




# **DSST Public Schools**

## **Independent Auditor's Report and Financial Statements**

June 30, 2025



**DSST Public Schools**  
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**June 30, 2025**

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## Independent Auditor's Report

Board of Directors  
DSST Public Schools  
Denver, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the DSST Public Schools' basic financial statements as listed in the table of contents. We have also audited the financial statements of the governmental activities and the general funds of DSST-Denver (a component unit of School District Number 1 in the City and County of Denver, Colorado [Denver Public Schools or DPS]) and DSST-Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado [Aurora Public Schools or APS]) presented as other audited financial statements – supplementary information combining statements by school district, as of and for the year June 30, 2025, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, 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. In addition, in our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general funds of DSST-Denver and DSST-Aurora, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis 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 (*Government Auditing Standards*). 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 DSST Public Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DSST Public Schools' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 DSST Public Schools' 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 DSST Public Schools 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, budgetary comparison, pension, and other postemployment benefit information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025, on our consideration of DSST Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DSST Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DSST Public Schools internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Denver, Colorado  
October 16, 2025

**DSST Public Schools  
Management's Discussion and Analysis (Unaudited)  
June 30, 2025**

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Our discussion and analysis of the Denver School of Science and Technology, Inc., (DSST or DSST Public Schools) financial performance provides an overview of DSST's financial activities for the twelve months ended June 30, 2025. It should be read in conjunction with the financial statements.

***Financial Highlights***

As stated in the Government-Wide Financial Statements, the assets and deferred outflows or resources of DSST exceeded liabilities and deferred inflows of resources at June 30, 2025 by \$66,769,004. Of this amount, \$44,828,232 is unrestricted. The \$66,769,004 of DSST's total net position represents an increase of \$2,855,840 over the prior year.

DSST's Governmental Fund Financial Statements reported an ending fund balance in fiscal year 2025 of \$59,427,670. The total fund balance in the General Fund increased, \$5,065,353 from the prior year, largely due to higher than budgeted governmental revenue.

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to DSST's Basic Financial Statements. The Basic Financial Statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information and other supplementary information in addition to the Basic Financial Statements themselves.

***Government-Wide Financial Statements***

All of DSST's services are reported in the Government-Wide Financial Statements, including instruction, instructional supporting services, school administration, business services, and operation and maintenance of plant services. Per pupil revenue, mill levy override, federal aid and private contributions finance most of the activities. Additionally, any long-term capital assets and debt are reported in these statements.

**Government-Wide Financial Statements** are designed to provide readers a broad overview of DSST's finances in a manner similar to a private-sector business.

**Statement of Net Position** presents information on all of DSST's assets, liabilities, and deferred outflows or inflows of resources, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of DSST is improving or deteriorating.

**Statement of Activities** presents information showing changes in DSST's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., unconditional contributions receivable).

The Government-Wide statement of activities distinguish functions of DSST that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges. Government-Wide Financial Statements can be found on pages 11-12.

The Government-Wide financial statements also include the DSST Public Schools Foundation as a discretely presented component unit of DSST.

***Fund Financial Statements***

DSST uses fund accounting to record specific sources of funding for particular purposes. A fund is an accounting device used to maintain control over resources that have been segregated for specific activities or objectives. DSST uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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Management’s Discussion and Analysis (Unaudited)  
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Governmental Funds are used to account for essentially the same functions reported as government activities in the Government-Wide Financial Statements. All of DSST’s activities are included in one governmental fund which focuses on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out and 2) the balances that are available for spending at year-end. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps determine whether more or fewer financial resources can be spent in the near future to finance DSST’s programs. Because this information does not encompass the additional long-term focus of the Government-Wide Statements, additional information is provided in Figure A-1 to explain the relationship between them.

DSST maintains one governmental fund, the General Fund. The DSST Building Corporation is a blended component unit of DSST and is reported in the General Fund of the fund financial statements. General Fund financial information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The basic Governmental Fund Financial Statements can be found on pages 13-14 of this report. DSST adopted an annual budget for the General Fund and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

**Figure A-1. Major Features of DSST’s Government-Wide and Fund Financial Statements**

		<b>Fund Statement</b>
<b>Types of Statements</b>	<b>Government-Wide</b>	<b>Governmental Fund</b>
Scope	Entire organization	The activities of DSST that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities Reconciliation statements	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used and liabilities that come due during the year, or soon thereafter; no capital assets or long-term liabilities included
Types of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**Notes to the Financial Statements**

The notes provide additional information essential to a complete understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes can be found on pages 17-44 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparisons of the original adopted budget, the final amended budget, and the actual expenditures for the fiscal year. Required supplementary information can be found on pages 45-53 of this report.

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Management's Discussion and Analysis (Unaudited)  
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The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of DSST's financial statements, including the portion of the operations covered and the types of information presented.

**Government-Wide Financial Analysis**

As noted earlier, net position can serve as a useful indicator of DSST's financial position. DSST's total net position was \$66,769,004 at June 30, 2025.

\$44,828,232 or 67.1 percent of DSST's net position is unrestricted and are resources available to fund DSST's programs in the following year. This amount of unrestricted funding is inclusive of the three months of board designated reserves of \$29,773,574 and \$680,835 in non-spendable fund balance, leaving \$14,373,823 of this unrestricted fund balance truly unrestricted into the 2025-2026 school year.

The remaining balance of net position represents resources subject to external restrictions on how they may be used. A condensed and comparative Statement of Net Position is illustrated below.

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$ 68,541,365	\$ 64,876,046	\$ 3,665,319	5.65%
Capital assets, net	39,221,173	39,272,205	(51,032)	-0.13%
<b>Total Assets</b>	<u>107,762,538</u>	<u>104,148,251</u>	<u>3,614,287</u>	<u>3.47%</u>
<b>Deferred Outflows of Resources</b>	<u>4,940,793</u>	<u>5,962,362</u>	<u>(1,021,569)</u>	<u>-17.13%</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 112,703,331</u>	<u>\$ 110,110,613</u>	<u>\$ 2,592,718</u>	<u>2.35%</u>
<b>Liabilities</b>				
Current liabilities	\$ 10,062,767	\$ 11,225,441	\$ (1,162,674)	-10.36%
Noncurrent liabilities	35,742,724	34,879,328	863,396	2.48%
<b>Total Liabilities</b>	<u>45,805,491</u>	<u>46,104,769</u>	<u>(299,278)</u>	<u>-0.65%</u>
<b>Deferred Inflows of Resources</b>	<u>128,836</u>	<u>92,680</u>	<u>36,156</u>	<u>39.01%</u>
<b>Net Position</b>				
Net investment in capital assets	16,209,040	16,010,316	198,724	1.24%
Restricted	5,731,732	5,945,457	(213,725)	-3.59%
Unrestricted	44,828,232	41,957,391	2,870,841	6.84%
<b>Total Net Position</b>	<u>66,769,004</u>	<u>63,913,164</u>	<u>2,855,840</u>	<u>4.47%</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 112,703,331</u>	<u>\$ 110,110,613</u>	<u>\$ 2,592,718</u>	<u>2.35%</u>

**DSST Public Schools  
Management’s Discussion and Analysis (Unaudited)  
June 30, 2025**

**Governmental Activities**

The net position of DSST’s Governmental Activities increased by \$2,855,840 to \$66,769,004 in the 2024-2025 school year. This was due to a number of factors including larger than anticipated PPR and Mill Levy funding from DPS, and salary vacancy savings. The difference in change of net position was \$1,673,528 more in the 2024-2025 school year than the 2023-2024 school year. This was due to an increase in government funding alongside increased compensation for staff. A comparative statement of activities follows.

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 862,340	\$ 966,820	\$ (104,480)	-10.81%
Operating grants and contributions	19,425,245	13,056,580	6,368,665	48.78%
General revenues				
Per pupil operating revenues	89,263,324	81,321,219	7,942,105	9.77%
Mill levy override	27,686,972	23,540,359	4,146,613	17.61%
General purpose grants	4,151,575	6,536,741	(2,385,166)	-36.49%
Interest	946,210	1,183,430	(237,220)	-20.05%
<b>Total Revenues</b>	<u>142,335,666</u>	<u>126,605,149</u>	<u>15,730,517</u>	<u>12.42%</u>
<b>Expenses</b>				
Instructional				
Regular education	71,278,315	61,395,057	9,883,258	16.10%
Special education	1,259,378	1,593,530	(334,152)	-20.97%
Supporting services				
Pupil supporting services	11,926,075	10,179,003	1,747,072	17.16%
Instructional support	8,650,144	6,949,745	1,700,399	24.47%
General administration	1,083,489	1,316,495	(233,006)	100.00%
School administration	27,214,572	25,714,732	1,499,840	5.83%
Business services	879,347	797,092	82,255	10.32%
Operations and maintenance	10,474,603	9,582,816	891,787	9.31%
Pupil transportation	1,325,691	1,597,472	(271,781)	-17.01%
Central services	2,765,716	2,682,004	83,712	3.12%
Property	833,660	1,289,285	(455,625)	100.00%
Other support services	1,788,836	2,325,606	(536,770)	-23.08%
<b>Total Expenses</b>	<u>139,479,826</u>	<u>125,422,837</u>	<u>14,056,989</u>	<u>11.21%</u>
<b>Increase in Net Position</b>	2,855,840	1,182,312	1,673,528	141.55%
<b>Beginning Net Position</b>	<u>63,913,164</u>	<u>62,730,852</u>	<u>1,182,312</u>	<u>1.88%</u>
<b>Ending Net Position</b>	<u>\$ 66,769,004</u>	<u>\$ 63,913,164</u>	<u>\$ 2,855,840</u>	<u>4.47%</u>

