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UNIVERSITY PREPARATORY SCHOOLS
A COMPONENT UNIT OF THE DENVER PUBLIC SCHOOL DISTRICT NO. 1

DENVER, COLORADO

FINANCIAL STATEMENTS
WITH THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

UNIVERSITY PREPARATORY SCHOOLS
(A COMPONENT UNIT OF DENVER PUBLIC SCHOOL DISTRICT)
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June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
University Preparatory Schools
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the of the University Preparatory Schools (the Network), a component unit of the Denver Public School District No. 1, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of University Preparatory Schools, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Network as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited the Network's fiscal year ended June 30, 2024, financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DMC Auditing and Consulting, LLC

October 7, 2025
Bailey, Colorado

University Preparatory Schools
Management's Discussion and Analysis
Fiscal Year Ending June 30, 2025

As management of University Preparatory Schools (UPREP or the Network), we offer readers of University Preparatory Schools's basic financial statements this narrative overview and analysis of the financial activities of the Network for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The Network operates three campuses, University Prep – Arapahoe, University Prep – Steele Street, and University Prep – Commerce City. The year ended June 30, 2025 is the thirteenth year of operations for the Arapahoe Street campus, the eight year of operations for the Steele Street campus, and the first year of serving students for the Commerce City campus.

As of June 30, 2025, net position increased by $223,592 to $2,786,466. University Preparatory Schools's governmental funds reported an ending fund balance of $2,837,025, a decrease of $(978,602) from the prior year.

The operations of the Network are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue (PPR). Tax revenue for the year from PPR was $7,783,158.

Overview of Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Network's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end).

The government-wide statement of activities distinguishes functions/programs of the Network supported primarily by Per Pupil Revenue or other revenues passed through from the Network's authorizers (Denver Public Schools and the Colorado Charter School Institute). The governmental activities of UPREP include instruction and supporting services.

Fund Financial Statements

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 Network keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Network's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Network maintains one governmental fund, which consists of activity from each campus and a home office, and adopts annually appropriated budgets for the fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Network's financial position. For the fiscal year ended June 30, 2025, UPREP's net position was $2,786,466. This position includes a net pension liability in the amount of $3,824,434, representing the Network's proportionate share of the Denver Public Schools Division and School Division Trust Fund pension liability, administered by the Public Employees' Retirement Association of Colorado (PERA). The Network reports this net pension liability, and associated deferred inflows and outflows of resources, as required by GASB (Governmental Accounting Standards Board) 68. The Network's net position also includes a net OPEB (Other Post-Employment Benefits) asset in the amount of $123,506, representing the Network's proportionate share of the defined benefit Health Care Trust Fund, administered by PERA. The Network reports this net OPEB asset, and associated deferred inflows and outflows of resources, as requirement by GASB 75. More information regarding the net pension and OPEB assets and liabilities may be found in the notes to the financial statements.

Of the Network's total net position, $674,603 is invested in capital assets, $382,931 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment, and $269,489 is restricted for capital projects.

University Preparatory Schools's Net Position

	2024-2025	2023-2024
ASSETS		
Cash and Investments	$ 2,903,479	$ 3,897,482
Accounts Receivable	9,732	2,000
Grants Receivable	11,779	12,694
Inventory	48,870	38,149
Prepaid Expenses	54,809	132,747
Deposit	10,417	9,667
Capital Assets, Not Being Depreciated	-	557,546
Capital Assets, Net of Accumulated Depreciation	1,155,260	42,848
Net OPEB Asset	123,506	26,478
TOTAL ASSETS	4,317,852	4,719,611
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	2,991,292	2,272,719
OPEB, Net of Accumulated Amortization	93,274	50,984
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,084,566	2,323,703
LIABILITIES		
Accounts Payable	133,238	275,093
Accrued Liabilities	68,823	2,019
Noncurrent Liabilities		
Due Within One Year	86,616	-
Due in More Than One Year	394,041	-
Net Pension Liability	3,824,434	3,740,303
TOTAL LIABILITIES	4,507,152	4,017,415
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	11,863	387,390
OPEB, Net of Accumulated Amortization	96,937	75,635
TOTAL DEFERRED INFLOWS OF RESOURCES	108,800	463,025
NET POSITION		
Net Investment in Capital Assets	674,603	600,394
Restricted for Emergencies	382,931	369,430
Restricted for Capital Projects	269,489	-
Unrestricted	1,459,443	1,593,050
TOTAL NET POSITION	$ 2,786,466	$ 2,562,874

University Preparatory Schools's Change in Net Position

	2024-2025	2023-2024
REVENUES		
Per Pupil Revenue	$ 7,783,158	$ 6,995,520
Mill Levy Funding	2,623,574	2,289,252
Charges for Services	90,810	29,352
Operating Grants and Contributions	1,717,279	1,612,455
Interest	95,402	107,883
Other	165,150	120,025
TOTAL REVENUE	12,475,373	11,154,487
EXPENSES		
Instructional	5,929,321	5,441,449
Support Services	6,297,235	6,470,202
Interest Expense	25,225	-
TOTAL EXPENSES	12,251,781	11,911,651
CHANGE IN NET POSITION	223,592	(757,164)
NET POSITION, Beginning	2,562,874	3,320,038
NET POSITION, Ending	$ 2,786,466	$ 2,562,874

Financial Analysis of the Government's Funds

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

The focus of the Network's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Network's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Network'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 $2,837,025, a decrease of $(978,602) from the prior year. Governmental fund activity by campus and home office may be found on pages 45 and 46 of the financial statements.

General Fund Budgetary Highlights

UPREP recognized $2,612,957 less revenue than expected, spent $1,183,822 less than planned, and recorded $848,671 more in other financing sources (transfers and lease proceeds) than budgeted when compared to the final budget. There were budget amendments during the year,

which reflected changes in revenues and expenditures. Overall, revenue and expenses were fine-tuned to account for changes to student enrollment and funding assumptions. Additional budgetary comparision information may be found on pages 36 and 47-52 of the financial statements.

Capital Assets & Long-Term Debt

The Network has invested in capital assets for leasehold improvements, equipment and a right-to-use building lease. Depreciation expenses for capital assets are booked under the instructional program of the Network's operations. More information regarding capital assets may be found in Note 3 to the financial statements.

The Network has no long-term obligations outside of those related to right-to-use building lease payable (GASB 87), pensions (GASB 68), and the Other Post Employment Benefit Plan (OPEB) (GASB 75).

Economic Factors and Next Year's Budget

The primary factor driving the budget for University Preparatory Schools is student enrollment. Enrollment for the 2024-2025 school year was 662.00 students. Enrollment projected for 2025-2026 is 733.00 students. This factor was considered when preparing UPREP's budget for 2025-2026.

