

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

Aurora, Colorado

Financial Statements

with Independent Auditor's Report

June 30, 2024

Aurora Academy Charter School
(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)
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June 30, 2024

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COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditor's Report

Board of Directors
Aurora Academy Charter School
Aurora, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Aurora Academy Charter School (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, each major fund, and the aggregate remaining fund information 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) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

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Responsibilities of Management for the Financial Statements

The School's 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 one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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, such as management's discussion and analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Hick & Company, PC

Englewood, Colorado
October 2, 2024



Aurora Academy Charter School

Management's Discussion and Analysis

June 30, 2024

As management of Aurora Academy Charter School (the School), we offer readers of the School's basic financial statements this narrative and analysis of the financial activities of the School as of and for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the basic financial statements.

Financial Highlights

The year ended June 30, 2024, is the twenty fourth year of operations for the School. As of June 30, 2024, the net position was a negative \$1,364,518 due to the implementation of GASB 68 and 75 for pensions and other post-employment benefits. Fund Balance decreased from \$2,923,355 to \$2,110,067 at June 30th which is a 27.8% decrease or \$813,288. The decrease was attributed to the HVAC and roof projects. The operations of the School are funded primarily by tax revenue received under the State School Finance Act (the Act). State categorical revenue (PPR) for the year was \$6,053,264.

Overview of Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The basic 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 all the School's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the assets/deferred outflows and liabilities/deferred inflows being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial condition of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position has 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, revenue 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).

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The School maintains two governmental funds, its General Fund, and the Building Fund.

The School adopts annual budgets for its funds. Budgetary comparisons have been provided on page 50 for the general fund in the required supplementary information to demonstrate compliance with the budget.

Aurora Academy Charter School
Management's Discussion and Analysis
June 30, 2024

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes are presented on pages 9 through 36.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial condition. As of June 30, 2024, the School's liabilities and deferred inflows exceeded its assets and deferred outflows by \$1,364,518. \$253,412 of this total is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. Accordingly, these funds are not available to satisfy general operating expenses of the School. The unfunded Pension and OPEB liability increased from \$7,678,212 to \$8,270,927. The net position improved by \$615,266 primarily due to the building improvements and asset increases.

Aurora Academy Charter School
Management's Discussion and Analysis
June 30, 2024

Net position as of June 30, 2024 and June 30, 2023:

	2024	2023
Assets		
Cash and investments	\$ 3,436,484	\$ 3,396,838
Restricted cash and investments	709,128	663,165
Receivables and other current assets	175,447	166,420
Capital assets, net	<u>7,487,310</u>	<u>5,791,170</u>
Total assets	<u>11,808,369</u>	<u>10,017,593</u>
Deferred Outflows, Refunding Loss, Pension/OPEB	3,198,574	2,530,607
Liabilities		
Accounts payable and interest payable	1,045,696	162,581
Accrued salaries and benefits	452,999	474,617
Deposits	42,701	45,792
Current portion long-term debt	305,047	295,273
Long-term debt Due in more than one year	3,242,310	3,547,357
Net Pension/OPEB Liability	<u>10,831,145</u>	<u>9,100,513</u>
Total liabilities	<u>15,919,898</u>	<u>13,626,133</u>
Deferred Inflows, Pension/OPEB	451,563	901,851
Net position		
Investment in Capital Assets (net)	4,126,746	2,154,995
Restricted for TABOR	253,412	219,630
Unrestricted	<u>(5,744,676)</u>	<u>(4,354,409)</u>
Total net position	<u>\$ (1,364,518)</u>	<u>\$ (1,979,784)</u>

Aurora Academy Charter School
Management's Discussion and Analysis
June 30, 2024

Change in net position for the year ended June 30, 2024 and June 30, 2023 is as follows:

	2024	2023
Revenues		
Program revenues		
Charges for services	\$ 54,782	\$ 43,662
Operating grants and contributions	349,722	1,161,607
Capital grants and contributions	<u>202,857</u>	<u>201,529</u>
Total program revenues	<u>607,361</u>	<u>1,406,798</u>
General revenues		
State categorical revenue -PPR	6,053,264	5,300,956
Mill levy override	1,576,873	1,373,420
Earnings on investments	245,148	131,387
Other	<u>256,491</u>	<u>16,474</u>
Total general revenues	<u>8,131,776</u>	<u>6,822,237</u>
Total revenues	<u>8,739,137</u>	<u>8,229,035</u>
Expenditures/expenses		
Current		
Instruction	5,339,887	5,480,954
Supporting services	2,644,528	2,777,341
Interest on long-term debt	<u>139,456</u>	<u>148,745</u>
Total expenses	<u>8,123,871</u>	<u>8,407,040</u>
Increase (decrease) in net position	615,266	(178,005)
Net Position, beginning of year,	(1,979,784)	(1,801,779)
Net Position, end of year	<u>\$ (1,364,518)</u>	<u>\$ (1,979,784)</u>

Aurora Academy Charter School
Management's Discussion and Analysis
June 30, 2024

Financial Analysis of the Schools's Funds

The School has two governmental funds, the General Fund, and the Building Fund. The General Fund is considered a major fund and is used to account for the School's general operations. The General Fund began the year with a positive fund balance of \$2,923,355. The School's fund balance decreased during the year by \$813,288 or 27.8% due to planned capital projects. Fund balance will decline further in FY25 as the HVAC project is completed. Eighty five percent of the General Fund balance is unassigned. The Building Corporation was created in 2004 and purchased the School facility on September 17, 2004. The Building Fund ended the year with a Fund Balance of \$712,297 reflecting an increase of \$45,963 from \$666,334 or an 6.9% increase.

General Fund and Building Fund Budgetary Highlights

The School budgeted General Fund expenditures and transfers out of \$9,600,000 for the year ended June 30, 2024. Actual expenditures and transfers out were \$9,502,547 resulting in a positive variance of \$97,453.

The School did increase the General Fund budgeted expenditures and transfers out during the year from \$8,106,679 to \$9,600,000 or a change of \$1,493,321. The Building Fund's budgeted expenditures remained unchanged at \$800,000.

Capital Assets and Debt Administration

The School leases its school facilities under an agreement with the Aurora Academy Building Corporation, a blended component unit of the School. The lease is renewable in annual installments beginning each July 1 (subject to TABOR restrictions).

The Building Corporation purchased the facility in September of 2004. Outstanding debt of the Building Corporation at June 30, 2024, was \$3,547,357 which reflects a reduction of \$295,273 from the prior year. The outstanding debt does not consider the impact of the deferred loss on refunding of \$186,793. The debt principal reduction will increase to \$305,047 in FY25.

The asset capitalization threshold is \$5,000. The School continued its work on the HVAC system and roof. Total Net Capital Assets increased by \$1,696,140 to \$7,487,310. Depreciation recognized for FY24 was \$301,508 with accumulated depreciation totaling \$4,570,737.

Aurora Academy Charter School

Management's Discussion and Analysis

June 30, 2024

Economic Factors, Next Year's Budget, Student Counts

The primary factor driving the budget for the School is student enrollment. Please see the historical enrollment table below. Enrollment has been very consistent the last few years with a less than 3% variability. The student count projected for this Fiscal Year 2024-25 school year is currently 536. This factor was considered in preparing the School's budget for FY25. There are currently no plans to materially change the number of classrooms or the student body in the near future but consideration is being given to expansion in the out years. The final FY24 PPR was \$11,555 reflecting an 11.6% increase over the FY23 PPR of \$10,353. The FY25 PPR (Per Pupil Revenue) is currently \$12,190 reflecting a 5.49% over FY24.

The Governor called a special legislative session in August, 2024. The result of that session was the passage of HB 24B-1001. HB 24B-1001 sets limits on future property tax increases as well as property assessment levels. It is unlikely, K-12 education will experience the substantial PPR increases similar to the last few years. The Governor's FY26 budget is due to be released the first week in November.