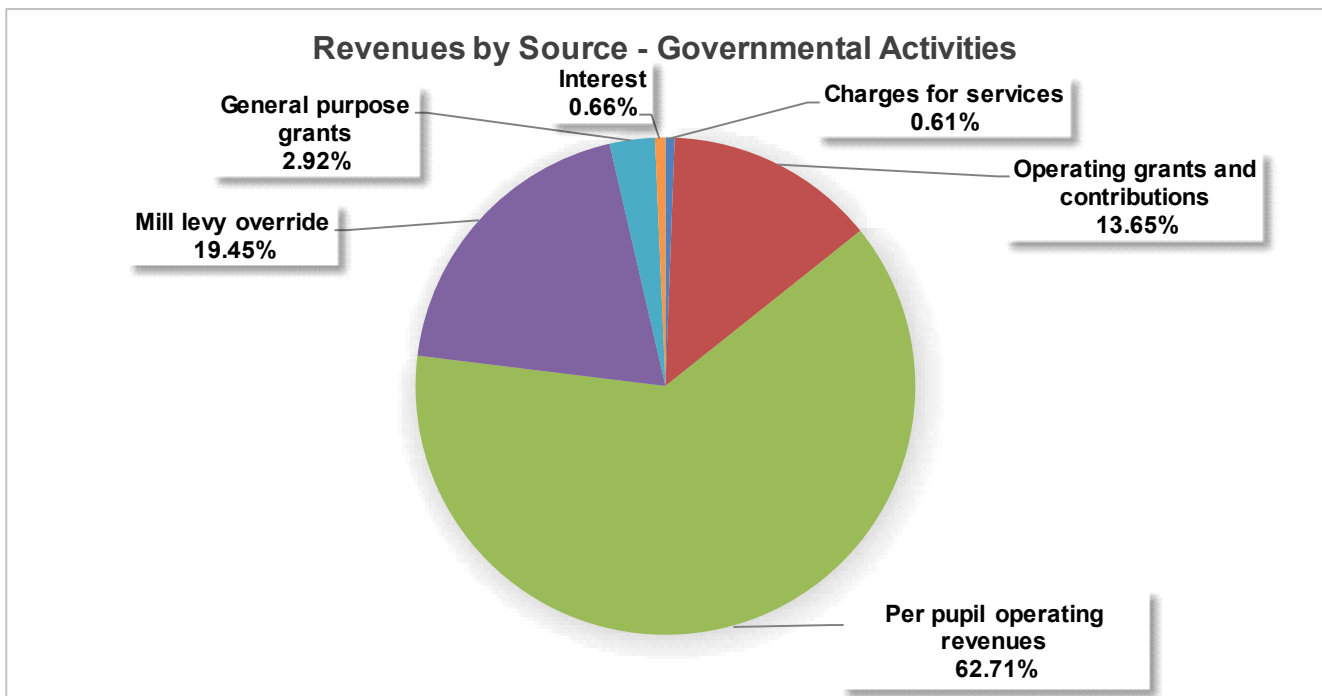
The total cost of all Governmental Activities for the fiscal year ended June 30, 2025 was \$139,479,826. Funding for these Governmental Activities is by specific program revenue or through general revenues such as per pupil revenues and mill levy overrides. The following is a summary of the governmental activities:

- The total general revenues of all governmental activities was \$122,048,081. The amount paid through Per Pupil Revenue (PPR), which is based on 7,533 students and a rate set by the Colorado State Legislature was \$89,263,324 and represents 73.1 percent of the total of general revenues.

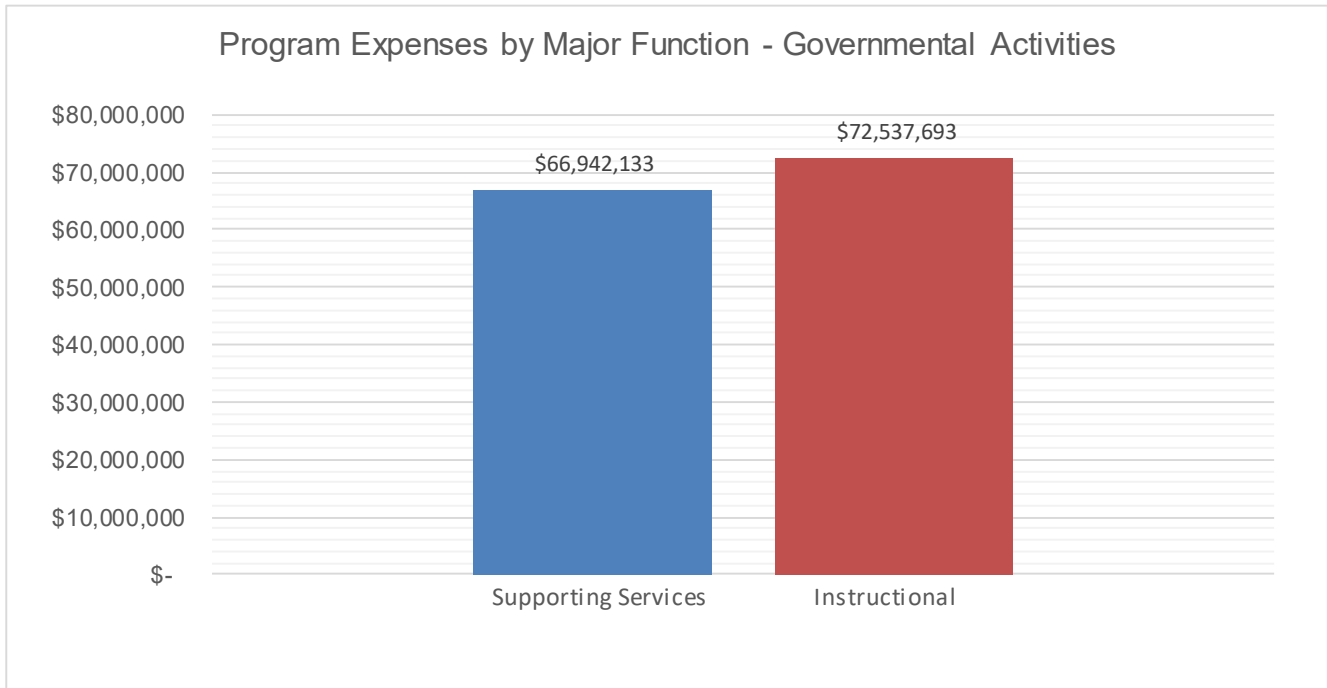
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Management’s Discussion and Analysis (Unaudited)  
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- An additional \$27,686,972 or 22.7 percent was received through mill levy overrides which are property taxes approved by the voters in Denver Public Schools and Aurora Public Schools.
- Revenues from program specific operating grants were \$9,821,540. This includes \$2,703,902 in support from the DSST Public Schools Foundation as well Center Program specific revenues.
- Revenues from General Purpose grants were \$4,151,575 and includes Federal Title grant funding.
- Revenues from charges for services were \$862,340 and include voluntarily paid student fees which help pay for school technology, field trips, athletics, and other school specific expenses.
- The cost of all governmental activities was \$139,479,826 which is an increase of \$14,056,986 from fiscal year 2024. The increase is due to increases in salaries, stipends, benefit costs, enrollment growth, and increased per pupil expenditures.
- The largest expense is personnel, including teachers, administrators, coaches and substitute teachers totaling \$99,869,567 or 71.6 percent of total expense. Salaries, stipends, and related payroll taxes and benefits are all included in the personnel category.
- Payments to Denver Public Schools and Aurora Public Schools for rent, special education services, administrative services, accounting and general operations total \$14,139,750 or 10.1 percent of total expenses.
- The remaining \$22,958,636 of expenses are for instructional and non-instructional supplies, student activities, printing, copying, facility, and miscellaneous expenses.



**DSST Public Schools  
Management’s Discussion and Analysis (Unaudited)  
June 30, 2025**



**Financial Analysis of DSST’s Funds**

**Governmental Funds**

DSST’s accounting records for general governmental operations are maintained on a modified accrual basis with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received and the fund liabilities are incurred. The general governmental operations include a General Fund.

Revenues from the Governmental Funds totaled \$132,731,961 for the fiscal year ended June 30, 2025. State revenues, including Per Pupil Revenue, continued to be the largest source of revenue received by DSST and equaled \$89,263,324.

Expenditures for governmental operations totaled \$138,422,406 during fiscal year 2025, an increase of \$12,999,569 or 10.3 percent, from fiscal year 2024. The increase compared to student growth and compensation increases was due to funding of strategic initiatives at DSST as well as mid-year payout of an all-staff bonus as well as paying out all accrued and unused paid time off.

The General Fund reported a fund balance of \$59,427,670, an increase of \$5,065,353 from 2024. The increase in fund balance is largely due to larger than budgeted governmental revenues. Out of the total fund balance, \$23,241,529 constitutes unassigned fund balance. Of the remainder of the fund balance, \$680,835 is non-spendable, \$4,404,372 is restricted by TABOR, \$931,300 is restricted for debt service, \$396,060 is restricted for capital projects, and \$29,773,574 is assigned by the DSST Board of Directors as a three month reserve of total operating expenditures.

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Management’s Discussion and Analysis (Unaudited)  
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**Capital Assets**

DSST has invested \$34,350,463, net of depreciation, in capital assets. This amount represents a net \$190,258 decrease (including additions, deductions and depreciation) from the prior year.