Requests for Information

This financial report is designed to provide a general overview of University Preparatory Schools's finances for all those with an interest in the Network's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Network:

University Prep – Arapahoe Street
2409 Arapahoe Street
Denver, CO 80205

University Prep – Steele Street
3230 East 38th Avenue
Denver, CO 80205

University Prep – Commerce City
6201 Holly St
Commerce City, CO 80022

BASIC FINANCIAL STATEMENTS

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF NET POSITION
June 30, 2025

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	
	2025	2024
ASSETS		
Cash and Investments	$ 2,903,479	$ 3,897,482
Accounts Receivable	9,732	2,000
Grants Receivable	11,779	12,694
Inventories	48,870	38,149
Prepaid Expenses	54,809	132,747
Deposit	10,417	9,667
Capital Assets, *Not Being Depreciated*	-	557,546
Capital Assets, *Net of Accumulated Depreciation*	1,155,260	42,848
Net OPEB Asset	123,506	26,478
TOTAL ASSETS	4,317,852	4,719,611
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, *Net of Accumulated Amortization*	2,991,288	2,272,719
OPEB, *Net of Accumulated Amortization*	93,283	50,984
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,084,571	2,323,703
LIABILITIES		
Accounts Payable	133,238	275,093
Accrued Liabilities	68,823	2,019
Noncurrent Liabilities		
Due Within One Year	86,616	-
Due in More Than One Year	394,041	-
Net Pension Liability	3,824,434	3,740,303
TOTAL LIABILITIES	4,507,152	4,017,415
DEFERRED INFLOWS OF RESOURCES		
Pensions, *Net of Accumulated Amortization*	11,863	387,390
OPEB, *Net of Accumulated Amortization*	96,946	75,635
TOTAL DEFERRED INFLOWS OF RESOURCES	108,809	463,025
NET POSITION		
Net Investment in Capital Assets	674,603	600,394
Restricted for:		
Emergencies	382,931	-
Capital Projects	269,489	369,430
Unrestricted	1,459,439	1,593,050
TOTAL NET POSITION	$ 2,786,462	$ 2,562,874

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT: NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES 2025	2024
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 5,929,322	$ 49,459	$ 1,229,188	$ (4,650,675)	$ (4,274,798)
Supporting Services	6,297,238	41,351	488,091	(5,767,796)	(5,995,046)
Interest Expense	25,225	-	-	(25,225)	
TOTAL GOVERNMENTAL ACTIVITIES	$ 12,251,785	$ 90,810	$ 1,717,279	(10,443,696)	(10,269,844)
GENERAL REVENUES					
Per Pupil Revenue				7,783,158	6,995,520
Mill Levy Override				2,623,574	2,289,252
Investment Income				95,402	107,883
Other				165,150	120,025
TOTAL GENERAL REVENUES				10,667,284	9,512,680
CHANGE IN NET POSITION				223,588	(757,164)
NET POSITION, Beginning				2,562,874	3,320,038
NET POSITION, Ending				$ 2,786,462	$ 2,562,874

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	2025	2024
ASSETS		
Cash and Investments	$ 2,903,479	$ 3,897,482
Accounts Receivable	9,732	2,000
Grants Receivable	11,779	12,694
Inventories	48,870	38,149
Prepaid Expenditures	54,809	132,747
Deposit	10,417	9,667
TOTAL ASSETS	$ 3,039,086	$ 4,092,739
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 133,238	$ 275,093
Accrued Liabilities	68,823	2,019
TOTAL LIABILITIES	202,061	277,112
FUND BALANCES		
Nonspendable		
Inventories	48,870	38,149
Prepaid Expenditures	54,809	132,747
Deposit	10,417	9,667
Restricted for:		
Emegencies	382,931	369,430
Capital Projects	269,489	70,828
Unassigned	2,070,509	3,194,806
TOTAL FUND BALANCES	2,837,025	3,815,627
TOTAL LIABILITIES AND FUND BALANCES	$ 3,039,086	$ 4,092,739

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:		
Total Fund Balances of Governmental Fund	$	2,837,025
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		1,155,260
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Leases Payable		(480,657)
Net Pension Liability		(3,824,434)
Pension-Related Deferred Outflows of Resources		2,991,288
Pension-Related Deferred Inflows of Resources		(11,863)
Net OPEB Assets		123,506
OPEB-Related Deferred Outflows of Resources		93,283
OPEB-Related Deferred Inflows of Resources		(96,946)
Total Net Position of Governmental Activities	$	2,786,462

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	2025	2024
REVENUES		
Local Sources	$ 11,391,604	$ 10,117,337
State Sources	611,273	275,194
Federal Sources	472,496	761,956
TOTAL REVENUES	12,475,373	11,154,487
EXPENDITURES		
Current		
Instruction	6,472,762	5,454,291
Supporting Services	6,895,463	7,037,442
Capital Outlay	541,182	-
Debt Service		
Principal	60,525	-
Interest	25,225	-
TOTAL EXPENDITURES	13,995,157	12,491,733
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,519,784)	(1,337,246)
OTHER FINANCING SOURCES (USES)		
Loan Proceeds	541,182	-
CHANGE IN FUND BALANCES	(978,602)	(1,337,246)
FUND BALANCES, Beginning	3,815,627	5,152,873
FUND BALANCES, Ending	$ 2,837,025	$ 3,815,627

See Notes to the Financial Statements.

UNIVERSITY PREPARATORY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
Net Change in Fund Balance of Governmental Fund	$	(978,602)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(131,456)
Capital Outlay		686,322
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities. This also includes the adjustment.		60,525
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items:		
Lease Proceeds		(541,182)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Net Pension Liability		(84,131)
Pension-Related Deferred Outflows of Resources		718,569
Pension-Related Deferred Inflows of Resources		375,527
Net OPEB Liability		97,028
OPEB-Related Deferred Outflows of Resources		42,299
OPEB-Related Deferred Inflows of Resources		(21,311)
Change in Net Position of Governmental Activities	$	223,588

See Notes to the Financial Statements.

NOTE 1: Summary of Significant Accounting Policies

University Preparatory Schools (the Network) was organized pursuant to the Colorado Charter Networks Act to form and operate a charter school within the Denver Public School District and the Charter School Institute (CSI) in the State of Colorado. The Network consists of two schools and a third school to open in the upcoming year. The Network consists of the Arapahoe, Steele Street, and the Commerce City campuses.

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

Reporting Entity

The financial reporting entity consists of the Network, organizations for which the Network is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Network. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Network. Legally separate organizations for which the Network is financially accountable are considered part of the reporting entity. Financial accountability exists if the Network appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Network. The financial statements of the Network do not include any separately administered organizations. The Network is a component unit of the Denver Public School 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 activities of the Network. *Governmental activities*, which are supported by taxes and intergovernmental revenues, are reported in a single column.

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

Separate financial statements are provided for the governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the Network reports the following major governmental fund:

The *General Fund* is the Network's primary operating fund. It accounts for all financial resources of the Network.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 year or soon enough thereafter to pay liabilities of the current year. The Network considers all other revenues to be available if they are collected within 60 days of the end of the current year, except for State and federal grants.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Investments – For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

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

Inventories – Inventories are recorded as an asset when individual items are purchased and as an expenditure when consumed. Inventories are stated at cost on a first-in, first-out (FIFO) basis. Purchased inventories are recorded at cost.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Leasehold improvements	10 - 40 years

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Deferred Outflows of Resources – Deferred outflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not recognized as a use of current financial resources.