Twenty-four Year Historical Enrollment Table:

	K	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	TOTAL	% Chg.
FY01	50	50	51	49	52	52	52	50	38	444	
FY02	49	50	50	52	51	50	52	49	47	450	1.4%
FY03	52	51	52	52	51	52	47	48	40	445	-1.1%
FY04	50	52	52	52	52	50	51	49	41	449	0.9%
FY05	49	53	54	50	52	52	52	48	42	452	0.7%
FY06	50	68	50	54	55	54	52	48	42	473	4.6%
FY07	50	71	72	50	52	51	50	48	41	485	2.5%
FY08	50	50	75	75	50	50	50	50	43	493	1.6%
FY09	50	50	50	75	70	50	49	49	45	488	-1.0%
FY10	50	50	50	50	75	75	50	46	45	491	0.6%
FY11	50	52	52	52	52	78	76	50	41	503	2.4%
FY12	50	52	52	52	52	52	86	75	47	518	3.0%
FY13	75	52	52	52	52	52	52	75	67	529	2.1%
FY14	75	78	52	52	52	52	52	52	74	539	1.9%
FY15	79	79	81	54	55	54	54	41	47	544	0.9%
FY16	52	81	80	80	51	54	52	54	39	543	-0.2%
FY17	54	54	80	81	79	50	51	45	51	545	0.4%
FY18	55	56	55	81	83	81	48	46	39	544	-0.2%
FY19	74	54	51	52	78	77	68	42	43	539	-0.9%
FY20	51	75	52	52	51	78	64	58	39	520	-3.5%
FY21	52	51	75	53	53	54	62	60	57	517	-0.6%
FY22	65	54	49	80	56	53	42	53	54	506	-2.1%
FY23	52	78	56	51	77	58	51	42	47	512	1.2%
FY24	53	56	76	56	56	84	55	49	39	524	2.3%

Aurora Academy Charter School
Management's Discussion and Analysis
June 30, 2024

Requests for Information

The financial report is designed to provide a general overview of the School's finances for all those with an interest in the School. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Aurora Academy Charter School, 10251 E. 1st Avenue, Aurora, Colorado 80010

Basic Financial Statements

Aurora Academy Charter School
(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and Investments	\$ 3,436,484
Restricted Investments	709,128
Receivables	121,486
Prepaid Expenses	53,961
Capital Assets, <i>Not Being Depreciated</i>	2,216,342
Capital Assets, <i>Net of Accumulated Depreciation</i>	<u>5,270,968</u>
Total Assets	<u>11,808,369</u>
Deferred Outflows of Resources	
Deferred Loss on Refunding, Net of Accumulated Amortization	186,793
Pensions, <i>Net of Accumulated Amortization</i>	2,966,911
OPEB, <i>Net of Accumulated Amortization</i>	<u>44,870</u>
Total Deferred Outflows of Resources	<u>3,198,574</u>
Liabilities	
Accounts Payable	996,686
Accrued Liabilities	49,010
Accrued Salaries	452,999
Accrued Interest	42,701
Noncurrent Liabilities	
Due in One Year	305,047
Due in More Than One Year	3,242,310
Net Pension Liability	10,575,782
Net OPEB Liability	<u>255,363</u>
Total Liabilities	<u>15,919,898</u>
Deferred Inflows of Resources	
Pensions, <i>Net of Accumulated Amortization</i>	370,420
OPEB, <i>Net of Accumulated Amortization</i>	<u>81,143</u>
Total Deferred Inflows of Resources	<u>451,563</u>
Net Position	
Net Investment in Capital Assets	4,126,746
Restricted for Emergencies	253,412
Unrestricted	<u>(5,744,676)</u>
Total Net Position	<u>\$ (1,364,518)</u>

See Notes to the Financial Statements.

Aurora Academy Charter School
(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
Governmental Activities					
Primary Government					Governmental Activities
<i>Governmental Activities</i>					
Instruction	\$ 5,339,887	\$ -	\$ 349,722	\$ -	\$ (4,990,165)
Supporting Services	2,644,528	54,782	-	202,857	(2,386,889)
Debt Service - Interest	139,456	-	-	-	(139,456)
Total Primary Government	<u>\$ 8,123,871</u>	<u>\$ 54,782</u>	<u>\$ 349,722</u>	<u>\$ 202,857</u>	<u>(7,516,510)</u>
General Revenues					
Per Pupil Revenue					6,053,264
District Mill Levy					1,576,873
Investment Income					245,148
Others					<u>256,491</u>
Total General Revenues					<u>8,131,776</u>
Change in Net Position					615,266
Net Position, Beginning of Year					<u>(1,979,784)</u>
Net Position, End of Year					<u>\$ (1,364,518)</u>

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*
Balance Sheet
Governmental Fund
June 30, 2024