	<b>Capital Assets (Net of Depreciation)</b>			
	<b>Governmental Activities</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>June 30, 2025</b>	<b>June 30, 2024</b>		
Capital assets being depreciated				
Building	\$ 8,490,740	\$ 9,263,691	\$ (772,951)	-8.34%
Building improvements	24,506,017	24,433,789	72,228	0.30%
Vehicles	248,749	227,742	21,007	9.22%
Equipment	1,104,957	615,499	489,458	79.52%
	<u>\$ 34,350,463</u>	<u>\$ 34,540,721</u>	<u>\$ (190,258)</u>	<u>-0.55%</u>

**Economic Factors and Next Year’s Budget**

As part of the budget development process, DSST’s management has taken into consideration all the factors that drive charter school’s budgets: enrollment, per pupil funding rates, mill levy overrides, personnel costs, facility costs and the local economy.

All of these factors were considered when adopting the 2025-2026 budget. A 3.6 percent increase in PPR funding is budgeted for the 2025-2026 school year as set by the Colorado State Legislature. DSST continues to roll out its strategic plan and has a one-time \$1.8 million expense allocation budgeted for the 2025-2026 school year for support of the Middle School program roll out. In addition, a \$3.2 million increase in expenses is budgeted for increased compensation and benefit costs.

**DSST Public Schools**  
**Statement of Net Position**  
**June 30, 2025**

	<b>Governmental Activities</b>	<b>DSST Foundation</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 17,242,669	\$ 4,729,430
Cash held by fiscal agent	1,670,398	-
Investments	-	56,292,810
Restricted permanent endowment	257,969	-
Accounts receivable, net	1,576,799	-
Receivable from Foundation	46,981,428	-
Promises to give, net	-	6,814,873
PCOPS credits	542,678	-
Prepaid expenses	269,424	-
Capital assets, net of accumulated depreciation	34,350,463	-
Subscription assets, net of amortization	2,857,431	-
Lease assets, net of amortization	2,013,279	-
<b>Total Assets</b>	<b>107,762,538</b>	<b>67,837,113</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows - pension	4,659,444	-
Deferred outflows - OPEB	281,349	-
<b>Total Deferred Outflows of Resources</b>	<b>4,940,793</b>	<b>-</b>
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	1,318,694	-
Accrued salaries and benefits	7,795,001	-
Payable to schools	-	46,981,429
Current portion of long-term debt	395,000	-
Current portion of subscription liabilities	366,368	-
Current portion of lease liabilities	187,704	-
<b>Long-Term Liabilities</b>		
Noncurrent portion of long-term debt	17,942,534	-
Noncurrent portion of subscription liabilities	2,202,399	-
Noncurrent portion of lease liabilities	1,918,128	-
Net pension liability	13,441,179	-
Net OPEB liability	238,484	-
<b>Total Liabilities</b>	<b>45,805,491</b>	<b>46,981,429</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows - pension	-	-
Deferred inflows - OPEB	128,836	-
<b>Total Deferred Inflows of Resources</b>	<b>128,836</b>	<b>-</b>
<b>Net Position</b>		
Net investment in capital assets	16,209,040	-
Restricted for		
Emergencies	4,404,372	-
Debt service	931,300	-
Capital projects	396,060	-
Donations with a specific purpose	-	9,902,362
Unrestricted	44,828,232	10,953,322
<b>Total Net Position</b>	<b>\$ 66,769,004</b>	<b>\$ 20,855,684</b>

**DSST Public Schools  
Statement of Activities  
Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	DSST Foundation Activities
<b>Primary Government:</b>						
<b>Governmental Activities</b>						
Instructional						
Regular education	\$ 71,278,315	\$ 862,340	\$ 19,190,544	\$ -	\$ (51,225,431)	\$ -
Special education	1,259,378	-	-	-	(1,259,378)	-
Total instructional	<u>72,537,693</u>	<u>862,340</u>	<u>19,190,544</u>	<u>-</u>	<u>(52,484,809)</u>	<u>-</u>
Supporting services						
Pupil supporting services	11,926,075	-	-	-	(11,926,075)	-
Instructional support	8,650,144	-	176,136	-	(8,474,008)	-
General administration	1,083,489	-	-	-	(1,083,489)	-
School administration	27,214,572	-	58,565	-	(27,156,007)	-
Business services	879,347	-	-	-	(879,347)	-
Operations and maintenance	10,474,603	-	-	-	(10,474,603)	-
Pupil transportation	1,325,691	-	-	-	(1,325,691)	-
Central services	2,765,716	-	-	-	(2,765,716)	-
Property	833,660	-	-	-	(833,660)	-
Other support services	1,788,836	-	-	-	(1,788,836)	-
Total supporting services	<u>66,942,133</u>	<u>-</u>	<u>234,701</u>	<u>-</u>	<u>(66,707,432)</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 139,479,826</u>	<u>\$ 862,340</u>	<u>\$ 19,425,245</u>	<u>\$ -</u>	<u>\$ (119,192,241)</u>	<u>\$ -</u>
<b>Component Unit:</b>						
DSST Foundation	\$ 9,851,576	\$ -	\$ 1,811,750	\$ -		\$ (8,039,826)
<b>Total Component Unit</b>	<u>\$ 9,851,576</u>	<u>\$ -</u>	<u>\$ 1,811,750</u>	<u>\$ -</u>		<u>\$ (8,039,826)</u>
<b>General Revenues</b>						
Per pupil revenue					\$ 89,263,324	\$ -
Mill levy override					27,686,972	-
General purpose grants					4,151,575	-
Interest income					946,210	5,076,845
<b>Total General Revenues</b>					<u>122,048,081</u>	<u>5,076,845</u>
<b>Change in Net Position</b>					<u>2,855,840</u>	<u>(2,962,981)</u>
<b>Net Position, Beginning of Year</b>					<u>63,913,164</u>	<u>23,818,665</u>
<b>Net Position, End of Year</b>					<u>\$ 66,769,004</u>	<u>\$ 20,855,684</u>

**DSST Public Schools**  
**Balance Sheet – Governmental Fund**  
**June 30, 2025**

	<b>General Fund</b>
<b>Assets</b>	
Cash and equivalents	\$ 17,242,669
Cash held by fiscal agent	1,670,398
Restricted permanent endowment	257,969
Accounts receivable, net	1,576,799
Receivable from Foundation	46,981,428
PCOPS credits	542,678
Prepaid expenses	269,424
	<hr/>
<b>Total Assets</b>	<b>\$ 68,541,365</b>
	<hr/>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 1,318,694
Accrued salaries and benefits	7,795,001
	<hr/>
<b>Total Liabilities</b>	<b>9,113,695</b>
	<hr/>
<b>Fund Balance</b>	
Nonspendable	680,835
Restricted for emergencies	4,404,372
Restricted for debt service	931,300
Restricted for capital projects	396,060
Assigned	29,773,574
Unassigned	23,241,529
	<hr/>
<b>Total Fund Balance</b>	<b>59,427,670</b>
	<hr/>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 68,541,365</b>
	<hr/>

**DSST Public Schools**  
**Reconciliation of the Balance Sheet of the Governmental**  
**Fund to the Statement of Net Position**  
**June 30, 2025**

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Total fund balance of the governmental fund	\$ 59,427,670
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. This amount is net of accumulated depreciation of \$8,150,866.	34,350,463
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. This is net of accumulated amortization of \$785,600.	2,857,431
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. This is net of accumulated amortization of \$355,289.	2,013,279
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(18,337,534)
Pension and OPEB-related deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the fund	(128,836)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	4,940,793
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	(13,441,179)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	(238,484)
Long-term subscription liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	(2,568,767)
Long-term lease liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(2,105,832)</u>
Total net position of governmental activities	<u>\$ 66,769,004</u>

**DSST Public Schools**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance – Governmental Fund**  
**Year Ended June 30, 2025**

	<b>General Fund</b>
<b>Revenues</b>	
Local sources	\$ 46,646,839
State sources	91,769,839
Federal sources	4,151,576
<b>Total Revenues</b>	<u>142,568,254</u>
<b>Expenditures</b>	
Current	
Instructional	
Regular education	71,275,965
Supporting services	
Pupil supporting services	11,755,818
Instructional support	8,635,863
General administration	509,683
School administration	26,963,599
Business services	879,347
Operations and maintenance	10,474,603
Pupil transportation	1,325,691
Central services	2,765,716
Property	1,127,780
Other support services	13,290
Capital outlay	919,505
Debt service	
Principal	1,064,881
Interest	710,665
<b>Total Expenditures</b>	<u>138,422,406</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>4,145,848</u>
<b>Other Financing Sources (Uses)</b>	
Subscription and lease issuance	919,505
Transfers in	3,550,000
Transfers out	(3,550,000)
<b>Total Other Financing Sources (Uses)</b>	<u>919,505</u>
<b>Net Change in Fund Balance</b>	5,065,353
<b>Fund Balance, Beginning of Year</b>	<u>54,362,317</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 59,427,670</u></u>

**DSST Public Schools**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of the Governmental Fund to the Statement of Activities**  
**Year Ended June 30, 2025**

Net change in fund balance - governmental funds	\$ 5,065,353
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is total capital outlay \$(1,167,691) less depreciation expense (\$1,357,949) for the year.	(190,258)
Subscription asset amortization expense not included in the fund	(543,423)
Lease asset amortization expense not included in the fund	(236,856)
Repayment of subscription liabilities which were capitalized reported as an expenditure in the funds statement but not as an expense in the statement of activities	511,510
Repayment of lease liabilities which were capitalized reported as an expenditure in the funds statement but not as an expense in the statement of activities	173,373
The issuance of long-term debt provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net position. Additionally, governmental funds report the effects of premiums as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.	
Principal payments	380,000
Amortization of premium	104,378
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds	(273,568)
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 the governmental funds	
Pension expense	(2,115,953)
OPEB expense	(18,716)
Change in net position of governmental activities	<u>\$ 2,855,840</u>

## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

The accounting policies of DSST Public Schools (DSST) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Following is a summary of the more significant accounting policies.

