Montessori del Mundo

Financial Statements
with Independent Auditor's Report

June 30, 2024

HINKLE & COMPANY PC
Strategic Business Advisors

Montessori del Mundo

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Directors
Montessori del Mundo
Aurora, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the General fund of Montessori del Mundo (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the General fund of the School, as of June 30, 2024, 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 for 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 School 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 the 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 School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 School'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 required supplementary information listed in the table of contents, such as management's discussion and analysis and budgetary comparison information as noted 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hinkle & Company, P.C.

Englewood, Colorado
October 14, 2024

Montessori del Mundo

Management's Discussion and Analysis
June 30, 2024

As management of Montessori del Mundo (MDM or the School), we offer readers of Montessori del Mundo's basic financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the accompanying financial statements.

Financial Highlights

The year ended June 30, 2024 is the tenth year of operations for MDM. As of June 30, 2024, net position increased by $45,759 to $(2,453,692). Montessori del Mundo's governmental fund reported an ending fund balance of $1,070,171, an increase of $88,791 from the prior year.

The operations of the School 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 $3,093,336.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

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

The statement of net position presents information on the School'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 School supported primarily by Per Pupil Revenue or other revenues passed through from the School's authorizer (Colorado Charter School Institute). The governmental activities of MDM 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 School 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 School'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 School maintains one governmental fund and adopts an annually appropriated budget for the fund. A budgetary comparison schedule is included to demonstrate that spending did not exceed the budget.

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 School's financial position. For the fiscal year ended June 30, 2024, MDM's net position was $(2,453,692). This position includes a net pension liability in the amount of $4,259,037, representing the School's proportionate share of the School Division Trust Fund pension liability, administered by the Public Employees' Retirement Association of Colorado (PERA). The School reports this net pension liability, and associated deferred inflows and outflows of resources, as required by GASB (Governmental Accounting Standards Board) 68. The School's net position also includes a net OPEB (Other Post-Employment Benefits) liability in the amount of $102,839, representing the School's proportionate share of the defined benefit Health Care Trust Fund, administered by PERA. The School reports this net OPEB liability, and associated deferred inflows and outflows of resources, as requirement by GASB 75. More information regarding the net pension and OPEB liabilities may be found in the notes to the financial statements.

Of the School's total net position, $379,940 is invested in capital assets, $150,900 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment, and $5,225 is restricted for capital outlay.

Montessori del Mundo's Net Position

	2023-2024	2022-2023 (Restated)
ASSETS		
Cash	$ 1,356,908	$ 1,148,345
Restricted Cash	5,225	5,225
Accounts Receivable	76,901	49,279
Grants Receivable	61,032	181,690
Prepaid Expenses	66,874	33,257
Deposits	10,000	10,000
Capital Assets, Net of Accumulated Dep and Amort	1,839,077	2,105,781
TOTAL ASSETS	3,416,017	3,533,577
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	901,338	813,514
OPEB, Net of Accumulated Amortization	62,146	62,231
TOTAL DEFERRED OUTFLOWS OF RESOURCES	963,484	875,745
LIABILITIES		
Accounts Payable	105,798	239,933
Accrued Liabilities	724	7,467
Accrued Salaries and Benefits	208,251	183,990
Unearned Revenues	191,996	15,026
Noncurrent Liabilities		
Due within One Year	175,593	5,954
Due in More Than One Year	1,611,001	1,941,767
Net Pension Liability	4,259,037	3,966,696
Net OPEB Liability	102,839	135,116
TOTAL LIABILITIES	6,655,239	6,495,949
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	130,813	364,360
OPEB, Net of Accumulated Amortization	47,141	48,464
TOTAL DEFERRED INFLOWS OF RESOURCES	177,954	412,824
NET POSITION		
Net Investment in Capital Assets	379,940	2,099,827
Restricted for Capital Outlay	5,225	5,225
Restricted for Emergencies	150,900	118,000
Unrestricted	(2,989,757)	(4,722,503)
TOTAL NET POSITION	$ (2,453,692)	$ (2,499,451)