	General	Building	Total
Assets			
Cash and Investments	\$ 3,436,484	\$ -	\$ 3,436,484
Restricted Investments	-	709,128	709,128
Receivables	118,317	3,169	121,486
Prepaid Expenditures	53,961	-	53,961
Total Assets	<u>\$ 3,608,762</u>	<u>\$ 712,297</u>	<u>\$ 4,321,059</u>
Liabilities and Fund Balance			
<i>Liabilities</i>			
Accounts Payable	\$ 996,686	\$ -	\$ 996,686
Accrued Liabilities	49,010	-	49,010
Accrued Salaries	452,999	-	452,999
Total Liabilities	<u>1,498,695</u>	<u>-</u>	<u>1,498,695</u>
<i>Fund Balance</i>			
Nonspendable:			
Prepaid Expenditures	53,961	-	53,961
Restricted for:			
Emergencies	253,412	-	253,412
Unrestricted, Unassigned	1,802,694	712,297	2,514,991
Total Fund Balance	<u>2,110,067</u>	<u>712,297</u>	<u>2,822,364</u>
Total Liabilities and Fund Balance	<u>\$ 3,608,762</u>	<u>\$ 712,297</u>	<u>\$ 4,321,059</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:			
Total Fund Balance of the Governmental Fund			\$ 2,822,364
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.			7,487,310
Long-term liabilities and related items are not reported in governmental funds:			
Long-Term Debt			(3,547,357)
Accrued Interest			(42,701)
Deferred Loss on Refunding			186,793
Net pension liability			(10,575,782)
Pension-related deferred outflows of resources			2,966,911
Pension-related deferred inflows of resources			(370,420)
Net OPEB liability			(255,363)
OPEB-related deferred outflows of resources			44,870
OPEB-related deferred inflows of resources			(81,143)
Total Net Position of Governmental Activities			<u>\$ (1,364,518)</u>

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2024

	General	Building	Total
Revenues			
<i>Local Sources</i>			
District Mill Levy	\$ 1,576,873	\$ -	\$ 1,576,873
Contributions and Other	256,491	-	256,491
Miscellaneous	54,782	-	54,782
Lease Income	-	422,714	422,714
Investment Income	199,307	45,841	245,148
<i>State Sources</i>			
Per Pupil Revenue	6,053,264	-	6,053,264
Capital Construction	202,857	-	202,857
Grants	103,488	-	103,488
<i>Federal Sources</i>			
Grants	242,196	-	242,196
Total Revenues	<u>8,689,258</u>	<u>468,555</u>	<u>9,157,813</u>
Expenditures			
Instruction	4,862,473	-	4,862,473
Supporting Services	2,642,425	2,001,618	4,644,043
Debt Service			
Principal	-	295,273	295,273
Interest and Fees	-	123,349	123,349
Total Expenditures	<u>7,504,898</u>	<u>2,420,240</u>	<u>9,925,138</u>
Excess Revenues Over (Under) Expenditures	1,184,360	(1,951,685)	(767,325)
Other Financing Sources (Uses)			
Transfers	(1,997,648)	1,997,648	-
Total Other Financing Sources (Uses)	(1,997,648)	1,997,648	-
Net Change in Fund Balance	(813,288)	45,963	(767,325)
Fund Balance, Beginning of Year	<u>2,923,355</u>	<u>666,334</u>	<u>3,589,689</u>
Fund Balance, End of Year	<u>\$ 2,110,067</u>	<u>\$ 712,297</u>	<u>\$ 2,822,364</u>

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
 Counties of Adams and Arapahoe, Colorado)*
 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	\$ (767,325)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Depreciation expense	(301,508)
Additions	1,997,648
Repayment of debt principal are expenditures in governmental funds, but the repayments reduce long-term liabilities in the statement of net position and do not affect the statement of activities	
Bond Principal Payments	295,273
Amortization of Deferred loss on Refunding	(19,662)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in:	
Accrued interest	3,555
Net pension liability	(1,775,176)
Pension-related deferred outflows of resources	700,856
Pension-related deferred inflows of resources	423,245
Net OPEB liability	44,544
OPEB-related deferred outflows of resources	(13,227)
OPEB-related deferred inflows of resources	27,043
Change in Net Position of Governmental Activities	\$ <u>615,266</u>

Aurora Academy Charter School
(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)
Notes to Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Aurora Academy Charter School (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Aurora Public Schools (the District) in the State of Colorado.