### ***Nature of Operations and Reporting Entity***

DSST was formed in 2001, for the purpose of entering into a charter school contract with School District No. 1 in the City and County of Denver (Denver Public Schools). In fiscal year 2019, DSST expanded their charter school network by entering into a charter school contract with Aurora Public Schools. The focus of DSST is science, math and technology. DSST transforms public education by eliminating educational inequity and preparing all students for success in college and the 21st century. DSST is dedicated to providing an outstanding liberal arts education, with a focus on science and technology, to a diverse student population. DSST Public Schools includes eight charter school campuses under one contract with Denver Public Schools (DPS): DSST – Montview, DSST – Green Valley Ranch, DSST – College View, DSST – Cole, DSST – Byers, DSST – Conservatory Green, DSST – Noel, and DSST – Elevate. DSST expanded operations into Aurora Public Schools (APS) with one charter school campus: DSST – Aurora Science and Tech.

After a comprehensive year-long process involving input from families, students, staff, leadership, and communities, DSST -- Byers will now be known as DSST -- Cedar starting from the 2023-24 school year.

Based on current GASB pronouncements, DSST Schools are component units of either Denver Public Schools or Aurora Public Schools. As such, the respective collective Schools' financial results are included in both the Denver Public Schools' and Aurora Public Schools' Annual Comprehensive Financial Report with respect to their related charter school campuses. It is the administrative position of the Colorado Department of Education that a charter school has the same relationship to a public school district as does any other school program or school building within a district. A charter school is part of a local school district that is a political subdivision of the State of Colorado. In accordance with Colorado State Statute, Denver Public Schools and Aurora Public Schools have approved the respective charters of DSST for various periods, depending on the Charter Agreement. At the end of the charter period, DSST intends to seek renewal of its charter in accordance with procedures set forth in the state law and school district policy/regulations.

DSST is economically dependent on funding received from Denver Public Schools.

### ***Blended Component Unit***

**DSST Building Corporation (Building Corp)** – In fiscal year 2021, DSST Public Schools created the Building Corp as a legally separate tax-exempt organization to hold a building purchased in February 2021 for use by DSST Public Schools. The Building Corp provides services entirely to DSST Public Schools and is therefore blended into the General Fund. The Building Corp is governed by a Board of Directors, which consists of current members or employees of DSST Public Schools.

### ***Discretely Presented Component Unit***

**DSST Public Schools Foundation (Foundation)** – The Foundation is reported in a separate column as a discretely presented component unit to emphasize that it is legally separate from DSST Public Schools.

The Foundation was formed in 2011 to provide philanthropic support to DSST Public Schools. The Foundation is a legally separate, tax-exempt entity and DSST Public Schools does not appoint the voting majority of the Foundation's board. DSST Public Schools will primarily benefit from the Foundation's activities as the Foundation receives and holds economic resources entirely for the direct benefit of DSST Public Schools. DSST Public Schools is entitled to or has the ability to access a majority of the economic resources received or held by the Foundation, and the economic resources held by the Foundation are significant to DSST Public Schools. Based on these factors and current GASB standards, it has been determined that the Foundation should be discretely presented in the financial statements. Separately issued financial statements are not available for the Foundation.

### ***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 of DSST's financial activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. 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 intergovernmental revenues properly not included among program revenues are reported instead as general revenues.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, the operating statement presents increases and decreases in net current assets, and unassigned fund balance is a measure of available spendable resources. This means only current liabilities are generally included on the governmental fund balance sheet.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined; available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end, except grant revenues are recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred and expected to be paid with current available resources.

### ***Major Fund***

DSST Public Schools reports one major fund, the general fund, which is the general operating fund of DSST Public Schools. It is used to account for all financial resources except those requirements to be accounted for in other funds.

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

**Cash and cash equivalents** – DSST considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Accounts receivable** – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Management has determined all accounts to be fully collectible, thus no allowance was considered necessary.

**Investments and investment income** – Investments are reported at fair value in accordance with GASB statement No. 72, *Fair Value Measurements and Application*, except for specific investments held in a federal money market fund or local government investment pool, which are reported at net asset value (NAV). See the investments footnote for more information.

**Capital assets** – Capital assets are reported in the government-wide financial statements. Capital additions over \$5,000 are recorded at cost or, if donated, at acquisition value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

**DSST Public Schools**  
**Notes to Financial Statements**  
**June 30, 2025**

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DSST reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

**Lease assets** – Right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service, in accordance with GASB statement No. 87, *Leases*. DSST has elected to capitalize leases above \$25,000.

**Subscription assets** – Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at the commencement of the subscription term, less any incentives received from the vendor at or before the commencement of the subscription term, plus capitalizable initial implementation costs. Payments before the commencement of the subscription terms are reported as prepayments and reclassified as an addition to the initial measurement of the subscription asset at commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. DSST has elected to capitalize subscription assets above \$25,000.

**Subscription liability** – Subscription liabilities are recorded in accordance with GASB Statement No 96, *Subscription-Based Information Technology Arrangements*, in the government-wide financial statements. The subscription liability is calculated as the present value of subscription payments expected to be made during the subscription term. DSST recognizes subscription liabilities with an initial individual value of \$25,000 or more.

**Beneficial interest in assets held by community foundation** – At the direction of a donor, DSST established a permanent endowment fund (the Fund) at a community foundation for the purpose of supporting educational technology. DSST granted variance power to the community foundation, which allows the community foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the community foundation's board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the community foundation for the benefit of DSST Public Schools and is reported at fair value.

**Intrafund activity** – The effects of intra-entity activity between the home office and individual schools has been eliminated.

**Donated services and in-kind contributions** – Volunteers contribute significant amounts of time to DSST's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant donated professional services or materials were received during fiscal year 2025.

**Income taxes** – DSST Public Schools is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been classified as an organization other than a private foundation under Section 509(a)(1). DSST is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, DSST is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. DSST did not have any of this type of activity during the current fiscal year.

**DSST Public Schools**  
**Notes to Financial Statements**  
**June 30, 2025**

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The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(viii), and has been classified as an organization other than a private foundation under Section 509(a)(3). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Income from activities not directly related to Foundation's tax-exempt purpose is subject to taxation as unrelated business income. The Foundation did not have any of this type of activity during the current fiscal year.

In fiscal year 2021, DSST Public Schools created a third entity, which is blended in the general fund for financial statement purposes – DSST Building Corporation. DSST Building Corporation is a non-profit organization as defined by Section 501(c)(3) of the Internal Revenue Code, and qualifies for the charitable contribution deduction and is classified as a supporting organization of DSST Public Schools under 509(a)(3). DSST Building Corporation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Income from activities not directly related to DSST Building Corporation's tax-exempt purpose is subject to taxation as unrelated business income. DSST Building Corporation did not have any of this type of activity during the current fiscal year.

**Deferred outflows/inflows of resources** – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. DSST has two items that qualify for reporting in this category. These are shown as pension and OPEB related amounts that include items related to DSST's portion of the Colorado Public Employees Retirement Association (PERA) and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the change in employer allocation percentage, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position and government fund balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. DSST reports two items on the statement of net position that qualify for reporting in this category – pension and OPEB-related amounts. The pension and OPEB-related amounts include items related to DSST's portion of the Colorado Public Employees Retirement Association (PERA), and Colorado PERA Health Care Trust Fund (HCTF) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, the difference between the actual contributions and proportionate share of total contributions, as well as the amortization related to the difference, and the related contributions subsequent to the measurement date.

**Net position/fund balance** – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. When both restricted and unrestricted resources are available for use, it is DSST's policy to use restricted resources first and the unrestricted resources as they are needed.

**Fund balance classification** – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which DSST is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. DSST considers prepaid expenses, including PCOPS credits, as nonspendable, which total \$680,835 as of June 30, 2025.

**DSST Public Schools**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Restricted** – This classification, including restricted for debt service and restricted for capital projects, includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Emergency Reserves of \$4,404,372 are restricted because their use is restricted by State Statute for declared emergencies. Capital construction of \$396,060 is restricted because their use is restricted by State Statute for capital construction. \$931,300 is restricted to pay debt service. The Foundation has donations and promises to give with purpose restrictions of \$6,814,873.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. DSST did not have any committed resources as of June 30, 2025.

**Assigned** – This classification includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Directors, COO, Director of Finance or for specific purposes through the budget process. The assigned designation may be reversed by the Board of Directors. DSST had assigned fund balance as of June 30, 2025, of \$29,773,574 related to board designated operating reserves.

**Unassigned** – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

***Risk Management***

DSST is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. DSST purchases commercial insurance for these risks of loss, including liability, property, errors and omissions, and workers' compensation. Settled claims did not exceed coverage for the past three years.

***Use of Estimates***

Preparation of financial statement in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in fund balance/net position during the reporting period. Actual results could differ from those estimates.

***Budgets and Budgetary Accounting***

Annually, the Board of Directors adopts a budget for the Organization as a whole, on a basis consistent with generally accepted accounting principles.