Accrued Salaries and Benefits – Salaries and retirement benefits are paid July to June but are earned during a school year of approximately nine to ten months.

Leases – The Network determines if an arrangement is a lease at inception. For leasing arrangements where the Network is the lessee, leases are reported as right-to-use assets and noncurrent liabilities in the statement of net position.

Lease assets represent the Network's control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the Network as assets with an initial, individual cost of more than $5,000.

Lease liabilities represent the Network's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Network will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the Network has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Compensated Absences – Network's policy allows employees to earn sick leave and personal leave. However, employees are not allowed to carry over unused leave balances to the next year. Unused balances are paid out in June each year.

Pensions – The Network's Arapahoe Street Campus and Steele Street Campus participate in the Denver Public School Division Trust Fund (DPSDTF), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The Network's Commerce City Campus participates in the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by 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 and deductions from the DPSDTF's and SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF and SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Postemployment Benefits Other Than Pensions (OPEB) – The Network participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit postemployment healthcare plan, and Health Care Trust Fund (HCTF), a multiple-employe cost-sharing defined benefit postemployment healthcare plan. Both plans are 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 and deductions from the DPS HCTF's and HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF and the SDTF. For this purpose, the DPS HCTF and the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not available as current financial resources.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action. The Network has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Network uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

At June 30, 2024, the Network had the following cash and investments:

Cash on Hand	$	328
Deposits		1,033,981
Investments		1,869,170
Total	$	2,903,479

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the Network had bank deposits of $942,067 collateralized with securities held by the financial institution's agent but not in the Network's name.

Investments

The Network is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

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

Fair Value Measurements - At June 30, 2025, the District's investments in the local government investment pool reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the Network may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At June 30, 2025, the Network had $1,869,170 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are reported at net asset value per share, with each share valued at $1. The Pools are rated AAAm by Standard and Poor's. Investments of the Pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balances 6/30/2024	Additions	Deletions	Balances 6/30/2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 557,546	$ -	$ 557,546	$ -
Capital Assets, Being Depreciated / Amortized:				
Leasehold Improvements	61,854	634,872	-	696,726
Equipment	5,960	-	-	5,960
Right-to-Use Building Lease	-	541,182	-	541,182
Total Capital Assets, Being Depreciated	67,814	1,176,054	-	1,243,868
Less Accumulated Depreciation / Amortization:				
Leasehold Improvements	(24,072)	(38,797)	-	(62,869)
Equipment	(894)	(1,192)	-	(2,086)
Right-to-Use Building Lease	-	(91,467)	-	(91,467)
Total Accumulated Depreciation / Amortization	(24,966)	(131,456)	-	(156,422)
Capital Assets, Being Depreciated / Amortized, Net	42,848	1,044,598	-	1,087,446
Governmental Activities Capital Assets, Net	$ 600,394	$ 1,044,598	$ 557,546	$ 1,087,446

Depreciation expense of the governmental activities was charged to the instructional programs of the Network.

NOTE 4: Long-term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due Within One Year
Governmental Activities					
Lease Payable - Building	$ -	$ 541,182	$ 60,525	$ 480,657	$ 86,948

Lease Agreement

On December 13, 2023, the Network entered into a lease agreement for the right-to-use building and premises for the Commerce City school that commenced on August 1, 2024, through June 30, 2025. On May 26, 2025, the lease was amended to expand operations and to extend the lease for five years through July 2030. The lease is valued at $549,757. Ten monthly payments are made annually in amounts ranging from $8,575 to $10,861, with an implicit interest rate at 4.91% per annum. During fiscal year ending June 30, 2025, the School paid $85,750, including principal and interest of $60,525 and $25,225, respectively. At June 30, 2025, the right-to-use asset cost and accumulated amortization were $541,182 and $91,467, respectively, with a monthly amortization expense of $7,622.

NOTE 4: Long-term Debt (Continued)

Lease Agreement (Continued)

Future debt service requirements as of June 30, 2025, are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 86,948	$ 21,664	$ 108,612
2027	91,315	17,298	108,613
2028	95,901	12,712	108,613
2029	100,717	7,896	108,613
2030	105,776	2,838	108,614
Total	$ 480,657	$ 62,408	$ 543,065

NOTE 5: Defined Benefit Pension Plan

General Information

Plan Description – The Network contributes to the Denver Public Schools Division Trust Fund (DPSDTF), a single-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA) for the Arapahoe and Steele Street Campuses. In addition, the Network contributes to the SDTF for the Commerce City Campus. All employees of the Arapahoe and Steele Street Campuses participate in the DPSDTF and all employees of the Commerce City Campus participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report (ACFR), including information on the DPSDTF and SDTF, which may be obtained at https://www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided as of December 31, 2024 – The DPSDTF and SDTF provide retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement.

The retirement benefit of SDTF is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) $15 times the first 10 years of service credit plus $20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

NOTE 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) described previously, considering a minimum of twenty 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 in place, and the qualified survivor receiving the benefits.

Contribution provisions as of June 30, 2025 – The Network and eligible employees and the State are required to contribute to the DPSDTF and SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. The contribution requirements for the DPSDTF and SDTF are established and may be amended by the State Legislature. The contribution rate for employees was 11% of their PERA-includable salary during the period from July 1, 2024, through June 30, 2025.

The Network's DPSDTF contribution rate for the fiscal year was 10.6% of covered salaries from July 1, 2024, through December 31, 2024, and 11.26% from January 1, 2025, through June 30, 2025. However, a portion of the Network's contribution (1.02% of covered salaries) is allocated to the Denver Public Schools Health Care Trust Fund (DPS HCTF) (Note 6). The Network's contributions to the DPSDTF for the year ended June 30, 2025, were $701,590, equal to the required contributions.

The Network's SDTF contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the Network's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (HCTF) (Note 6). The School's contributions to the SDTF for the year ended June 30, 2025, were $85,185, equal to the required contributions at a contribution rate of 20.38%.

NOTE 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

The DPSDTF is permitted under CRS § 24-51-412 to offset the contribution rate for Pension Certificates of Participation (PCOP). The offset, expressed as a percentage of covered payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing, by the Denver Public Schools at a fixed effective annual interest rate of 8.5%. At a minimum, the DPSDTF employer rate, after applying the PCOP offset, must be sufficient to fund the Denver Public Schools Health Care Trust Fund (DPS HCTF) and the annual increase in reserve contribution rates as it applies to the DPSDTF. Employer contributions are recognized by the DPSDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPSDTF. The members of DPSDTF provided the PCOP offset rate of 9.78% for 2024.

To conform with this presentation of contribution rates, the 2022 annual Pension Certificates of Participation (PCOP) offset of 9.78% has been adjusted based on the portion of the PCOP offset used to satisfy employer contribution requirements based on Title 24, Article 51, Part 412. Employer contributions are recognized by the DPSDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPSDTF.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPSDTF and SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the DPSDTF and SDTF based on the proportionate amount of annual payroll of the DPSDTF and SDTF to the annual payroll of the DPSDTF and SDTF, respectively.