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.

Based on the application of this criteria, the School includes the Aurora Academy Building Corporation (the Corporation) within its reporting entity. The Corporation is a Colorado non-profit entity organized exclusively for charitable or educational purposes. Currently, the Corporation is a party in the School's facility lease and leasehold improvement loans. 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.

The School is a component unit of the District. The School's charter was authorized by the District and the majority of the School's funding is provided by the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the School. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

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Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

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.

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Note 1: Summary of Significant Accounting Policies (Continued)

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.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses using the consumption method.

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.

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:

Building	40 years
Leasehold Improvements	20 - 40 years
Equipment	5 - 20 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 represent resources received by the School before it has a legal claim to them, including tuition and fees.

Compensated Absences - Employees of the School are provided with eight days of personal/sick leave annually. At the end of each school year, unused leave will be carried over to the subsequent school year, up to three days. Unused leave in excess of three days is eligible for reimbursement on the final paycheck of the year at the rate of \$90 per day. The School does not reimburse or otherwise compensate employees for any unused personal/sick leave at separation of employment. Therefore, no liability is reported in the financial statements for these compensated absences.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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Note 1: Summary of Significant Accounting Policies (Continued)

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

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.

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.

Risk Management

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

Subsequent Events

The School evaluated subsequent events through October 2, the date the financial statements were available to be issued.

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Note 2: Cash and Investments

Cash and Investments at June 30, 2024 consisted of the following:

Petty Cash	\$ 700
Deposits	69,824
Cash with Fiscal Agents	55,444
Investments	4,019,644
	\$ 4,145,612

Reconciliation to the Financial Statements:

Cash and Investments	\$ 3,436,484
Restricted Cash and Investments	709,128
	\$ 4,145,612

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.

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

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Notes to Financial Statements
June 30, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

The School measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognized a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and,
- Level 3: Unobservable inputs

At June 30, 2024, the School had the following Investments maturities and fair value measurements:

Investments	S&P Rating	Carrying Amounts	Maturity	
			Less than One Year	One to Five Years
FHLMC	AA+	\$ 138,602	\$ -	\$ 138,602
FHLB	AA+	139,409	-	139,409
Investment Pools	AAAm	3,741,633	3,741,633	-
		<u>\$ 4,019,644</u>	<u>\$ 3,741,633</u>	<u>\$ 278,011</u>

Investments measured at Fair Value:	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
FHLMC	\$ 138,602	\$ 138,602	\$ -	\$ -
FHLB	<u>139,409</u>	<u>139,409</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 278,011</u>	<u>\$ 278,011</u>	<u>\$ -</u>	<u>\$ -</u>

Investments measured at Net Asset Value:	
ColoTrust	\$ 2,288,679
CSAFE	<u>1,452,954</u>
	<u>\$ 3,741,633</u>

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

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Note 2: Cash and Investments (Continued)

Investments (Continued)

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.

Colotrust - 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. This investment is valued using the NAV per share (or its equivalent) of the investments.

Colotrust is an investment vehicle established by state statute for local entities in Colorado to pool surplus funds for investment purposes and are registered with the State Securities Commissioner. The pools operate similarly to money market funds and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. Securities owned by the pools 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 participating governments. Investments of the pools consist of US Treasury bills, notes, and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities and or US Instrumentalities. Colotrust is rated AAAM by Standard and Poor's. Information regarding Colotrust's financial statements is available at their website www.colotrust.com.

CSAFE - CSAFE is considered to be a 2a7-like investment and is valued at amortized cost. The 2a7-like investments do not have any unfunded commitments, redemption restrictions or redemption notice periods. The 2a7-like investments conform to Colorado Statutes CRS 24-75-601 et. Seq. and therefore invests primarily in securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper, highly rated corporate bonds, Colorado Depositories collateralized at 102% of market value investments will conform to its Permitted Investments and will meet Standard & Poor's investment guidelines to achieve a AAAM rating, the highest attainable rating for a Local Government Investment Pool. Information regarding CSAFE's financial statements is available at the website www.csafe.org.

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Note 3: Capital Assets

Changes in capital assets for the year ended June 30, 2024, are summarized below. Depreciation and amortization are combined in the following table.