Montessori del Mundo's Change in Net Position

	2023-2024	2022-2023 (Restated)
REVENUES		
Per Pupil Revenue	$ 3,093,336	$ 2,690,981
Mill Levy Funding	384,089	232,230
Additional At-Risk Funding	2,520	1,322
Capital Construction	107,173	97,730
Charges for Services	118,122	199,483
Operating Grants and Contributions	1,552,894	1,337,619
Investment Income	18,408	-
Other	57,431	21,083
TOTAL REVENUE	5,333,973	4,580,448
EXPENSES		
Instruction	3,058,431	3,026,084
Support Services	2,095,357	2,567,143
Interest on Long-Term Debt	134,426	1,245
TOTAL EXPENSES	5,288,214	5,594,472
CHANGE IN NET POSITION	45,759	(1,014,024)
NET POSITION, Beginning	(2,499,451)	(1,485,427)
NET POSITION, Ending	$ (2,453,692)	$ (2,499,451)

Financial Analysis of the Government's Fund

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

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

As of the end of the current fiscal year, the School's General Fund reported an ending fund balance of $1,070,171, an increase of $88,791 from the prior year.

General Fund Budgetary Highlights

MDM recognized $189,709 less revenue than expected and spent $274,531 less than planned, 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.

Capital Assets & Long-Term Debt

The School has invested in capital assets for equipment and leasehold improvements to the School's educational facility, as well as a right-to-use facility lease. Depreciation and amortization expenses for capital assets are booked under the supporting services program of the School's operations. More information regarding capital assets may be found in Note 3 to the financial statements.

The School has long-term debt in the form of right-to-use facility lease liability. In FY 2015-2016 the School entered into a loan agreement with the Charter Schools Development Corporation (CSDC) to finance improvements to the School's educational facility. The School refinanced the loan in August 2021 and it matured in FY 2023-2024. More information regarding long-term debt may be found in Note 4 to the financial statements.

Economic Factors and Next Year's Budget

The primary factor driving the budget for Montessori del Mundo is student enrollment. Enrollment for the 2023-2024 school year was 268.00 funded students and 357.00 enrolled students. Enrollment projected for 2024-2025 is 285.00 funded students and 385.00 enrolled students. These factors were considered when preparing MDM's budget for 2024-2025.

Requests for Information

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

Montessori del Mundo
15503 E Mississippi Avenue
Aurora, CO 80017

Basic Financial Statements

Montessori del Mundo
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash	$ 1,356,908
Restricted Cash	5,225
Accounts Receivable	76,901
Grants Receivable	61,032
Prepaid Expenses	66,874
Deposits	10,000
Capital Assets, *Net of Accumulated Depreciation*	1,839,077
Total Assets	3,416,017
Deferred Outflows of Resources	
Pensions, *Net of Accumulated Amortization*	901,338
OPEB, *Net of Accumulated Amortization*	62,146
Total Deferred Outflows of Resources	963,484
Liabilities	
Accounts Payable	105,798
Accrued Liabilities	724
Accrued Salaries and Benefits	208,251
Unearned Revenues	191,996
Noncurrent Liabilities	
Due Within One Year	175,593
Due in More Than One Year	1,611,001
Net Pension Liability	4,259,037
Net OPEB Liability	102,839
Total Liabilities	6,655,239
Deferred Inflows of Resources	
Pensions, *Net of Accumulated Amortization*	130,813
OPEB, *Net of Accumulated Amortization*	47,141
Total Deferred Inflows of Resources	177,954
Net Position	
Net Investment in Capital Assets	379,940
Restricted for:	
Capital Outlay	5,225
Emergencies	150,900
Unrestricted	(2,989,757)
Total Net Position	$ (2,453,692)

See Notes to the Financial Statements.

Montessori del Mundo
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Primary Government				
Governmental Activities				
Instruction	$ 3,058,431	$ 118,122	$ 1,279,913	$ (1,660,396)
Supporting Services	2,095,357	-	272,981	(1,822,376)
Interest on Long-Term Debt	134,426	-	-	(134,426)
Total Primary Government	$ 5,288,214	$ 118,122	$ 1,552,894	(3,617,198)
General Revenues				
Per Pupil Revenue				3,093,336
Mill Levy Funding				384,089
Additional At-Risk Funding				2,520
Capital Construction				107,173
Investment Income				18,408
Other				57,431
Total General Revenues				3,662,957
Change in Net Position				45,759
Net Position, *Beginning of Year*				(2,499,451)
Net Position, *End of Year*				$ (2,453,692)

See Notes to the Financial Statements.