A proposed budget is submitted to the Board of Directors for the fiscal year commencing the following July 1 for their approval. The budget includes proposed expenditures and the means of financing them. Revisions that alter the total expenditures must be approved by the Board of Directors. All appropriations lapse at fiscal year-end. One budget amendment was approved by the Board of Directors during the year.

**Note 2. Cash and Equivalents**

Cash and equivalents as of June 30, 2025, consisted of the following:

**Deposits**

The financial institution holding DSST’s cash accounts is participating in the FDIC’s Transaction Account Guarantee Program. Interest-bearing transaction accounts were subject to the \$250,000 limit on FDIC insurance per covered institution per entity.

Under the provisions of GASB 40, *Deposit and Investment Risk Disclosures*, deposits are not deemed exposed to custodial credit risk if they are collateralized with securities held by the pledging financial institutions under the Colorado Public Deposit Protection Act (PDPA), as discussed below. Custodial credit risk is the risk that in the event of bank failure, DSST’s deposits may not be returned.

Colorado State statutes govern DSST’s deposit of cash. The PDPA requires DSST to make deposits only in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits.

DSST has no policy regarding custodial credit risk for deposits. Cash deposits are held by DSST in a pooled account, the first \$250,000 of which is covered by federal deposit insurance per entity. The amounts in excess of federally insured limits are collateralized with securities held by the financial institution’s agent, but not in DSST’s name except for amounts related to the Building Corp and Foundation which are considered uninsured, if any.

At June 30, 2025, DSST had cash on deposit balances consisting of the following:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Covered by FDIC</u>	<u>Amount Covered Under PDPA</u>	<u>Uninsured Deposits</u>
Governmental Activities	\$ 8,316,814	\$ 8,398,641	\$ 500,000	\$ 7,898,641	\$ -
DSST Foundation	\$ 4,729,430	\$ 4,141,323	\$ 500,000	\$ 3,641,323	\$ -

**Note 3. Investments**

DSST 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.

- 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’ acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

**DSST Public Schools**  
**Notes to Financial Statements**  
**June 30, 2025**

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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. State statutes do not address custodial risk.

*Local Government Investment Pool* – at June 30, 2025, DSST had \$8,925,855 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle valued at NAV established for local government entities in Colorado to pool surplus funds for investment purposes and is registered with the State Securities Commissioner. It operates similarly to a money market fund 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. The majority of securities owned by COLOTRUST 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 COLOTRUST. Investments of the pool consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. COLORADO Trust is comprised of two funds: PRIME and PLUS+. Both funds carry an AAAM from Standards and Poor's. The Colorado Division of Securities administers and enforces the requirements of creating and operating COLOTRUST. COLOTRUST is rated AAAM by Standard and Poor's. Investments of COLOTRUST are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. There are no limitations or restrictions on withdrawals. The investment in COLOTRUST is considered a cash equivalent on the statement of net position.

*Government Money Market* – at June 30, 2025, the DSST Foundation had \$3,283,531 invested in the Dreyfus Government Cash Management Fund which is a government money market fund managed to meet the requirements of Rule 2A-7 under the Investment Company Act of 1940 and reported at NAV. The investment is considered a cash equivalent on the statement of net position.

Certain assets and liabilities held by DSST Public Schools and the Foundation are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that DSST Public Schools or the Foundation can access at the measurement date.
- Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3** – Unobservable inputs for the asset or liability. In these situations, DSST Public Schools or the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of an input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to DSST Public Schools' or the Foundation's assessment of the quality, risk or liquidity profile of the asset.

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All of the Foundation’s investments measured at fair value are comprised of mutual funds, treasury securities, or exchange-traded funds with a readily determinable market price. As such, these investments are classified as Level 1. The fair value of DSST Public Schools’ beneficial interest in assets held by community foundation is based on the fair value of fund investments as reported by the community foundation. These are Level 3 measurements.

DSST’s deposits and investments, like those of other governments, are subject to various risks:

1. **Interest Rate Risk** – State statutes limit investments in U.S. Treasury Agency securities to an original maturity of five years and corporate securities to an original maturity of three years.
2. **Custodial Credit Risk** – The custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, DSST would not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that in the event of the failure of a counterparty to the transaction, DSST would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.
3. **Concentration Credit Risk** – Colorado statutes specify in which instruments units of local government may invest, which are listed above.

DSST did not have any investments requiring categorization of credit risk as of June 30, 2025. DSST’s investment policy follows State statutes. When made, all investments shall be in instruments which mature in less than five years (governmental and/or agency securities) or three years (corporate and bank securities).

The following table presents assets measured at fair value on a recurring basis, except those measured at NAV as identified below, at June 30, 2025:

	<u>Fair Value Measurements Using</u>				<u>Investments Measured at NAV<sup>(A)</sup></u>
	<u>Total Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
DSST investments measured at fair value					
Permanent endowment - beneficial interest in assets held by community foundation	\$ 257,969	\$ -	\$ -	\$ 257,969	\$ -
DSST investments measured at NAV					
Local government investment pool - COLOTRUST	8,925,855	-	-	-	8,925,855
<b>Total DSST investments</b>	<b>\$ 9,183,824</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 257,969</b>	<b>\$ 8,925,855</b>
Foundation investments measured at fair value					
Mutual funds - unrated	\$ 46,453,477	\$ 46,453,477	\$ -	\$ -	\$ -
Treasury securities	6,142,906	6,142,906	-	-	-
Traded Common Stock	412,896	412,896	-	-	-
Government Money Market	3,283,531	-	-	-	3,283,531
<b>Total DSST Foundation investments</b>	<b>\$ 56,292,810</b>	<b>\$ 53,009,279</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>(A)</sup>Certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of net position.

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**Note 4. Foundation Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30, 2025:

Foundation promises to give		
Within one year	\$	2,420,240
In one to five years		4,394,633
		<u>4,394,633</u>
	\$	<u><u>6,814,873</u></u>

At June 30, 2025 one donor accounted for 90 percent of total promises to give.

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2025 is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets being depreciated					
Building	\$ 10,309,111	\$ -	\$ -	\$ -	\$ 10,309,111
Building improvements	26,366,117	336,564	-	-	26,702,681
Vehicles	627,486	80,000	-	-	707,486
Equipment	3,244,857	751,127	-	-	3,995,984
Software	786,067	-	-	-	786,067
	<u>41,333,638</u>	<u>1,167,691</u>	<u>-</u>	<u>-</u>	<u>42,501,329</u>
Less accumulated depreciation					
Building	1,045,420	772,951	-	-	1,818,371
Building improvements	1,932,328	264,336	-	-	2,196,664
Vehicles	399,744	58,993	-	-	458,737
Equipment	2,629,358	261,669	-	-	2,891,027
Software	786,067	-	-	-	786,067
	<u>6,792,917</u>	<u>1,357,949</u>	<u>-</u>	<u>-</u>	<u>8,150,866</u>
Total accumulated depreciation					
Capital assets, net	<u>\$ 34,540,721</u>	<u>\$ (190,258)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,350,463</u>

All depreciation expense is related to instruction and has been allocated accordingly in the statement of activities.

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DSST has a lease asset for the year ended June 30, 2025. This asset is for the Home Office building lease. The lease asset is amortized on a straight-line bases over the shorter of the lease term or the useful life of the lease asset. Lease asset activity for DSST for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Subscription assets	\$ 2,769,006	\$ 919,505	\$ (45,480)	\$ 3,643,031
Less accumulated amortization Subscription assets	287,657	543,423	\$ 45,480	785,600
Subscription assets, net	<u>\$ 2,481,349</u>	<u>\$ 376,082</u>	<u>\$ -</u>	<u>\$ 2,857,431</u>

DSST has subscription assets for the year ended June 30, 2025. These assets are long-term software license agreements, and are discussed in the subscription liabilities disclosure. The subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. Subscription asset activity for DSST for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Lease assets	\$ 2,368,563	\$ -	\$ -	\$ 2,368,563
Less accumulated amortization Lease assets	118,428	236,856	-	355,284
Lease assets, net	<u>\$ 2,250,135</u>	<u>\$ (236,856)</u>	<u>\$ -</u>	<u>\$ 2,013,279</u>

All amortization expense is related to instruction and has been allocated accordingly in the statement of activities.

**Note 6. Long-Term Debt**

***Changes in Long-Term Liabilities***

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Revenue bonds	\$ 17,465,000	\$ -	\$ (380,000)	\$ 17,085,000	\$ 395,000
Premium	1,356,912	-	(104,378)	1,252,534	N/A
Subscription liability	2,160,772	919,505	(511,510)	2,568,767	366,368
Lease liability	2,279,205	-	(173,373)	2,105,832	187,704
	<u>\$ 23,261,889</u>	<u>\$ 919,505</u>	<u>\$ (1,169,261)</u>	<u>\$ 23,012,133</u>	<u>\$ 949,072</u>

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*Charter School Revenue Bonds, Series 2021A* dated June 15, 2021 in the amount of \$17,930,000 were issued by the Colorado Educational and Cultural Facilities Authority (CECFA) for the purpose of financing the renovations and construction costs associated with the opening of a new school. The building for the new school – Elevate High School – was purchased in February 2021. The bonds are secured by the building purchased as well as pledged revenues. Interest is payable semiannually on August 1 and February 1 at an interest rate of 4 percent through fiscal year 2032 and 3 percent thereafter. Bond principal is payable annually on August 1. Final maturity is August 1, 2052. In the event of default, the Trustee may declare the principal and accrued interest thereon to be immediately due and payable. No debt service payments were made during the fiscal year. The debt service to maturity is as follows:

<b>Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 395,000	\$ 535,800	\$ 930,800
2027	410,000	519,700	929,700
2028	425,000	503,000	928,000
2029	445,000	485,600	930,600
2030	460,000	467,500	927,500
2031-2035	2,585,000	2,063,775	4,648,775
2036-2040	3,015,000	1,633,875	4,648,875
2041-2045	3,500,000	1,146,000	4,646,000
2046-2050	4,055,000	580,575	4,635,575
2051-2055	1,795,000	54,225	1,849,225
<b>Total</b>	<b>\$ 17,085,000</b>	<b>\$ 7,990,050</b>	<b>\$ 25,075,050</b>

*Lease liability.* Lease liabilities have been recognized in accordance with GASB 87. Long-term liability activity for the year ended June 30, 2025, is shown in the table above.