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

The net pension liability for the DPSDTF and SDTF was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The Network proportion of the net pension liability was based on the Network contributions to the DPSDTF and SDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the Network reported a total liability of $3,824,434, including $2,904,319 for DPSDTF and $920,115 for SDTF, 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 Network as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the Network were as follows for DPSDTF and SDTF, respectively:

Network's proportionate share of the DPSDTF net pension liability	$ 2,904,319
State's proportionate share of the DPSDTF net pension liability as a nonemployer contributing entity associated with the Network	515,512
Total	$ 3,419,831

NOTE 5: Defined Benefit Pension Plan (Continued)

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

Network's proportionate share of the SDTF net pension liability	$ 920,115
State's proportionate share of the net pension liability for SDTF as a nonemployer contributing entity associated with the Network	82,641
Total	$ 1,002,756

At December 31, 2024, the Network's DPSDTF proportion was 0.512703064%, which was a decrease of 0.0647680135% from its proportion measured at December 31, 2023. At December 31, 2024, the Network's SDTF proportion was 0.0053324842%, which was an increase of 0.0053324842% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the Network recognized the DPSDTF and SDTF pension expense of $1,279,888 and $491,373 and a revenue of ($82,143) and ($8,715), respectively, representing support from the state as a nonemployer contributing entity. At June 30, 2025, the Network reported deferred outflows of resources and deferred inflows of resources related to pensions for DPSDTF and SDTF from the following sources, respectively:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 368,362	$ -
Changes of assumptions and other inputs	231,916	-
Net difference between projected and actual earnings on plan investments	228,004	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,337,830	11,863
Contributions subsequent to the measurement date	356,866	-
Total	$ 2,522,978	$ 11,863

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 52,105	$ -
Changes of assumptions and other inputs	6,898	-
Net difference between projected and actual earnings on plan investments	17,360	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	349,115	-
Contributions subsequent to the measurement date	42,832	-
Total	$ 468,310	$ -

NOTE 5: Defined Benefit Pension Plan (Continued)

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

Network contributions subsequent to the measurement date for DPSDTF and SDTF of $68,300 and $42,832, respectively, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows for the DPSDTF and SDTF, respectively:

Year Ended June 30,	
2026	$ 1,026,307
2027	1,330,917
2028	(43,449)
2029	(159,526)
Total	$ 2,154,249

Year Ended June 30,	
2026	$ 289,796
2027	173,023
2028	(24,960)
2029	(12,381)
Total	$ 425,478

Actuarial Assumptions - The actuarial valuation for the DPSDTF as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80% - 11.50%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

NOTE 5: Defined Benefit Pension Plan (Continued)

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

The actuarial valuation for the SDTF as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07 thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in DPSDTF and SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The following assumptions were applicable to both plans, DPSDTF and SDTF.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board of Directors at their November 20, 2020, meeting.

NOTE 5: Defined Benefit Pension Plan (Continued)

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

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

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation, are projected at 3.9% to 16.8% for DPSDTF and 4% to 13.4% for SDTF. Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projected scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

NOTE 5: Defined Benefit Pension Plan (Continued)

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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 exptected nominal rate of return assumption of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- Network contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. School contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated School contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, School contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

NOTE 5: Defined Benefit Pension Plan (Continued)

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

- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including DPSDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- Network contributions for the DPSDTF are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.
- Network contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments 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 DPSDTF's and SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Network's DPSDTF and SDTF proportionate share of the net pension liability calculated using the discount rate of 7.25%, respectively, as well as the Network's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (DPSDTF)	$ 6,332,416	$ 2,904,319	$ 70,794

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (SDTF)	$ 1,247,462	$ 920,115	$ 645,915

Pension Plan Fiduciary Net Position - Detailed information about the DPSDTF's and SDTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at https://www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 6: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the School are eligible to receive postemployment benefits other than pensions (OPEB) through the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit postemployment healthcare plan, and Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. Both plans are administered by the Public Employees' Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the DPS HCTF and HCTF, which may be obtained at https://www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided – The DPS HCTF and HCTF provide a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the DPS HCTF plan or HCTF plan upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on 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 with DPS Division and another division, the premium subsidy is allocated between the HCTF and the DPS HCTF. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

Enrollment in the PERACare health benefits program is voluntary and 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 (DPS HCTF and HCTF) - 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, and $115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

NOTE 6: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-12-6(4) provides an additional subsidy. Each individual retiree meeting these conditions receives the maximum monthly subsidy in the amount of $230 reduced appropriately for service less than 20 years. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy. For each individual PERACare retiree, 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 DPS HCTF or the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the Network's contributions to the Denver Public Schools Division Trust Fund (DPSDTF) and the School Division Trust Fund (SDTF) (Note 5) are apportioned to the DPS HCTF and the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The Network's apportionment to the DPS HCTF and the HCTF for the year ended June 30, 2025, was $65,499 and $4,263, respectively, equal to the required amount.

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

At June 30, 2025, the Network reported a net OPEB liability (asset) of ($139,831) and $16,325, respectively, representing its proportionate share of the net OPEB liability of the DPS HCTF and the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The Network's proportion of the net OPEB liability was based on the Network's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the Network's DPS HCTF proportion was 0.6037075326%, which was a decrease of 0.0010926806% from its proportion measured at December 31, 2023. At December 31, 2024, the Network's HCTF proportion was 0.0034141633%, which was an increase of 0.0034141633% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the Network recognized OPEB expense of ($24,393) and ($24,898), respectively. At June 30, 2025, the Network reported deferred outflows of resources and deferred inflows of resources related to OPEB for the DPS HCTF and the HCTF from the following sources:

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 42,749
Changes of assumptions and other inputs	567	45,018
Net difference between projected and actual earnings on plan investments	386	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,796	360
Contributions subsequent to the measurement date	32,327	-
Total	$ 40,076	$ 88,127

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,600
Changes of assumptions and other inputs	187	5,219
Net difference between projected and actual earnings on plan investments	57	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	50,819	-
Contributions subsequent to the measurement date	2,144	-
Total	$ 53,207	$ 8,819

Network DPS HCTF and HCTF contributions subsequent to the measurement date of $32,327 and $2,144, respectively, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported for DPS HCTF and HCTF, respectively, as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2026	$ (19,332)
2027	(12,757)
2028	(21,191)
2029	(14,752)
2030	(7,570)
2031	(4,776)
Total	$ (80,378)

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

Year Ended June 30,	
2026	$ 7,650
2027	8,681
2028	8,138
2029	8,910
2030	6,564
2031	2,301
Total	$ 42,244

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability for the DPS HCTF and the HCTF using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation (HCTF)	3.40% - 11.00%
Salary increases, including wage inflation (DPS HCTF)	3.80% - 11.50%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The total OPEB liability for the DPS HCTF and the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage

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

Age-Related Morbidity Assumptions

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare Part A for Retiree / Spouse		MAPD PPO #2 with Medicare Part A for Retiree / Spouse		MAPD HMO (Kaiser) with Medicare Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,710	$ 1,420	$ 585	$ 486	$ 1,897	$ 1,575
70	$ 1,921	$ 1,589	$ 657	$ 544	$ 2,130	$ 1,763
75	$ 2,122	$ 1,670	$ 726	$ 571	$ 2,353	$ 1,853

Sample Age	MAPD PPO #1 without Medicare Part A for Retiree / Spouse		MAPD PPO #2 without Medicare Part A for Retiree / Spouse		[APD HMO (Kaiser) without Medica Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 6,536	$ 5,429	$ 4,241	$ 3,523	$ 7,063	$ 5,866
70	$ 7,341	$ 6,073	$ 4,764	$ 3,941	$ 7,933	$ 6,563
75	$ 8,110	$ 6,385	$ 5,262	$ 4,143	$ 8,763	$ 6,900

The 2024 Medicare Part A premium is $505 per month. All costs are subject to the health care cost trend rates.