Montessori del Mundo
Balance Sheet
Governmental Fund
June 30, 2024

	General
Assets	
Cash	$ 1,356,908
Restricted Cash	5,225
Accounts Receivable	76,901
Grants Receivable	61,032
Prepaid Expenses	66,874
Deposits	10,000
Total Assets	$ 1,576,940
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	$ 105,798
Accrued Liabilities	724
Accrued Salaries and Benefits	208,251
Unearned Revenues	191,996
Total Liabilities	506,769
Fund Balance	
Nonspendable	
Prepaid Expenses	66,874
Deposits	10,000
Restricted for:	
Capital Outlay	5,225
Emergencies	150,900
Assigned for Special Education	26,800
Unrestricted, Unassigned	810,372
Total Fund Balance	1,070,171
Total Liabilities and Fund Balance	$ 1,576,940
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Total Fund Balance of the Governmental Fund	$ 1,070,171
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	1,839,077
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Right-to-use Building Lease	(1,786,594)
Net pension liability	(4,259,037)
Pension-related deferred outflows of resources	901,338
Pension-related deferred inflows of resources	(130,813)
Net OPEB liability	(102,839)
OPEB-related deferred outflows of resources	62,146
OPEB-related deferred inflows of resources	(47,141)
Total Net Position of Governmental Activities	$ (2,453,692)

See Notes to the Financial Statements.

Montessori del Mundo

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2024

	General
Revenues	
Local Sources	$ 362,301
State Sources	4,670,896
Federal Sources	299,149
Total Revenues	5,332,346
Expenditures	
Instruction	3,106,557
Supporting Services	1,841,445
Debt Service	
Principal	161,127
Interest	134,426
Total Expenditures	5,243,555
Net Change in Fund Balance	88,791
Fund Balance, *Beginning of Year*	981,380
Fund Balance, *End of Year*	$ 1,070,171

See Notes to the Financial Statements.

Montessori del Mundo

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Change in Fund Balance of the Governmental Fund	$	88,791
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 or amortization expense.		
Capital Outlay		35,722
Depreciation and Amortization Expense		(302,426)
Repayment of 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.		
Loan Principal Repayment		5,954
Right-to-use Lease Principal Repayment		155,173
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 changes in the following:		
Net pension liability		(292,341)
Pension-related deferred outflows of resources		87,824
Pension-related deferred inflows of resources		233,547
Net OPEB liability		32,277
OPEB-related deferred outflows of resources		(85)
OPEB-related deferred inflows of resources		1,323
Change in Net Position of Governmental Activities	$	45,759

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Montessori del Mundo (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school. Effective July 1, 2021, the School entered into an extension with the Colorado Charter School Institute (the Institute) to authorize the School for an additional term of three years, through June 30, 2024. The School began operations in the Fall of 2014.

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

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the School. Legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the School.

The School includes the Montessori del Mundo Building Corporation (the Corporation) within its reporting entity. The Corporation is a non-profit entity organized for the exclusive purpose of acquiring, leasing, constructing, improving, equipping, and financing various facilities, land, equipment, and other improvements in connection with the property leased to the School. The Corporation has no financial balances or transactions outside of those reported by the School, and therefore, is not reported separately in the financial statements. The Corporation does not issue separate financial statements.

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 School. *Governmental activities*, which normally 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 others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted revenues not properly included among program revenues are reported instead as *general revenues*.

Major individual funds are reported as separate columns in the fund financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current year. 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 cash is received by the School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The School reports the following major governmental fund:

General Fund - This fund is the general operating fund of the School. It is currently used to account for all financial activities of the School.

Assets, Liabilities and Net Position/Fund Balance

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

Deposits - The School has provided a security deposit for an operating lease (See Note 4).

Capital Assets - Capital assets 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Capital assets are amortized or depreciated using the straight-line method over the life of the related lease agreement or the estimated useful lives, as follows:

Equipment	10 years
Leasehold Improvements	10 years

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

Unearned Revenues - Unearned revenues include grants received before eligibility requirements established by the provider have been met.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs are reported as current expenses or expenditures.

Pensions - The School participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP), and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

The School 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 School uses restricted fund balance first, followed by committed, assigned and unassigned balances.

New Accounting Pronouncements

GASB Statement No. 87, Leases, was issued June 2017 and improves accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The School retroactively adopted GASB 87 for the June 30, 2024 reporting year.