*Subscription liability.* Subscription liabilities have been recognized in accordance with GASB 96. Long-term liability activity for the year ended June 30, 2025, is shown in the table above.

**Note 7. Lease Liabilities**

DSST has a lease liability for the Home Office building lease, for which the agreement was executed January 1, 2024, and expires in 2034. The lease liability has been recorded at the present value of the future minimum lease payments as of the date of inception. The lease liability is measured using an incremental borrowing rate of 3.5 percent which represents an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term. There are no variable payment components to the lease payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

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The following is a schedule by year of payments under the lease as of June 30, 2025:

<b>Lease Year Ending June 30</b>	<b>Total to Be Paid</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 258,451	\$ 187,704	\$ 70,747
2027	266,486	202,545	63,941
2028	274,521	217,914	56,607
2029	282,555	233,829	48,726
2030	290,590	250,311	40,279
2031-2035	<u>1,079,334</u>	<u>1,013,529</u>	<u>65,805</u>
Total	<u>\$ 2,451,937</u>	<u>\$ 2,105,832</u>	<u>\$ 346,105</u>

**Note 8. Subscription Liabilities**

DSST has various subscription-based information technology arrangements, the terms of which expire in various years through 2032. Variable payments of certain subscriptions are based upon the Consumer Price Index (Index). The subscriptions were measured based upon the Index at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance.

The following is a schedule by year of payments under the SBITAs as of June 30, 2025:

<b>Subscriptions Year Ending June 30</b>	<b>Total to Be Paid</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 451,010	\$ 366,368	\$ 84,642
2027	441,119	369,161	71,958
2028	440,968	382,051	58,917
2029	440,812	395,392	45,420
2030	440,651	409,201	31,450
2031-2035	<u>671,662</u>	<u>646,594</u>	<u>25,068</u>
Total	<u>\$ 2,886,222</u>	<u>\$ 2,568,767</u>	<u>\$ 317,455</u>

**Note 9. Employee Retirement Plans**

***Defined Benefit Pension Plan***

*Pensions.* DSST 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.

**General Information about the Pension Plan**

*Plan description.* Eligible employees of DSST 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/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

*Benefits provided as of December 31, 2024.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 percent 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 annuitized into a monthly benefit 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 also cannot exceed the maximum benefit allowed by 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 five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the 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 percent 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 percent 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 percent 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 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 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) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

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*Contributions provisions as of June 30, 2024:* Eligible employees of DSST 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 percent of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

	<b>July 1, 2024 Through June 30, 2025</b>
Employer Contribution Rate	11.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%
Amount apportioned to the SCHDTF**	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	<u>5.50%</u>
Total Employer Contribution Rate to the SCHDTF	<u><u>20.38%</u></u>

\*\* 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 DSST is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from DSST were \$1,382,392 for the year ended June 30, 2025.

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 a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the 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.

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

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At June 30, 2025, the DSST reported a liability of \$13,441,179 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 DSST 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 DSST were as follows:

DSST proportionate share of the net pension liability	\$ 13,441,179
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the DSST	<u>1,207,231</u>
Total	<u><u>\$ 14,648,410</u></u>

At December 31, 2024, the DSST proportion was .078 percent, which was an increase of .008 percent from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the DSST recognized pension expense of \$3,498,345 and revenue of \$110,184 and \$127,312, respectively, in the government fund and statement of activities for support from the State as a nonemployer contributing entity. At June 30, 2025, the DSST reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 761,154	\$ -
Changes of assumptions or other inputs	100,770	-
Net difference between projected and actual earnings on pension plan investments	253,598	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,858,314	-
Contributions subsequent to the measurement date	<u>685,608</u>	<u>-</u>
Total	<u><u>\$ 4,659,444</u></u>	<u><u>\$ -</u></u>

\$658,608 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 year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ending June 30, 2025**

2026	\$ 2,417,092
2027	1,937,615
2028	(200,006)
2029	(180,865)
2030	<u>-</u>
	<u><u>\$ 3,973,836</u></u>

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*Actuarial assumptions.* The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40 - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Postretirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

<sup>1</sup> Postretirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee table.

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older.

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

- **Males:** 97 percent of the rates for all ages.
- **Females:** 105 percent of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages.

The actuarial assumptions used in the December 31, 2023, 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.

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

Salary increases, including wage inflation: 4.00 percent – 13.40 percent

Salary scale assumptions were altered to better reflect actual experience.

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Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40 percent to 0.45 percent.

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

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee table.

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

- **Males:** 106 percent of the rates for all ages.
- **Females:** 86 percent of the rates prior to age 85 and 115 percent of the rates for ages 85 and older.

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

- **Males:** 92 percent of the rates for all ages.
- **Females:** 100 percent of the rates for all ages.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages.

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

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

The PERA Board first adopted the 7.25 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, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	<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 nominal rate of return assumption of 7.25 percent.

*Discount rate.* The discount rate used to measure the TPL was 7.25 percent. 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 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in 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.
- 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent 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.

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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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the DSST 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 percent, 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 percent) or one percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease Rate (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase Rate (8.25%)</u>
Proportionate share of the net pension liability	\$ 18,223,124	\$ 13,441,179	\$ 9,435,632

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's FNP is available in PERA's Annual Report which can be obtained at [www.copera.org/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

**Defined Benefit Other Postemployment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

*OPEB.* DSST 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 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.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the DSST 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/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

*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.

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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 65 years of age or older 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., 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 percent 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 DSST is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from DSST were \$69,187 for the year ended June 30, 2025.

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

At June 30, 2025, the DSST reported a liability of \$238,484 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The DSST proportion of the net OPEB liability was based on DSST contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the DSST proportion was .050 percent, which was an increase of .008 percent from its proportion measured as of December 31, 2023.

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For the year ended June 30, 2025, the DSST recognized OPEB expense of \$50,471. At June 30, 2025, the DSST reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 52,605
Changes of assumptions or other inputs	2,735	76,231
Net difference between projected and actual earnings on pension plan investments	808	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	243,492	-
Contributions subsequent to the measurement date	34,314	-
<b>Total</b>	<b>\$ 281,349</b>	<b>\$ 128,836</b>

\$34,314 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 year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30, 2025</b>	
2026	\$ 40,136
2027	40,620
2028	17,566
2029	13,293
2030	6,794
Thereafter	(210)
	<b>\$ 118,199</b>

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*Actuarial assumptions.* The TOL in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
	16.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2023
PERACare Medicare plans	
	3.50% in 2024, gradually increasing to 4.50% in 2023
Medicare Part A premiums	
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**Age-Related Morbidity Assumptions**

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

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

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

The 2024 Medicare Part A premium is \$505 (actual dollars) per month.

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

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.

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

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

Year	PERACare Medicare Plans <sup>1</sup>	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

<sup>1</sup> Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, 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 School Division were based upon the PubT-2010 Employee Table.

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older.

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

- **Males:** 97 percent of the rates for all ages.
- **Females:** 105 percent of the rates for all ages.

Disabled mortality were based upon the PubNS-2010 Disabled Retiree Table 99 percent of the rates for all ages.

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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, 2023, 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 2024 plan year.
- 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. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

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

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

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

The PERA Board first adopted the 7.25 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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	<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 nominal rate of return assumption of 7.25 percent.

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*Sensitivity of the DSST proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 232,059	\$ 238,484	\$ 245,756

<sup>1</sup> For the January 1, 2025, plan year.

*Discount rate.* The discount rate used to measure the TOL was 7.25 percent. 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, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- 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.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

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*Sensitivity of the DSST proportionate share of the 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 percent, 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 percent) or one-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease Rate (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase Rate (8.25%)</u>
Proportionate share of the net OPEB liability	\$ 232,059	\$ 238,484	\$ 245,756

*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](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Plan**

With the exception of all employees at the Aurora Public Schools campus, who are members of the PERA, all eligible employees, participate in a DSST sponsored defined contribution plan. The Plan is qualified under section 401(k) of the Internal Revenue Code covering substantially all full-time permanent employees having attained one year of service. Plan participants may contribute a portion of their total compensation to the Plan up to limits prescribed by the Internal Revenue Service. DSST may but is not required to contribute to the Plan. During the year ended June 30, 2025, DSST contributed \$3,064,150 to the Plan for employees. Plan assets are held by an independent Trustee and are participant directed.