	Balance 06/30/23	Additions	Deletions	Balance 06/30/24
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 310,000	\$ -	\$ -	\$ 310,000
Construction in Progress	24,491	1,881,851	-	1,906,342
Total Capital Assets, <i>Not Being Depreciated</i>	<u>334,491</u>	<u>1,881,851</u>	<u>-</u>	<u>2,216,342</u>
Capital Assets, <i>Being Depreciated</i>				
Building	7,546,620	-	-	7,546,620
Leasehold Improvements	1,420,682	115,797	-	1,536,479
Equipment	758,606	-	-	758,606
Total Capital Assets, <i>Being Depreciated</i>	<u>9,725,908</u>	<u>115,797</u>	<u>-</u>	<u>9,841,705</u>
Less: Accumulated Depreciation				
Building	(3,264,177)	(202,159)	-	(3,466,336)
Leasehold Improvements	(621,921)	(67,492)	-	(689,413)
Equipment	(383,131)	(31,857)	-	(414,988)
Total Accumulated Depreciation	<u>(4,269,229)</u>	<u>(301,508)</u>	<u>-</u>	<u>(4,570,737)</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>5,456,679</u>	<u>(185,711)</u>	<u>-</u>	<u>5,270,968</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 5,791,170</u>	<u>\$ 1,696,140</u>	<u>\$ -</u>	<u>\$ 7,487,310</u>

Depreciation and amortization expense were 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:

	Balance 06/30/23	Additions	Payments	Balance 06/30/24	Due Within One Year
Governmental Activities					
2013 Refunding Bonds	\$ <u>3,842,630</u>	\$ <u>-</u>	\$ <u>(295,273)</u>	\$ <u>3,547,357</u>	\$ <u>305,047</u>

In June 2013, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$6,246,000 Charter School Refunding Bonds. Proceeds of the bonds were used by the Corporation to advance refund the 2004 bonds. The School is obligated under a lease agreement to make monthly lease payments to the Corporation for the use of educational facilities. The Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. The bonds accrue interest in the amount of 3.21% per annum. Interest payments are due semi-annually on February 15 and August 15. Principal payments are due annually on February 15, through 2034.

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 June 30, 2024

Note 4: Long-Term Debt (Continued)

The refunding resulted in a deferred loss on refunding, which is reported as a deferred outflow in the accompanying financial statements and is being amortized over a period consistent with the 2013 refunding bonds amortization.

The advance refunding was done in order to reduce the School's debt payments. The refunding decreased The School's total debt service payments by approximately \$1.6 million. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and new bonds) of \$737,476. Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 305,047	\$ 113,870	\$ 418,917
2026	315,144	104,078	419,222
2027	325,575	93,962	419,537
2028	336,351	83,511	419,862
2029	347,485	72,714	420,199
2030-2034	<u>1,917,755</u>	<u>188,688</u>	<u>2,106,443</u>
Total	<u>\$ 3,547,357</u>	<u>\$ 656,823</u>	<u>\$ 4,204,180</u>

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.

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Note 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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.

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.

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Note 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

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.

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 \$830,417 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.

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 June 30, 2024

Note 5: Defined Benefit Pension Plan (Continued)

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.

At June 30, 2024, the School reported a liability of \$10,575,782 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:

School Proportionate share of net pension liability	\$ 10,807,677
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School	<u>(231,895)</u>
Proportionate share of the net pension liability	<u>\$ 10,575,782</u>

At December 31, 2023, the School's proportion was .05980619450%, which was an increase of .0114763520% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the School recognized pension expense of \$992,923 and benefit of \$21,707 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	\$ 501,492	\$ -
Net difference between projected and actual earnings on plan investments	758,119	-
Changes in proportion	1,226,051	370,420
Contributions subsequent to the measurement date	<u>481,249</u>	<u>-</u>
Total	<u>\$ 2,966,911</u>	<u>\$ 370,420</u>

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June 30, 2024

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)

\$481,249 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:

<u>Year Ended June 30,</u>	
2025	\$ 466,044
2026	996,654
2027	863,928
2028	<u>(211,384)</u>
Total	\$ <u>2,115,242</u>

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	3.00%
Salary increases, including wage inflation	3.4%-11%
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.

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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 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.

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.

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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	<u>100.00%</u>	

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.

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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 at 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.