The Statement of Net Position as of June 30, 2023 has been restated to reflect the implementation of GASB 87. The effect of the restatement is as follows:

Statement of Net Position	As Originally Stated Balance 6/30/23	Right-to-use Right-to-use Adjustments	As Restated Balance 6/30/23
Assets	$ 1,868,444	$ 1,665,133	$ 3,533,577
Liabilities	$ 4,554,182	$ 1,941,767	$ 6,495,949
Net Position	$ (2,222,817)	$ (276,634)	$ (2,499,451)

Risk Management

The School is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; injuries to employees; and natural disasters. The School carries commercial insurance for these risks of loss.

Subsequent Events

The School has evaluated subsequent events through October 14, 2024, the date the financial statements were available to be issued.

Note 2: Cash and Investments

The School's cash at June 30, 2024, consisted of the following:

Bank Deposits	$	237,970
Cash Held by Third Parties		5,225
Investments		1,118,408
Petty Cash		530
Total	$	1,362,133

Cash is reported in the financial statements as follows:

Cash	$	1,356,908
Restricted Cash		5,225
Total	$	1,362,133

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all 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 financial institution is allowed 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, 2024, the School did not have any uninsured bank deposits.

Investments

The School 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.

- 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

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Interest Rate Risk - State statutes generally limit the maturity of investment securities to 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 certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

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

The School has no investments at June 30, 2024.

Local Government Investment Pools

The District had invested $1,118,408 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Restricted Cash

At June 30, 2024, the Charter Schools Development Corporation held School deposits of $5,225, which are restricted for capital outlay as specified by the related loan agreement (See Note 4).

Note 3: Capital Assets

Capital asset activity for the year ended June 30, 2024, is summarized below.

	Balance 6/30/23	Additions	Deletions	Balance 6/30/24
Capital Assets, *Being Depreciated*				
Right-to-use Lease - Building	$ 2,265,954	$ -	$ -	$ 2,265,954
Leasehold Improvements	897,303	35,722	-	933,025
Equipment	11,805	-	-	11,805
Total Capital Assets, *Being Depreciated*	3,175,062	35,722	-	3,210,784
Less: Accumulated Depreciation and Amortization				
Right-to-use Lease - Building	(600,821)	(205,996)	-	(806,817)
Leasehold Improvements	(465,237)	(95,249)	-	(560,486)
Equipment	(3,223)	(1,181)	-	(4,404)
Accumulated Depreciation	(1,069,281)	(302,426)	-	(1,371,707)
Total Capital Assets, *Being Depreciated*	$ 2,105,781	$ (266,704)	$ -	$ 1,839,077

Depreciation and amortization expense was charged to the supporting services program.

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2024.

Governmental Activities	Balance 6/30/23	Additions	Payments	Balance 6/30/24	Due Within One Year
CSDC Loan	$ 5,954	$ -	$ (5,954)	$ -	$ -
Right-to-use Building Lease	1,941,767	-	(155,173)	1,786,594	175,593
	$ 1,947,721	$ -	$ (161,127)	$ 1,786,594	$ 175,593

In November 2015, the School entered into a loan agreement with the Charter Schools Development Corporation (CSDC) in the amount of $300,000. Loan proceeds were used for improvements to the School's facilities. In addition, the School deposited $112,927 with CSDC to supplement the project. The loan bears interest at 7% per annum. Monthly principal and interest payments of $3,483 commenced on September 30, 2016, the loan was refinanced during fiscal year 2022 and matured in fiscal year 2024.

On June 19, 2013, the Corporation entered into an agreement to lease an educational facility and simultaneously approved a sublease agreement with the School to use the facilities. The lease agreement was modified on April 19, 2018, and requires monthly payments ranging from $19,956 to $26,819 per month, beginning on August 1, 2018, through July 31, 2031.

Note 4: Long-Term Debt (Continued)

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 175,593	$ 119,597	$ 295,190
2026	197,415	106,620	304,035
2027	221,102	92,056	313,158
2028	246,585	75,973	322,558
2029	274,600	57,637	332,237
2030-2032	671,299	41,028	712,327
Total	$ 1,786,594	$ 492,911	$ 2,279,505

A security deposit of $10,000 was required by the lease agreement and is reported as a deposit in the financial statements. In addition, the lease agreement requires monthly common area maintenance payments. Beginning on August 1, 2018, the required monthly payments are $19,955. For the year ended June 30, 2024, the School paid $22,878 for maintenance of the common area.