**Note 10. Claims Payable**

Effective July 1, 2021, DSST established a self-funded medical insurance program for employees who choose to participate. DSST utilizes a third-party provider to administer the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. These payables are included with accrued liabilities in the financial statements. Changes to the balance of unpaid claims, related to medical insurance during the past year are as follows:

Unpaid Claims July 1, 2023	\$ 1,453,561
Incurred Claims	6,440,565
Claim Payments	<u>(7,399,510)</u>
Unpaid Claims June 30, 2024	<u>\$ 494,616</u>
Unpaid Claims July 1, 2024	\$ 494,616
Incurred Claims	7,869,864
Claim Payments	<u>(7,419,272)</u>
Unpaid Claims June 30, 2025	<u>\$ 945,208</u>

## **Note 11. Commitments and Contingencies**

Pension certificates of participation – Denver Public Schools issued Taxable Pension Certificates of Participation (the PCOPs) in order to fully fund, over time, the unfunded actuarial accrued liability of its pension plan. None of the employees of DSST Public Schools participate in the Denver Public Schools pension plan. As part of the DPS charter agreements with each school except Montview, DSST Public Schools has agreed to pay fees to Denver Public Schools. The payment is calculated based upon a percentage of covered salary. DSST satisfies substantially all of this obligation through the use of prepaid PCOPs credits totaling \$13,018,140 resulting from a land and building sale, related to Montview, from DSST to DPS on June 28, 2013. Approximately \$11,932,000 of the credits have been utilized to pay outstanding PCOPs liabilities through the year ended June 30, 2025. The remaining credits are expected to be utilized over the next 13 years in accordance with an agreed-upon schedule. The PCOP credit balance as of June 30, 2025, is \$542,678. Any expense in excess of available credits is paid in cash. DSST Public Schools expensed \$3,255,690 during the year ended June 30, 2025, which represents approximately 7.20 percent of covered salaries, for its obligation relating to the PCOPs.

Claims and judgments – DSST participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, DSST may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited, but DSST believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of DSST.

TABOR Amendment – Colorado voters approved an amendment to the State Constitution, Article X, Section 20 (commonly known as “TABOR”), which limits state and local government taxing authority and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. DSST believes it has complied with the Amendment. As required by the Amendment, DSST has established a reserve for emergencies, representing 3 percent of DSST Public Schools budgeted expenditures.

Facility use fees – DSST annually enters into a facility use agreement with Denver Public Schools and Aurora Public Schools. The Facility use fee is based on a per-student use fee schedule and anticipated costs of operating the facility. Facility use fees for the year ended June 30, 2025 were \$5,904,152 for DPS and \$1,243,037 for APS. There are no future minimum commitments under this arrangement.

## **Note 12. Memorandum of Understanding**

On May 19, 2022, DSST entered into a memorandum of understanding (MOU) with Aurora Public Schools regarding the construction of a certain district school facility to be utilized by DSST. The construction project of the Aurora Science and Tech campus required additional funding from APS and DSST agreed to contribute \$2,200,000 to assist in the completion of the project in fiscal year 2023. The MOU contains contingency language requiring a prorated return of funds should the DSST charter be revoked at any time over the next 20 years.

***Required Supplementary Information***

**DSST Public Schools  
Budgetary Comparison Schedule – General Fund  
Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Local sources				
Contributions and grants	\$ 1,093,200	\$ 1,093,200	\$ 498,775	\$ (594,425)
Investment income	1,120,000	1,120,000	946,208	(173,792)
Mill levy	26,582,098	26,582,098	27,686,973	1,104,875
Supporting services	54,315,193	54,315,193	17,514,883	(36,800,310)
State sources				
Per pupil revenue	87,493,976	87,493,976	89,263,324	1,769,348
Supporting services	1,836,819	1,836,819	2,506,515	669,696
Federal sources				
Federal grants from Denver Public Schools	3,666,168	3,666,168	4,151,576	485,408
Total revenues	<u>176,107,454</u>	<u>176,107,454</u>	<u>142,568,254</u>	<u>(33,539,200)</u>
Expenditures				
Instructional				
Regular education	73,516,565	73,516,565	71,275,965	2,240,600
Supporting services				
Pupil supporting services	10,864,263	10,864,263	11,755,818	(891,555)
Instructional support	9,152,674	9,152,674	8,635,863	516,811
General administration	750,000	750,000	509,683	240,317
School administration	26,431,339	26,431,339	26,963,599	(532,260)
Business services	47,591,473	47,591,473	879,347	46,712,126
Operations and maintenance	10,007,884	10,007,884	10,474,603	(466,719)
Pupil transportation	1,389,365	1,389,365	1,325,691	63,674
Central services	-	-	2,765,716	(2,765,716)
Property	-	-	1,127,780	(1,127,780)
Other support services	3,598,444	3,598,444	13,290	3,585,154
Capital outlay	-	-	919,505	(919,505)
Debt service				
Principal	393,750	393,750	1,064,881	(671,131)
Interest	544,967	544,967	710,665	(165,698)
Total expenditures	<u>184,240,724</u>	<u>184,240,724</u>	<u>138,422,406</u>	<u>45,818,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,133,270)</u>	<u>(8,133,270)</u>	<u>4,145,848</u>	<u>12,279,118</u>
Other financing sources (uses)				
Subscription and lease issuance	-	-	919,505	919,505
Transfers in	-	-	3,550,000	3,550,000
Transfers out	-	-	(3,550,000)	(3,550,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>919,505</u>	<u>-</u>
Net change in fund balances	(8,133,270)	(8,133,270)	5,065,353	12,279,118
Fund balances, beginning of year	<u>(3,373,267)</u>	<u>(3,373,267)</u>	<u>54,362,317</u>	<u>57,735,584</u>
Fund balances, end of year	<u>\$ (11,506,537)</u>	<u>\$ (11,506,537)</u>	<u>\$ 59,427,670</u>	<u>\$ 70,014,702</u>
Total revenues	\$ 186,609,764			
Home office elimination	<u>(44,041,511)</u>			
Total revenues, GAAP basis	<u>\$ 142,568,253</u>			
Total expenditures	\$ 182,463,916			
Home office elimination	<u>(44,041,511)</u>			
Total expenditures, GAAP basis	<u>\$ 138,422,405</u>			

**DSST Public Schools  
Schedule of Proportionate Share of Net Pension Liability  
Year Ended June 30, 2025**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
DSST-APS's proportion of net pension liability/(asset)	0.00213%	0.02449%	0.02449%	0.03464%	0.04154%	0.06979%	0.07790%
DSST-APS's proportionate of net pension liability/(asset)	\$ 377,321	\$ 1,592,427	\$ 3,703,035	\$ 4,030,769	\$ 7,563,531	\$ 12,342,138	\$ 13,441,179
DSST-APS's covered payroll	\$ 48,775	\$ 625,537	\$ 1,305,032	\$ 2,164,672	\$ 3,197,141	\$ 4,614,074	\$ 6,019,513
DSST-APS's proportionate share of the net pension liability/ (asset) as a percentage of its covered payroll	773.6%	254.6%	283.8%	186.2%	236.6%	267.5%	223.0%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%	67.2%

(1) DSST-APS entered the plan in fiscal year 2018. Information prior to that is not available.

(2) The amounts presented for each year were determined as of December 31, the measurement date used by the plan.

**DSST Public Schools  
Schedule of Contributions – Pension  
Year Ended June 30, 2025**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contributions	\$ 22,410	\$ 120,124	\$ 339,607	\$ 521,676	\$ 786,611	\$ 1,066,155	\$ 1,382,392
Contributions in relation to the contractually required contribution	<u>2,241</u>	<u>120,124</u>	<u>339,607</u>	<u>521,676</u>	<u>786,611</u>	<u>1,066,155</u>	<u>1,382,392</u>
Contribution deficiency (excess)	<u>\$ 20,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DSST-APS's covered payroll	\$ 625,537	\$ 1,014,206	\$ 1,708,297	\$ 2,629,875	\$ 3,859,712	\$ 5,234,376	\$ 6,783,074
Contributions as a percentage of covered payroll	0.36%	11.84%	19.88%	19.84%	20.38%	20.37%	20.38%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

**DSST Public Schools  
Schedule of Proportionate Share of Net OPEB Liability  
Year Ended June 30, 2025**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
DSST-APS's proportion of net OPEB liability/(asset)	0.00691%	0.01411%	0.02262%	0.03151%	0.04175%	0.04987%
DSST-APS's proportionate of net OPEB liability/(asset)	\$ 77,638	\$ 134,099	\$ 195,010	\$ 257,242	\$ 298,013	\$ 238,484
DSST-APS/s covered payroll	\$ 625,537	\$ 1,305,032	\$ 2,164,672	\$ 3,197,141	\$ 4,614,074	\$ 6,019,513
DSST-APS/s proportionate share of the net OPEB liability/ (asset) as a percentage of its covered payroll	12.4%	10.3%	9.0%	8.0%	6.5%	3.7%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	64.5%	32.8%	39.4%	38.6%	46.2%	59.8%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

(2) The amounts presented for each year were determined as of December 31, the measurement date used by the plan.

**DSST Public Schools  
Schedule of Contributions – OPEB  
Year Ended June 30, 2025**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually required contributions	\$ 6,335	\$ 17,425	\$ 26,766	\$ 39,369	\$ 53,360	\$ 69,187
Contributions in relation to the contractually required contribution	<u>6,335</u>	<u>17,425</u>	<u>26,766</u>	<u>39,369</u>	<u>53,360</u>	<u>69,187</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DSST-APS's covered payroll	\$ 1,014,206	\$ 1,708,297	\$ 2,629,875	\$ 3,859,712	\$ 5,231,376	\$ 6,783,074
Contributions as a percentage of covered payroll	0.62%	1.02%	1.02%	1.02%	1.02%	1.02%

(1) DSST-APS entered the plan in fiscal year 2019. Information prior to that is not available.

### **Note 1. Stewardship, Compliance and Accountability**

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. The General Fund budget to actual statement eliminates internal activity between the home office and individual schools with the exception of charges for supporting services.