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.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

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. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Measurement Year	PERACare Medicare Plans *	PERACare Medicare Plans *	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the DPS HCTF and the HCTF, but developed using a headcount-weighted basis. DPSDTF and SDTF participates in the DPS HCTF and the HCTF (Note 6). All categories of the mortality tables are generationally projected using scale MP-2019.

The pre-retirement mortality assumptions for the DPSDTF were based upon the PubT-2010 Employee Table. Post-retirement non-disabled mortality assumptions for the DPSDTF and SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date 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 costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option. The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation rate based on an experience analysis of recent data.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

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

- Salary increases, including wage inflation for the DPSDTF were 3.90% - 16.80%.
- Salary increases, including wage inflation for the SDTF were 4% - 13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO#1	$ 1,824	$ 6,972
MAPD PPO #2	$ 624	$ 4,524
MAPD HMO (Kaiser)	$ 2,040	$ 7,596

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

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the DPS HCTF and the HCTF using a headcount-weighted basis. Affiliated employers of the DPSDTF and the SDTF participate in the DPS HCTF and the HCTF (Note 6).

- The pre-retirement mortality assumptions for the DPSDTF and the SDTF were based upon the PubG-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the DPSDTF and the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board of Director's actuary.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three-to-five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the PERA Board of Director's meetings on November 15, 2019, and the September 20, 2024.

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

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

Discount rate - The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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, 2024, 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS HCTF and the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the DPS HCTF and the HCTF'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% 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%. There was no change in the discount rate from the prior measurement date.

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 for DPS HCTF and the HCTF, respectively, using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ (27,505)	$ (139,831)	$ (25,567)

** For the January 1, 2025, plan year.

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 15,886	$ 16,325	$ 16,823

** For the January 1, 2025, plan year.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability (DPS HCTF)	$ 10,746	$ (139,831)	$ (58,016)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability (HCTF)	$ 20,007	$ 16,325	$ 13,151

OPEB Plan Fiduciary Net Position - Detailed information about the HCTF's fiduciary net position is available in PERA's separately issued annual comprehensive financial report, which may be obtained at https://www.copera.org/forms-resources/financial-reports-and-studies.

NOTE 7: Commitments and Contingencies

Claims and Judgments

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

NOTE 7: Commitments and Contingencies

Facilities Use Agreement

On July 1, 2020, the Network entered into facilities use agreements with the Denver Public School District (the District) for the Arapahoe Campus facility and the Steele Street Campus facility for the duration of the charter contract. The Network will pay a variable monthly per pupil facility rate times the number of enrolled pupils without a minimum payment. During the fiscal year ended June 30, 2025, the Network paid $665,345 for the use of these facilities.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The Network is subject to the Amendment.

The Amendment is subject to many interpretations, but the Network believes it is in substantial compliance with the Amendment. The Amendment requires the Network to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the Network's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $382,931.

NOTE 8: Risk Management

The Network is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Network carries commercial insurance for all other risks of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial or Network coverages in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 7,518,842	$ 7,783,122	$ 7,783,158	$ 36
Mill Levy Override	-	-	2,623,574	2,623,574
Grants and Donations	2,133,521	3,025,732	633,510	(2,392,222)
Charges for Services	1,425,490	1,426,468	90,810	(1,335,658)
Interest	1,489,008	1,508,869	95,402	(1,413,467)
Other	-	-	165,150	165,150
State Sources				
Grants	851,329	888,875	611,273	(277,602)
Federal Sources				
Grants	400,715	455,264	472,496	17,232
TOTAL REVENUES	13,818,905	15,088,330	12,475,373	(2,612,957)
EXPENDITURES				
Current				
Instruction				
Salaries	3,970,113	4,221,734	4,207,278	14,456
Benefits	1,273,251	1,336,083	1,225,351	110,732
Purchased Services	729,460	738,842	639,467	99,375
Supplies and Materials	435,990	478,990	333,489	145,501
Property	66,078	102,429	67,177	35,252
Total Instruction	6,474,892	6,878,078	6,472,762	405,316
Supporting Services				
Salaries	2,725,096	2,748,241	2,824,517	(76,276)
Benefits	850,622	861,046	774,179	86,867
Purchased Services	3,531,672	4,242,520	2,637,292	1,605,228
Supplies and Materials	326,075	346,075	496,872	(150,797)
Property	8,460	84,220	133,287	(49,067)
Other	78,818	18,799	29,316	(10,517)
Total Supporting Services	7,520,743	8,300,901	6,895,463	1,405,438
Capital Outlay	-	-	541,182	(541,182)
Debt Service				
Principal	-	-	60,525	(60,525)
Interest	-	-	25,225	(25,225)
Total Debt Service	-	-	85,750	(85,750)
TOTAL EXPENDITURES	13,995,635	15,178,979	13,995,157	1,183,822
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(176,730)	(90,649)	(1,519,784)	(1,429,135)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	692,511	541,182	(151,329)
Transfers Out	-	(1,000,000)	-	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	-	(307,489)	541,182	848,671
CHANGE IN FUND BALANCE	(176,730)	(398,138)	(978,602)	(580,464)
FUND BALANCE, Beginning	3,695,909	3,815,627	3,815,627	-
FUND BALANCE, Ending	$ 3,519,179	$ 3,417,489	$ 2,837,025	$ (580,464)

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
Network's Proportion of the Net Pension Liability	0.5127030640%	0.5774710775%	0.3507773361%	0.4537000000%
Network's Proportionate Share of the Net Pension Liability	$ 2,904,319	$ 3,740,303	$ 3,043,797	$ 27,089
State's Proportionate Share of the Net Pension Liability Associated with the Network	515,512	176,928	2,165,688	7,953
Total Proportionate Share of the Net Pension Liability	3,419,831	3,917,231	5,209,485	35,042
Network's Covered Payroll	$ 6,029,292	$ 5,589,885	$ 4,915,359	$ 4,915,359
Network's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	48%	67%	62%	1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89%	87%	82%	75%

FISCAL YEAR	6/30/25	6/30/24	6/30/23	6/30/22
NETWORK CONTRIBUTIONS				
Statutorily Required Contribution	$ 701,590	$ 556,440	$ 517,733	$ 397,220
Contributions in Relation to the Statutorily Required Contribution	(701,590)	(556,440)	(517,733)	(397,220)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Network's Covered Payroll	$ 6,421,439	$ 5,550,274	$ 5,721,483	$ 4,849,126
Contributions as a Percentage of Covered Payroll	10.93%	10.03%	9.05%	8.19%