Note 5: Defined Benefit Pension Plan

General Information

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

Benefits provided as of December 31, 2023 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- $15 times the first 10 years of service credit plus $20 times 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 percent of highest average salary and cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum of 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) in place under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Note 5: Defined Benefit Pension Plan (Continued)

General Information *(Continued)*

Contributions provisions as of June 30, 2024 - Eligible employees of the School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2023 through June 30, 2024. The School's contribution rate was 21.40% of covered salaries for July 01, 2023 through June 30, 2024. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 6). Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $312,275 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225 million plus an additional amount of $380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to $35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of $14.561 million for 2023 only.

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

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

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)*

At June 30, 2024, the School reported a liability of $4,259,037 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

Proportionate share of net pension liability	$	4,352,425
State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School		(93,388)
School proportionate share of the net pension liability	$	4,259,037

At December 31, 2023, the School's proportion was 0.0240849133%, which was an increase of 0.0023012111% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of $270,636 and benefit of $8,742 for support from the State as a nonemployer contributing entity. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	201,961	$	-
Net difference between projected and actual earnings on plan investments		305,306		-
Changes in proportion		245,845		130,813
Contributions subsequent to the measurement date		148,226		-
Total	$	901,338	$	130,813

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)*

$148,226 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the 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:

Year Ended June 30,		
2025	$	87,033
2026		300,422
2027		319,972
2028		(85,128)
Total	$	622,299

Actuarial Assumptions - The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-employment benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by AIR

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

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

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

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

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)*

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

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Note 5: Defined Benefit Pension Plan (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made in the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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.

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)*

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension 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 pension liability	$ 5,695,041	$ 4,259,037	$ 3,061,583

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

Note 6: Postemployment Healthcare Benefits (OPEB)

General Information

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information *(Continued)*

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

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

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

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information *(Continued)*

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were $15,629, for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of $102,839 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the TOL to December 31, 2023. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the School's proportion was 0.0144087395% which was an increase of 0.0021398897% from its proportion measured at December 31, 2022.

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

For the year ended June 30, 2024, the School recognized OPEB expense of $12,337. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 21,082
Changes of assumptions and other inputs	1,204	10,903
Net difference between projected and actual earnings on plan investments	3,178	-
Changes in proportion	50,345	15,156
Contributions subsequent to the measurement date	7,419	-
Total	$ 62,146	$ 47,141

$7,419 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported 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,	
2025	$ 1,668
2026	7,820
2027	4,086
2028	(1,572)
2029	(2,768)
Thereafter	(1,648)
Total	$ 7,586

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

Actuarial cost method	Entry age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	3.4% - 11.0%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7.0% in 2023 gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.50% in 2023, gradually increasing to 4.5% in 2035	
DPS Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	N/A
Medicare Part A premiums:	N/A

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

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

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (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. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

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

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

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

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

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022 actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuation 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. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized as presented previously (See Note 5).

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made in the middle of the year.
- Beginning with the December 31, 2023 measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 121,466	$ 102,839	$ 86,904

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability using the current healthcare cost trend rates applicable to the PERA benefit structure, ranging from 3.00% to 7.25%, as well as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Proportionate share of the net OPEB liability	$ 99,887	$ 102,839	$ 106,050

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

Note 7: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2024, significant amounts of related 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 School.

Note 7: Commitments and Contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2024, the reserve was reported as restricted fund balance in the General Fund, in the amount of $150,900.

Special Education Reserve

In the School's charter contract, the District requires the School to reserve $100 per pupil for future costs related to the special education program, not to exceed $90,000. At June 30, 2024, the reserve was reported as assigned fund balance in the General Fund, in the amount of $26,800.

Required Supplementary Information

Montessori del Mundo

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2024

Measurement Date	12/31/23	12/31/22	12/31/21	12/31/20	12/31/19
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0240849133%	0.0217837022%	0.0230580135%	0.0233010327%	0.0196969081%
Net Pension Liability					
School's Proportionate Share	$ 4,259,037	$ 4,259,037	$ 2,683,345	$ 3,522,646	$ 2,942,675
State's Proportionate Share	93,388	350,393	307,612	-	373,241
Total Proportionate Share of the Net Pension Liability	$ 4,352,425	$ 4,609,430	$ 2,990,957	$ 3,522,646	$ 3,315,916
School's Covered-Employee Payroll	$ 1,592,234	$ 1,679,297	$ 1,441,053	$ 1,244,189	$ 1,154,821
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	267%	254%	186%	283%	255%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65%	62%	75%	67%	65%

Reporting Date	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20
School Contributions					
Statutorily Required Contribution	$ 312,275	$ 340,169	$ 309,189	$ 258,739	$ 238,854
Contributions in Relation to the Statutorily Required Contribution	(312,275)	(340,169)	(309,189)	(258,739)	(238,854)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,532,261	$ 1,669,132	$ 1,555,274	$ 1,301,502	$ 1,232,474
Contributions as a Percentage of Covered-Employee Payroll	20.38%	20.38%	19.88%	19.88%	19.38%

This schedule is presented to show information for 10 years.