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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	\$ 14,141,580	\$ 10,575,782	\$ 7,602,338

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.

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

General Information (Continued)

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

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

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

General Information (Continued)

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

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 \$41,457, for the year ended June 30, 2024.

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

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 \$255,363 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 .0357787884%, which was a decrease of .0009530116% from its proportion measured at December 31, 2022.

For the year ended June 30, 2024, the School recognized OPEB benefit of \$4,930. 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	\$ -	\$ (52,336)
Changes of assumptions and other inputs	3,010	(27,076)
Net difference between projected and actual earnings on plan investments	7,903	-
Changes in proportion	9,975	(1,731)
Contributions subsequent to the measurement date	23,982	-
Total	\$ <u>44,870</u>	\$ <u>(81,143)</u>

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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)

\$23,982 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:

<u>Year Ended June 30,</u>	
2025	\$ (28,078)
2026	(13,105)
2027	(3,747)
2028	(11,256)
2029	(3,314)
2030	<u>(755)</u>
Total	\$ <u>(60,255)</u>

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%
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	
7.00% 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

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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)

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.

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.

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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 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.

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.

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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)

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.

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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.

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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 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: 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 at 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.

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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)

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.

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:

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	\$ 301,615	\$ 255,363	\$ 215,793

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	\$ 248,033	\$ 255,363	\$ 263,335

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.

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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.

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 \$253,412.

Special Education Reserve

The School's charter contract with the District required the School to deposit \$50,000 to a reserve account held by the District to be used for future legal costs related to the special education program. At June 30, 2024, the special education reserve was reported in the financial statements as Reserves Held by District, in the amount of \$55,444.

Required Supplementary Information

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.059806195%	0.048329843%	0.053536409%	0.057000000%	0.045000000%
Net Pension Liability					
School's Proportionate Share	\$ 10,575,782	\$ 8,800,606	\$ 6,230,228	\$ 8,686,923	\$ 6,737,391
State's Proportionate Share	231,895	2,564,585	714,212	-	1,082,377
Total Proportionate Share of the Net Pension Liability	<u>\$ 10,807,677</u>	<u>\$ 11,365,191</u>	<u>\$ 6,944,440</u>	<u>\$ 8,686,923</u>	<u>\$ 7,819,768</u>
School's Covered-Employee Payroll	\$ 3,953,726	\$ 3,727,415	\$ 3,333,353	\$ 3,130,591	\$ 2,648,639
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	267%	236%	187%	277%	254%
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	\$ 830,417	\$ 768,440	\$ 715,065	\$ 622,362	\$ 575,628
Contributions in Relation to the Statutorily Required Contribution	<u>(830,417)</u>	<u>(768,440)</u>	<u>(715,065)</u>	<u>(622,362)</u>	<u>(575,628)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered-Employee Payroll	\$ 4,064,444	\$ 3,778,171	\$ 3,596,311	\$ 3,130,591	\$ 2,970,216
Contributions as a Percentage of Covered-Employee Payroll	20.43%	20.34%	19.88%	19.88%	19.38%

This schedule is presented to show information for 10 years.

(Continued)

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.042000000%	0.048000000%	0.045000000%	0.043000000%	0.042000000%
Net Pension Liability					
School's Proportionate Share	\$ 7,400,305	\$ 15,457,373	\$ 13,403,321	\$ 6,534,605	\$ 5,759,360
State's Proportionate Share	1,011,889	-	-	-	-
Total Proportionate Share of the Net Pension Liability	<u>\$ 8,412,194</u>	<u>\$ 15,457,373</u>	<u>\$ 13,403,321</u>	<u>\$ 6,534,605</u>	<u>\$ 5,759,360</u>
School's Covered-Employee Payroll	\$ 2,297,583	\$ 2,204,446	\$ 2,020,446	\$ 1,873,024	\$ 1,982,536
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	322%	701%	663%	349%	291%
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	\$ 478,637	\$ 445,560	\$ 418,590	\$ 351,355	\$ 355,851
Contributions in Relation to the Statutorily Required Contribution	<u>(478,637)</u>	<u>(445,560)</u>	<u>(418,590)</u>	<u>(351,355)</u>	<u>(355,851)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered-Employee Payroll	\$ 2,375,367	\$ 2,238,789	\$ 2,156,461	\$ 1,873,024	\$ 1,982,536
Contributions as a Percentage of Covered-Employee Payroll	20.15%	19.90%	19.41%	18.76%	17.95%

This schedule is presented to show information for 10 years.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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 (Continued)

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%.