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
0.5600000000%	0.3896000000%	0.3690000000%	0.5734000000%	0.5885000000%	0.3250000000%
$ 2,519,502	$ 2,567,096	$ 3,774,472	$ 5,140,122	$ 6,447,369	$ 2,705,031
-	1,137,689	1,955,554	-	-	-
2,519,502	3,704,785	5,730,026	5,140,122	6,447,369	2,705,031
$ 4,793,006	$ 4,177,103	$ 4,085,294	$ 3,886,252	$ 2,940,143	$ 2,450,254
53%	61%	92%	132%	219%	110%
67%	65%	57%	44%	43%	59%
6/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16
$ 350,356	$ 268,613	$ 183,626	$ 184,200	$ 153,284	$ 72,890
$ (350,356)	$ (268,613)	$ (183,626)	$ (184,200)	$ (153,284)	$ (72,890)
-	-	-	-	-	-
$ 4,701,052	$ 4,177,104	$ 4,085,294	$ 4,098,045	$ 3,521,844	$ 2,450,254
7.45%	6.43%	4.49%	4.49%	4.35%	2.97%

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR	12/31/24	12/31/23	12/31/22	12/31/21
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY				
Network's Proportion of the Net OPEB Liability	0.6037075326%	0.6048002132%	0.6004690708%	0.5818000000%
Network's Proportionate Share of the Net OPEB Liability (Asset)	$ (139,831)	$ (26,478)	$ 52,775	$ 61,202
Network's Covered Payroll	$ 6,029,292	$ 5,589,885	$ 4,915,359	$ 4,915,359
Network's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	-2%	0%	1%	1%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	-142%	-7%	86%	84%

FISCAL YEAR	6/30/25	6/30/24	6/30/23	6/30/22
NETWORK CONTRIBUTIONS				
Statutorily Required Contribution	$ 65,499	$ 56,613	$ 58,359	$ 49,462
Contributions in Relation to the Statutorily Required Contribution	(65,499)	(56,613)	(58,359)	(49,462)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Network's Covered Payroll	$ 6,421,439	$ 5,550,274	$ 5,721,483	$ 4,849,126
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
0.5600000000%	0.5623000000%	0.5602000000%	0.5718000000%	0.5886000000%
$ 128,198	$ 207,131	$ 253,022	$ 291,393	$ 320,819
$ 4,793,006	$ 4,177,103	$ 4,085,294	$ 3,886,252	$ 2,940,143
3%	5%	6%	7%	11%
65%	47%	35%	30%	25%

6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
$ 47,951	$ 42,607	$ 41,670	$ 41,800	$ 35,923
(47,951)	(42,607)	(41,670)	(41,800)	(35,923)
$ -	$ -	$ -	$ -	$ -
$ 4,701,052	$ 4,177,104	$ 4,085,294	$ 4,098,045	$ 3,521,844
1.02%	1.02%	1.02%	1.02%	1.02%

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO
SCHOOL DIVISION TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR		12/31/24
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
Network's Proportion of the Net Pension Liability		0.0053324842%
Network's Proportionate Share of the Net Pension Liability	$	920,115
State's Proportionate Share of the Net Pension Liability Associated with the Network		82,641
Total Proportionate Share of the Net Pension Liability		1,002,756
Network's Covered Payroll (Annualized)	$	412,066
Network's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll		223%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		67%
FISCAL YEAR		6/30/25
NETWORK CONTRIBUTIONS		
Statutorily Required Contribution	$	84,821
Contributions in Relation to the Statutorily Required Contribution		(84,821)
Contribution Deficiency (Excess)	$	-
Network's Covered Payroll	$	416,197
Contributions as a Percentage of Covered Payroll		20.38%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

UNIVERSITY PREPARATORY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
SCHOOL DIVISION TRUST FUND
Year Ended June 30, 2025

MEASUREMENT YEAR		12/31/24
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY		
Network's Proportion of the Net OPEB Liability		0.0034141633%
Network's Proportionate Share of the Net OPEB Liability (Asset)	$	16,325
Network's Covered Payroll (Annualized)	$	412,066
Network's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll		4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)		60%
FISCAL YEAR		6/30/25
NETWORK CONTRIBUTIONS		
Statutorily Required Contribution	$	4,263
Contributions in Relation to the Statutorily Required Contribution		(4,263)
Contribution Deficiency (Excess)	$	-
Network's Covered Payroll	$	417,984
Contributions as a Percentage of Covered Payroll		1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The Network adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Prior to June 30, the budget is adopted by the Board of Directors.
- Expenditures may not legally exceed budget appropriations at the fund level. Revisions that alter the total expenditures of the General Fund must be approved by the Board of Directors.
- All appropriations lapse at fiscal year-end.

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

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

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

Actual employer contributions to the DPS Division are reduced by amount equal to the principal payments plus interest necessary to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

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

As of the December 31, 2024, measurement date, the fiduciary net position, and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: https://copera.org/forms-resources/financial-reports-and-studies.

NOTE 3: Changes in Assumptions and Other Inputs

DPSTDF and SDTF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

SB 25-310 was enacted on June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500 million on or after July 1, 2025, and before October 1, 2025. These dollars will be proportioned over time to replace reductions to the future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

DPS HCTF and HCTF Plans – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups. Participation rates were reduced. MAPD premium costs are no longer age graded.

HB 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the base employer contribution rate for the DPSDTF by 3.0% of salary, from 10.4% to 7.4%, and reduces the allocated employer contribution to the DPS HCTF by 0.82% of salary, from 1.02% to 0.20%.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: https://copera.org/forms-resources/financial-reports-and-studies.

SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCHOOLS
COMBINING BALANCE SHEET BY CAMPUS
June 30, 2025

	GENERAL FUND					TOTAL	
	DPS HOME OFFICE	CSI HOME OFFICE	ARAPAHOE ST. CAMPUS	STEELE ST. CAMPUS	COMMERCE CITY	2025	2024
ASSETS							
Cash and Investments	$ 81,176	$ 3,011	$ 692,065	$ 2,115,808	$ 11,419	$ 2,903,479	$ 3,897,482
Accounts Receivable	1,929	72	-	7,731	-	9,732	2,000
Grants Receivable	-	-	4,533	5,372	1,874	11,779	12,694
Receivable from Schools/Home Office	798,909	29,635	450,000	900,000	-	2,178,544	1,155,328
Inventories	-	-	35,217	13,653	-	48,870	38,149
Prepaid Expenditures	-	-	24,580	17,741	12,488	54,809	132,747
Deposits	723	27	-	-	9,667	10,417	9,667
TOTAL ASSETS	$ 882,737	$ 32,745	$ 1,206,395	$ 3,060,305	$ 35,448	$ 5,217,630	$ 5,248,067
LIABLITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 124,737	$ 4,627	$ 143	$ 143	$ 3,588	$ 133,238	$ 275,093
Accrued Liabilities	66,361	2,462	-	-	-	68,823	2,019
Payable to Schools/Home Office	1,301,714	48,286	403,195	424,451	898	2,178,544	1,155,328
TOTAL LIABILITIES	1,492,812	55,375	403,338	424,594	4,486	2,380,605	1,432,440
FUND BALANCES							
Nonspendable							
Prepaid Expenditures	-	-	24,580	17,741	12,488	54,809	132,747
Inventory	-	-	35,217	13,653	-	48,870	38,149
Deposits	723	27	-	-	9,667	10,417	9,667
Restricted for:							
Emergencies	37,903	1,406	162,360	173,762	7,500	382,931	369,430
Capital Projects	-	-	144,318	125,171	-	269,489	70,828
Unassigned	(648,701)	(24,063)	436,582	2,305,384	1,307	2,070,509	3,194,806
TOTAL FUND BALANCES	(610,075)	(22,630)	803,057	2,635,711	30,962	2,837,025	3,815,627
TOTAL LIABILITIES AND FUND BALANCES	$ 882,737	$ 32,745	$ 1,206,395	$ 3,060,305	$ 35,448	$ 5,217,630	$ 5,248,067

