is \$695,657,355.46, 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**

**2024 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, 2024

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 2024 calendar year was \$103,040,000.
- b) The charter schools on whose behalf such qualified charter school bonds were issued were as follows:
- SkyView Academy
 - Independence Academy
 - Liberty Common School
- 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
SkyView Academy (2024A and 2024B)	\$25,565,000	\$0	0%	100%
Independence Academy (2024A and 2024B)	\$7,140,000	\$6,201,439	100%	No
Liberty Common School (2024A and 2024B)	\$70,335,000	\$37,588,295	100%	Partial

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

Charter School	Moral Obligation Program Rating	Insured Credit Rating	Underlying Credit Rating
SkyView Academy	“Aa3” by Moody’s	“AA” by S&P	“Baa3” by Moody’s
Independence Academy	“A+” by S&P	“AA” by S&P	“BBB-” by S&P
Liberty Common School	“A+” by S&P	“AA” 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 2024 \$102,416,726

Aggregate Net Proceeds in CY 2024

\$99,258,334

- f) The total principal amount outstanding of qualified charter school bonds as of December 31, 2024 was \$695,657,355.
- g) The total amount of annual installments of principal and interest on all outstanding qualified charter school bonds scheduled for payment during the 2024 calendar year was \$42,434,511.

The total amount of such annual installments actually paid during the 2024 calendar year was \$41,747,155 (different than the amount above due to the timing of new issuances closing and existing bonds being refunded during the calendar year). The total amount of annual installments due in the 2025 calendar year is \$44,739,571 and the annual installments due in the calendar years 2025 through 2064 total \$1,196,958,273.

- h) To CECFA's knowledge, the total amount of moneys expended from the charter schools' own debt service reserve funds or accounts during the 2024 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 2024 calendar year for the purpose of paying principal and interest on such qualified charter school bonds was \$0.
- j) To CECFA's knowledge, all 2024 scheduled Treasury Intercept Program payments were made.
- k) To CECFA's knowledge, there were no defaults of Moral Obligation Program bonds in 2024.

SkyView Academy refunded outstanding bonds that were not previously issued in the Moral Obligation Program with new Moral Obligation Bonds for the purpose of restructuring the previously outstanding bonds to achieve a long-term level debt service structure and for the purpose of achieving cashflow savings.

Independence Academy issued new money Moral Obligation Bonds for the purpose of adding to their existing facility which would incorporate a new gym with the existing gym remodeled for a music room and performance space.

Liberty Common School refunded outstanding bonds that were not previously issued in the Moral Obligation Program as well as its outstanding Moral Obligation Bonds with new Moral Obligation Bonds for the purpose of extending the final maturity of the refunded debt which would reduce their debt service burden. In addition to issuing bonds for refunding purposes, Liberty Common School also issued new money Moral Obligation Bonds for the purpose of acquiring property adjacent to their existing campus and renovating said property for use as a new junior high school facility.





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