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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

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%.

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%.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

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

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%.
- 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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

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

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.

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
For the Year Ended 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	0.0357787884%	0.0367318000%
School's Proportionate Share of the Net OPEB Liability	\$ 255,363	\$ 299,907
School's Covered Payroll	\$ 3,953,726	\$ 3,727,415
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	\$ 41,457	\$ 38,537
Contributions in Relation to the Statutorily Required Contribution	(41,457)	(38,537)
Contribution Deficiency (Excess)	\$ -	\$ -
School's Covered Payroll	\$ 4,064,444	\$ 3,778,171
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)

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*
Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability and Contributions
Public Employees' Retirement Association of Colorado Health Care Trust Fund
For the Year Ended 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	0.0349552012%	0.0330000000%	0.0290000000%	0.0270000000%	0.0270000000%
School's Proportionate Share of the Net OPEB Liability	\$ 350,068	\$ 315,751	\$ 331,095	\$ 369,600	\$ 352,975
School's Covered Payroll	\$ 3,333,353	\$ 3,130,591	\$ 2,648,639	\$ 2,267,583	\$ 2,204,898
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	11%	10%	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	40%	33%	24%	17%	18%
Reporting Date	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
School Contributions					
Statutorily Required Contribution	\$ 36,698	\$ 31,932	\$ 30,296	\$ 24,229	\$ 22,836
Contributions in Relation to the Statutorily Required Contribution	<u>(36,698)</u>	<u>(31,932)</u>	<u>(30,296)</u>	<u>(24,229)</u>	<u>(22,836)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School's Covered Payroll	\$ 3,596,311	\$ 3,130,591	\$ 2,970,216	\$ 2,375,367	\$ 2,238,789
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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

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.

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.

Aurora Academy Charter School

*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*

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

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

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.

Aurora Academy Charter School
(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
<i>Local Sources</i>				
District Mill Levy	\$ 1,358,606	\$ 1,592,253	\$ 1,576,873	\$ (15,380)
Student Fees	49,350	65,600	54,782	(10,818)
Grants and Contributions	2,000	80,000	-	(80,000)
Investment Income	85,000	201,877	199,307	(2,570)
Miscellaneous	13,000	246,300	256,491	10,191
<i>State Sources</i>				
Per Pupil Revenue	5,864,820	6,054,862	6,053,264	(1,598)
Capital Construction	185,856	205,312	202,857	(2,455)
Grants	74,385	82,296	103,488	21,192
<i>Federal Sources</i>				
Grants	45,810	258,211	242,196	(16,015)
Total Revenues	<u>7,678,827</u>	<u>8,786,711</u>	<u>8,689,258</u>	<u>(97,453)</u>
Expenditures				
Salaries	4,232,417	4,064,597	4,113,261	(48,664)
Benefits	1,291,375	1,288,770	1,227,606	61,164
Purchased Services	1,857,273	1,786,716	1,662,832	123,884
Supplies and Materials	311,564	356,294	328,016	28,278
Property	385,000	76,823	142,808	(65,985)
Other	29,050	26,800	30,375	(3,575)
Total Expenditures	<u>8,106,679</u>	<u>7,600,000</u>	<u>7,504,898</u>	<u>95,102</u>
Excess Revenues Over (Under) Expenditures	<u>(427,852)</u>	<u>1,186,711</u>	<u>1,184,360</u>	<u>(2,351)</u>
Other Financing Sources (Uses)				
Transfer Out	<u>-</u>	<u>(2,000,000)</u>	<u>(1,997,648)</u>	<u>2,352</u>
Net Change in Fund Balance	<u>(427,852)</u>	<u>(813,289)</u>	<u>(813,288)</u>	<u>1</u>
Fund Balance, Beginning of Year	<u>2,651,054</u>	<u>2,923,355</u>	<u>2,923,355</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,223,202</u>	<u>\$ 2,110,066</u>	<u>\$ 2,110,067</u>	<u>\$ 1</u>

Aurora Academy Charter School
*(A Component Unit of the Joint School District No. 28-J of the
Counties of Adams and Arapahoe, Colorado)*
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.