UNIVERSITY PREPARATORY SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BY SCHOOL CAMPUS

Year Ended June 30, 2025

	GENERAL FUND					TOTAL	
	DPS HOME OFFICE	CSI HOME OFFICE	ARAPAHOE ST. CAMPUS	STEELE ST. CAMPUS	COMMERCE CITY	2025	2024
REVENUES							
Local Sources	$ 1,244,155	$ 46,151	$ 5,244,476	$ 5,600,494	$ 480,057	$ 12,615,333	$ 12,162,921
State Sources	15,974	-	164,950	196,550	233,799	611,273	275,194
Federal Sources	-	-	207,970	247,978	16,548	472,496	761,956
TOTAL REVENUES	1,260,129	46,151	5,617,396	6,045,022	730,404	13,699,102	13,200,071
EXPENDITURES							
Current							
Instruction	36,504	1,354	3,230,731	2,847,473	356,700	6,472,762	5,454,291
Supporting Services	1,675,520	61,560	2,620,578	3,266,703	494,831	8,119,192	9,083,026
Capital Outlay	-	-	-	-	541,182	541,182	-
Debt Service	-	-					
Principal	-	-	-	-	60,525	60,525	-
Interest	-	-	-	-	25,225	25,225	-
TOTAL EXPENDITURES	1,712,024	62,914	5,851,309	6,114,176	1,478,463	15,218,886	14,537,317
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(451,895)	(16,763)	(233,913)	(69,154)	(748,059)	(1,519,784)	(1,337,246)
OTHER FINANCING SOURCES (USES)							
Lease Proceeds	-	-	-	-	541,182	541,182	-
Transfers In	-	-	-	-	1,000,000	1,000,000	-
Transfers Out	(964,232)	(35,768)	-	-	-	(1,000,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(964,232)	(35,768)	-	-	1,541,182	541,182	-
CHANGE IN FUND BALANCES	(1,416,127)	(52,531)	(233,913)	(69,154)	793,123	(978,602)	(1,337,246)
FUND BALANCES, Beginning	806,052	29,901	1,036,970	2,704,865	(762,161)	3,815,627	5,152,873
FUND BALANCES, Ending	$ (610,075)	$ (22,630)	$ 803,057	$ 2,635,711	$ 30,962	$ 2,837,025	$ 3,815,627

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARAPAHOE CAMPUS
Year Ended June 30, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 3,449,925	$ 3,688,736	$ 3,688,773	$ 37
Mill Levy Override	-	-	1,271,180	1,271,180
Grants and Donations	1,583,521	1,626,399	103,388	(1,523,011)
Charges for Services	-	-	10,655	10,655
Interest	-	-	38,705	38,705
Other	-	-	131,775	131,775
State Sources				
Grants	225,486	256,822	164,950	(91,872)
Federal Sources				
Grants	195,294	204,990	207,970	2,980
TOTAL REVENUES	5,454,226	5,776,947	5,617,396	(159,551)
EXPENDITURES				
Current				
Instruction				
Salaries	1,840,344	2,020,173	2,132,323	(112,150)
Benefits	590,242	640,086	616,096	23,990
Purchased Services	354,766	363,971	308,863	55,108
Supplies and Materials	157,889	180,889	145,493	35,396
Property	30,539	34,452	27,956	6,496
Total Instruction	2,973,780	3,239,571	3,230,731	8,840
Supporting Services				
Salaries	676,285	726,390	656,342	70,048
Benefits	216,900	230,155	177,638	52,517
Purchased Services	1,401,271	1,520,730	1,589,894	(69,164)
Supplies and Materials	154,834	154,834	182,485	(27,651)
Property	-	-	9,013	(9,013)
Other	3,724	5,219	5,206	13
Total Supporting Services	2,453,014	2,637,328	2,620,578	16,750
TOTAL EXPENDITURES	5,426,794	5,876,899	5,851,309	25,590
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	27,432	(99,952)	(233,913)	(133,961)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	50,000	-	(50,000)
CHANGE IN FUND BALANCE	27,432	(49,952)	(233,913)	(183,961)
FUND BALANCE, Beginning	1,045,249	1,036,970	1,036,970	-
FUND BALANCE, Ending	$ 1,072,681	$ 987,018	$ 803,057	$ (183,961)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - STEELE CAMPUS
Year Ended June 30, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 4,068,917	$ 4,094,386	$ 4,094,385	$ (1)
Mill Levy Override	-	-	1,352,394	1,352,394
Grants and Donations	-	-	10,388	10,388
Charges for Services	-	-	11,904	11,904
Interest	1,489,008	1,508,869	56,697	(1,452,172)
Other	-	-	74,726	74,726
State Sources				
Grants	300,926	324,720	196,550	(128,170)
Federal Sources				
Grants	205,421	245,564	247,978	2,414
TOTAL REVENUES	6,064,272	6,173,539	6,045,022	(128,517)
EXPENDITURES				
Current				
Instruction				
Salaries	1,953,769	2,031,724	1,843,193	188,531
Benefits	623,315	635,305	535,721	99,584
Purchased Services	374,599	374,776	312,758	62,018
Supplies and Materials	207,889	227,889	131,342	96,547
Property	30,539	25,439	24,459	980
Total Instruction	3,190,111	3,295,133	2,847,473	447,660
Supporting Services				
Salaries	862,523	861,523	1,045,925	(184,402)
Benefits	275,172	269,391	293,624	(24,233)
Purchased Services	1,556,534	1,625,966	1,719,557	(93,591)
Supplies and Materials	104,834	104,834	197,533	(92,699)
Property	-	-	-	-
Other	66,321	5,287	10,064	(4,777)
Total Supporting Services	2,865,384	2,867,001	3,266,703	(399,702)
Capital Outlay	-	-	120	(120)
TOTAL EXPENDITURES	6,055,495	6,162,134	6,114,176	47,838
CHANGE IN FUND BALANCE	8,777	11,405	(69,154)	(80,559)
FUND BALANCE, Beginning	2,775,927	2,704,865	2,704,865	-
FUND BALANCE, Ending	$ 2,784,704	$ 2,716,270	$ 2,635,711	$ (80,559)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - COMMERCE CITY CAMPUS
Year Ended June 30, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Grants and Donations	$ 550,000	$ 1,399,333	$ 466,309	$ (933,024)
Charges for Services	-	-	13,748	13,748
State Sources				
Grants	278,255	262,164	233,799	(28,365)
Federal Sources				
Grants	-	4,710	16,548	11,838
TOTAL REVENUES	828,255	1,666,207	730,404	(935,803)
EXPENDITURES				
Current				
Instruction				
Salaries	176,000	169,837	231,762	(61,925)
Benefits	59,694	60,692	73,534	(12,842)
Purchased Services	-	-	9,520	(9,520)
Supplies and Materials	59,507	59,507	27,122	32,385
Property	5,000	42,538	14,762	27,776
Total Instruction	300,201	332,574	356,700	(24,126)
Supporting Services				
Salaries	239,793	244,117	193,507	50,610
Benefits	81,330	87,236	57,922	29,314
Purchased Services	221,999	720,162	68,331	651,831
Supplies and Materials	15,100	15,100	50,366	(35,266)
Property	5,000	80,760	124,154	(43,394)
Other	7,733	7,253	551	6,702
Total Supporting Services	570,955	1,154,628	494,831	659,797
Capital Outlay	-	-	541,182	(541,182)
Debt Service				
Principal Payments	-	-	60,525	(60,525)
Interest Paymemts	-	-	25,225	(25,225)
Total Debt Service	-	-	85,750	(85,750)
TOTAL EXPENDITURES	871,156	1,487,202	1,478,463	8,739
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(42,901)	179,005	(748,059)	(927,064)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	692,511	541,182	(151,329)
Transfers In	-	-	1,000,000	1,000,000
TOTAL OTHER FINANCING SOURCES (USES)	-	692,511	1,541,182	848,671
CHANGE IN FUND BALANCE	(42,901)	871,516	793,123	(78,393)
FUND BALANCE, Beginning	186,760	(762,161)	(762,161)	-
FUND BALANCE, Ending	$ 143,859	$ 109,355	$ 30,962	$ (78,393)