(Continued)

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Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado School Division Trust Fund
June 30, 2024
(Continued)

Measurement Date	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0189063555%	0.0193192887%	0.0214353789%	0.0174418183%	0.0128620403%
School's Proportionate Share of the Net Pension Liability	$ 3,347,759	$ 6,247,171	$ 6,382,141	$ 2,667,603	$ 1,743,238
State's Proportionate Share	457,756	-	-	-	-
Total Proportionate Share of the Net Pension Liability	$ 3,805,515	$ 6,247,171	$ 6,382,141	$ 2,667,603	$ 1,743,238
School's Covered-Employee Payroll	$ 1,039,383	$ 887,661	$ 962,057	$ 760,109	$ 269,413
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	322%	704%	663%	351%	647%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57%	44%	43%	59%	63%

Reporting Date	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
School Contributions					
Statutorily Required Contribution	$ 216,464	$ 174,138	$ 178,376	$ 157,389	$ 104,555
Contributions in Relation to the Statutorily Required Contribution	(216,464)	(174,138)	(178,376)	(157,389)	(104,555)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,142,452	$ 917,451	$ 970,564	$ 886,307	$ 617,307
Contributions as a Percentage of Covered-Employee Payroll	18.95%	18.98%	18.38%	17.76%	16.94%

This schedule is presented to show information for 10 years.

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Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions
June 30, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in § 24-51-416, plus $10 million from the General Fund, totaling $14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

2022 Changes in Plan Provisions Since 2021

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled $225,000,000 direct distribution, a warrant to PERA in the amount of $380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190,000 to $35,000,000. The July 1, 2024, direct distribution will not be reduced from $225,000 due to a negative investment return in 2022.

2021 Changes in Plan Provisions Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.

2020 Changes in Plan Provisions Since 2019

- HB 20-1379, enacted on June 29, 2020, suspended the $225,000,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

2019 Changes in Plan Provisions Since 2018

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - AI cap is lowered from 1.50% per year to 1.25%.

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of SB 18-200:
  - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
  - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
  - An annual direct distribution of $225,000,000 from the State of Colorado, recognized as a non-employer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
  - AI cap is lowered from 2.00% per year to 1.50% per year.
  - Initial AI waiting period is extended from one year after retirement to three years after retirement.
  - AI payments are suspended for 2018 and 2019.

2017 Changes in Plan Provisions Since 2016

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2016 Changes in Plan Provisions Since 2015

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2015 Changes in Plan Provisions Since 2014

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

2014 Changes in Plan Provisions Since 2013

- There were no changes made to the plan provisions applicable to the School Division Trust Fund.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions of Other Inputs Since 2021

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

2021 Changes in Assumptions of Other Inputs Since 2020

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2020 Changes in Assumptions of Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019 Changes in Assumptions of Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

2018 Changes in Assumptions of Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the School Division was increased from 4.78% to 7.25% to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Assumptions of Other Inputs Since 2016

- The SEIR for the School Division was lowered from 5.26% to 4.78% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

2016 Changes in Assumptions of Other Inputs Since 2015

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2016 Changes in Assumptions of Other Inputs Since 2015 *(Continued)*

- The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35% to .40%.
- The SEIR for the State and School Divisions was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86% on the measurement date.

2015 Changes in Assumptions of Other Inputs Since 2014

- The following programming changes were made:
    - Valuation of the full survivor benefit without any reduction for possible remarriage.
    - Reflection of the employer match on separation benefits for all eligible years.
    - Reflection of one year of service eligibility for survivor annuity benefit.
    - Refinement of the 18-month AI timing.
    - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
    - Recognition of merit salary increases in the first projection year.
    - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
    - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
    - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions of Other Inputs Since 2013

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

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Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2024

Measurement Date	12/31/23	12/31/22
Proportionate Share of the Net OPEB Liability		
School's Proportion of the Net OPEB Liability	0.0144087395%	0.0165486292%
School's Proportionate Share of the Net OPEB Liability	$ 102,839	$ 135,116
School's Covered Payroll	$ 1,592,234	$ 1,679,297
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	6%	8%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46%	39%

Reporting Date	6/30/24	6/30/23
School Contributions		
Statutorily Required Contribution	$ 15,629	$ 17,025
Contributions in Relation to the Statutorily Required Contribution	(15,629)	(17,025)
Contribution Deficiency (Excess)	$ -	$ -
School's Covered Payroll	$ 1,532,261	$ 1,669,132
Contributions as a Percentage of Covered Payroll	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.