UNIVERSITY PREPARATORY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - HOME OFFICE
Year Ended June 30, 2025

	BUDGET			VARIANCE Positive
	ORIGINAL	FINAL	ACTUAL	(Negative)
REVENUES				
Local Sources				
Grants and Donations	$ -	$ -	$ 53,425	$ 53,425
Charges for Services	1,425,490	1,426,468	1,236,881	(189,587)
State Sources				
Grants	46,662	45,169	15,974	(29,195)
TOTAL REVENUES	1,472,152	1,471,637	1,306,280	(165,357)
EXPENDITURES				
Current				
Instruction				
Purchased Services	95	95	8,326	(8,231)
Supplies and Materials	10,705	10,705	29,532	(18,827)
Total Instruction	10,800	10,800	37,858	(27,058)
Supporting Services				
Salaries	946,495	916,211	928,743	(12,532)
Benefits	277,220	274,264	244,995	29,269
Purchased Services	351,868	375,662	483,239	(107,577)
Supplies and Materials	51,307	71,307	66,488	4,819
Property	3,460	3,460	120	3,340
Other	1,040	1,040	13,495	(12,455)
Total Supporting Services	1,631,390	1,641,944	1,737,080	(95,136)
TOTAL EXPENDITURES	1,642,190	1,652,744	1,774,938	(122,194)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(170,038)	(181,107)	(468,658)	(287,551)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(1,000,000)	(1,000,000)	-
CHANGE IN FUND BALANCE	(170,038)	(1,181,107)	(1,468,658)	(287,551)
FUND BALANCE, Beginning	(312,027)	835,953	835,953	-
FUND BALANCE, Ending	$ (482,065)	$ (345,154)	$ (632,705)	$ (287,551)

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF NET POSITION BY CHARTER SCHOOL AUTHORIZER
(FULL ACCRUAL BASIS)
June 30, 2025

	DPS SCHOOLS	CSI SCHOOL	TOTAL
ASSETS			
Cash and Investments	$ 2,889,049	$ 14,430	$ 2,903,479
Accounts Receivable	9,660	72	9,732
Grants Receivable	9,905	1,874	11,779
Inventories	48,870	-	48,870
Prepaid Expenses	42,321	12,488	54,809
Deposit	723	9,694	10,417
Due From (To) Home Office	19,549	(19,549)	-
Capital Assets, *Net of Accumulated Depreciation*	705,545	449,715	1,155,260
Net OPEB Asset	139,831	(16,325)	123,506
TOTAL ASSETS	3,865,453	452,399	4,317,852
DEFERRED OUTFLOWS OF RESOURCES			
Pensions, *Net of Accumulated Amortization*	2,522,978	468,310	2,991,288
OPEB, *Net of Accumulated Amortization*	40,076	53,207	93,283
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,563,054	521,517	3,084,571
LIABILITIES			
Accounts Payable	125,023	8,215	133,238
Accrued Liabilities	66,361	2,462	68,823
Noncurrent Liabilities			
Due Within One Year	-	86,616	86,616
Due in More Than One Year	-	394,041	394,041
Net Pension Liability	2,904,319	920,115	3,824,434
TOTAL LIABILITIES	3,095,703	1,411,449	4,507,152
DEFERRED INFLOWS OF RESOURCES			
Pensions, *Net of Accumulated Amortization*	11,863	-	11,863
OPEB, *Net of Accumulated Amortization*	88,127	8,819	96,946
TOTAL DEFERRED INFLOWS OF RESOURCES	99,990	8,819	108,809
NET POSITION			
Net Investment in Capital Assets	705,545	(30,942)	674,603
Restricted for:			
Emergencies	382,931	-	382,931
Capital Projects	269,489	-	269,489
Unrestricted	1,874,849	(415,410)	1,459,439
TOTAL NET POSITION	$ 3,232,814	$ (446,352)	$ 2,786,462

UNIVERSITY PREPARATORY SCHOOLS
STATEMENT OF CHANGES IN NET POSITION BY CHARTER SCHOOL AUTHORIZER
(FULL ACCRUAL BASIS)
Year Ended June 30, 2025

	DPS SCHOOLS	CSI SCHOOL	TOTAL
REVENUES			
Per Pupil Revenue	$ 7,783,158	$ -	$ 7,783,158
Mill Levy Override	2,623,574	-	2,623,574
Charges for Services	77,062	13,748	90,810
Operating Grants and Contributions	954,472	762,807	1,717,279
Interest	95,402	-	95,402
Other	165,150	-	165,150
TOTAL REVENUES	11,698,818	776,555	12,475,373
EXPENSES			
Instruction	5,423,576	505,746	5,929,322
Supporting Services	5,550,229	747,009	6,297,238
Interest	-	25,225	25,225
TOTAL EXPENSES	10,973,805	1,277,980	12,251,785
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	725,013	(501,425)	223,588
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,000,000	1,000,000
Transfers Out	(964,232)	(35,768)	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	(964,232)	964,232	-
CHANGE IN NET POSITION	(239,219)	462,807	223,588
NET POSITION, Beginning	3,472,033	(909,159)	2,562,874
NET POSITION, Ending	$ 3,232,814	$ (446,352)	$ 2,786,462