(Continued)

Montessori del Mundo

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
June 30, 2024
(Continued)

Measurement Date	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net OPEB Liability					
School's Proportion of the Net OPEB Liability	0.0150551345%	0.0134764289%	0.0128690732%	0.0122892276%	0.0122892276%
School's Proportionate Share of the Net OPEB Liability	$ 128,056	$ 144,648	$ 167,200	$ 167,200	$ 142,096
School's Covered Payroll	$ 1,441,053	$ 1,244,189	$ 1,154,821	$ 1,039,383	$ 887,661
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	9%	12%	14%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	39%	33%	24%	17%	17%

Reporting Date	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
School Contributions					
Statutorily Required Contribution	$ 15,864	$ 13,275	$ 12,571	$ 11,653	$ 9,358
Contributions in Relation to the Statutorily Required Contribution	(15,864)	(13,275)	(12,571)	(11,653)	(9,358)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,555,274	$ 1,301,502	$ 1,232,474	$ 1,142,452	$ 917,451
Contributions as a Percentage of Covered Payroll	1.02%	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.

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Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions
June 30, 2024

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2023 Changes in Plan Provisions Since 2022

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

2022 Changes in Plan Provisions Since 2021

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 Changes in Plan Provisions Since 2020

- There were no changes made to plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to plan provisions.

2018 Changes in Plan Provisions Since 2017

- There were no changes made to plan provisions.

2017 Changes in Plan Provisions Since 2016

- There were no changes made to plan provisions.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions or Other Inputs Since 2021

- The timing of the retirement decrement was adjusted to middle-of-year.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2021 Changes in Assumptions or Other Inputs Since 2020

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

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
    - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
    - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

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

2018 Changes in Assumptions or Other Inputs Since 2017

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

2017 Changes in Assumptions or Other Inputs Since 2016

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

Montessori del Mundo
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Local Sources				
Tuition and Fees	$ 648,800	$ 127,500	$ 118,122	$ (9,378)
Contributions and Grants	87,000	149,000	168,340	19,340
Investment	-	-	18,408	18,408
Other	-	153,210	57,431	(95,779)
Total Local Sources	735,800	429,710	362,301	(67,409)
State Sources				
Per Pupil Revenue	3,151,433	3,229,866	3,093,336	(136,530)
Mill Levy Funding	378,000	375,200	384,089	8,889
Supplemental At-Risk Aid	54,832	54,832	2,520	(52,312)
Capital Construction	97,200	96,480	107,173	10,693
Grants	646,479	1,015,922	1,083,778	67,856
Total State Sources	4,327,944	4,772,300	4,670,896	(101,404)
Federal Sources				
Grants	147,848	320,045	299,149	(20,896)
Total Revenues	5,211,592	5,522,055	5,332,346	(189,709)
Expenditures				
Salaries	2,619,782	2,529,963	2,564,324	(34,361)
Employee Benefits	772,019	788,485	720,696	67,789
Purchased Services	1,459,585	1,667,758	1,387,837	279,921
Supplies	182,729	198,749	175,328	23,421
Property	25,000	184,710	79,978	104,732
Other	99,470	139,435	19,839	119,596
Debt Service				
Principal	52,051	8,986	161,127	(152,141)
Interest	-	-	134,426	(134,426)
Total Expenditures	5,210,636	5,518,086	5,243,555	274,531
Net Change in Fund Balance	956	3,969	88,791	84,822
Fund Balance, *Beginning of Year*	783,852	981,380	981,380	-
Fund Balance, *End of Year*	$ 784,808	$ 985,349	$ 1,070,171	$ 84,822

See Accompanying Independent Auditor's Report.

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Notes to Budgetary Comparison Schedule - General Fund
June 30, 2024

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

A budget is adopted for the School on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

All appropriations lapse at fiscal year-end.