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

### **Note 2. Pension and OPEB Related Disclosures**

GASB 68 and GASB 75 require disclosure of DSST – APS’s proportionate share of the net pension liability at the measurement date and contributions to the pension plan for the previous 10-year period. Until a full 10-year trend is compiled, DSST is presenting information for those years for which information is available.

### **Note 3. Significant Changes Affecting Trends in Actuarial Information**

#### ***2024 Changes in Plan Provisions and Assumptions or Other Inputs Since 2023***

##### ***Defined Benefit Pension Plan***

- There were no changes made to the plan provisions.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40 percent to 0.45 percent.

##### ***Defined Benefit Other Postemployment Benefit Plan***

- As of the December 31, 2024 measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

**DSST Public Schools**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2025**

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- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

***Subsequent Events***

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

***2023 Changes in Plan Provisions and Assumptions or Other Inputs Since 2022***

***Defined Benefit Pension Plan***

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the 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.
- There were no changes made to the actuarial methods or assumptions.

***Defined Benefit Other Postemployment Benefit Plan***

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.
- There were no changes made to the actuarial methods or assumptions.

***2022 Changes in Plan Provisions and Assumptions or Other Inputs Since 2021***

***Defined Benefit Pension Plan***

- House Bill (HB) 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars) with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to a negative investment return in 2022.
- There were no changes made to the actuarial methods or assumptions.

***Defined Benefit Other Postemployment Benefit Plan***

- There were no changes in plan provisions.
- The timing of the retirement decrement was adjusted to middle-of-year.

***2021 Changes in Plan Provisions and Assumptions or Other Inputs Since 2020***

***Defined Benefit Pension Plan***

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effectively July 1, 2022:
  - Member contribution rates increased by 0.50 percent
  - Employer contribution rates increase by 0.50 percent
  - Annual Increase (AI) cap is lowered from 1.25 percent per year to 1.00 percent per year
- There were no changes made to the actuarial methods or assumptions.

***Defined Benefit Other Postemployment Benefit Plan***

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

***2020 Changes in Plan Provisions and Assumptions or Other Inputs Since 2019***

***Defined Benefit Pension Plan***

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effectively July 1, 2022:
  - Member contribution rates increased by 0.50 percent
  - Employer contribution rates increase by 0.50 percent
  - Annual Increase (AI) cap is lowered from 1.25 percent per year to 1.00 percent per year
- There were no changes made to the actuarial methods or assumptions.

**DSST Public Schools  
Notes to Required Supplementary Information  
Year Ended June 30, 2025**

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***Defined Benefit Other Postemployment Benefit Plan***

- The were no changes made to plan provisions
- There price inflation assumption was lowered from 2.40 percent to 2.30 percent
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent 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:** 122 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
  - **Females:** 83 percent of the rates prior to age 80 and 106 percent 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 State Troopers) was changed to the PubNS-2010 Disable Retiree Table using 99 percent 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

***2020 Changes in Plan Provisions and Assumptions or Other Inputs Since 2019***

***Defined Benefit Pension Plan***

- House Bill (HB) 20-1379, enacted on June 29, 2020, suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses
- Salary scale assumption were revised to align with revised economic assumption sand to more closely reflect actual experience
- The pre-retirement mortality assumption for the School and DPS Divisions was change to the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019

**DSST Public Schools**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2025**

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- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Health Retiree Table, adjusted as follows:
  - **Males:** 112 percent of the rates prior to age 80 and 94 percent of rates for ages 80 and older, with generational projection using scale MP-2019
  - **Females:** 86 percent of the rates prior to age 80 and 106 percent 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 State Troopers) was changed to the PubsNS-2010 Disabled Retiree Table using 99 percent of the rate for all ages with generational projection using scale MP-2019

***Defined Benefit Other Postemployment Benefit Plan***

- There were no changes in plan provisions.
- The price inflation assumption was lowered from 2.40 percent to 2.30 percent
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expense from 4.85 percent 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-201 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 Health Retiree Table, adjusted as follows:
  - **Males:** 112 percent of the rates prior to age 80 and 94 percent of rates for ages 80 and older, with generational projection using scale MP-2019
  - **Females:** 86 percent of the rates prior to age 80 and 106 percent 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 State Troopers) was changed to the PubsNS-2010 Disabled Retiree Table using 99 percent of the rate for all ages with generational projection using scale MP-2019
- The mortality tables described above are generational mortality tables based on a head-count weighted basis

***Other Audited Financial Statements –  
Supplementary Information***

**DSST Public Schools**  
**Combining Statement of Net Position by School District**  
**Year Ended June 30, 2025**

	<u>Denver Public Schools</u>	<u>Aurora Public Schools</u>	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 17,496,537	\$ (253,868)	\$ 17,242,669
Cash held by fiscal agent	1,670,398	-	1,670,398
Restricted permanent endowment	227,787	30,182	257,969
Accounts receivable, net	865,607	711,192	1,576,799
Receivable from Foundation	42,592,954	4,388,474	46,981,428
PCOPS credits	542,678	-	542,678
Prepaid expenses	244,923	24,501	269,424
Capital assets, net of accumulated depreciation	34,069,505	280,958	34,350,463
Subscription assets, net of amortization	2,523,112	334,319	2,857,431
Lease assets, net of amortization	1,777,725	235,554	2,013,279
<b>Total Assets</b>	<u>102,011,226</u>	<u>5,751,312</u>	<u>107,762,538</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pension	-	4,659,444	4,659,444
Deferred outflows - OPEB	-	281,349	281,349
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>4,940,793</u>	<u>4,940,793</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>102,011,226</u>	<u>10,692,105</u>	<u>112,703,331</u>
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	1,132,783	185,911	1,318,694
Accrued salaries and benefits	7,590,036	204,965	7,795,001
Current portion of long-term debt	395,000	-	395,000
Current portion of subscription liabilities	323,503	42,865	366,368
Current portion of lease liabilities	165,743	21,961	187,704
<b>Long-Term Liabilities</b>			
Noncurrent portion of long-term debt	17,942,534	-	17,942,534
Noncurrent portion of subscription liabilities	1,944,718	257,681	2,202,399
Noncurrent portion of lease liabilities	1,693,707	224,421	1,918,128
Net pension liability	-	13,441,179	13,441,179
Net OPEB liability	-	238,484	238,484
<b>Total Liabilities</b>	<u>31,188,024</u>	<u>14,617,467</u>	<u>45,805,491</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - OPEB	-	128,836	128,836
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>128,836</u>	<u>128,836</u>
<b>Net Position</b>			
Net invested in capital assets	15,905,137	303,903	16,209,040
Restricted for			
Emergencies	3,858,161	546,211	4,404,372
Debt service	931,300	-	931,300
Capital projects	396,060	-	396,060
Unrestricted	49,732,544	(4,904,312)	44,828,232
<b>Total Net Position</b>	<u>\$ 70,823,202</u>	<u>\$ (4,054,198)</u>	<u>\$ 66,769,004</u>

**DSST Public Schools**  
**Combining Statement of Activities by School District**  
**Year Ended June 30, 2025**

Functions/Programs	Expenses	Charges for	Program Revenues		Net (Expense) Revenue and Change in Net Position		Total Charter Schools
			Operating Grants and Contributions	Capital Grants and Contributions	Denver Public Schools	Aurora Public Schools	
Charter Schools							
Denver Public Schools	\$ 118,841,548	\$ 801,408	\$ 14,627,017	\$ -	\$ (103,413,123)	\$ -	\$ (103,413,123)
Aurora Public Schools	20,614,426	60,932	4,774,376	-	-	(15,779,118)	(15,779,118)
Total Charter Schools	<u>\$ 139,455,974</u>	<u>\$ 862,340</u>	<u>\$ 19,401,393</u>	<u>\$ -</u>	<u>\$ (103,413,123)</u>	<u>\$ (15,779,118)</u>	<u>\$ (119,192,241)</u>
<b>General Revenues</b>							
Per pupil revenue					\$ 78,441,006	\$ 10,822,318	\$ 89,263,324
Mill levy override					24,174,902	3,512,070	27,686,972
General purpose grants					3,658,083	493,492	4,151,575
Interest					842,681	103,529	946,210
Transfers in (out)					39,300	(39,300)	-
<b>Total General Revenues and Transfers</b>					<u>107,155,972</u>	<u>14,892,109</u>	<u>122,048,081</u>
<b>Change in Net Position</b>					3,742,849	(887,009)	2,855,840
<b>Net Position, Beginning of Year</b>					<u>67,080,353</u>	<u>(3,167,189)</u>	<u>63,913,164</u>
<b>Net Position, End of Year</b>					<u>\$ 70,823,202</u>	<u>\$ (4,054,198)</u>	<u>\$ 66,769,004</u>

**DSST Public Schools**  
**Combining General Fund Balance Sheet by School District**  
**June 30, 2025**

	<u>Total DPS</u>	<u>Total APS</u>	<u>Total General Fund</u>
<b>Assets</b>			
Cash and equivalents	\$ 17,496,537	\$ (253,868)	\$ 17,242,669
Cash held by fiscal agent	1,670,398	-	1,670,398
Restricted permanent endowment	227,787	30,182	257,969
Accounts receivable	865,607	711,192	1,576,799
Receivable from Foundation	42,592,954	4,388,474	46,981,428
PCOPS credits	542,678	-	542,678
Prepaid expenses	244,923	24,501	269,424
<b>Total Assets</b>	<u>\$ 63,640,884</u>	<u>\$ 4,900,481</u>	<u>\$ 68,541,365</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,132,783	\$ 185,911	\$ 1,318,694
Accrued salaries and benefits	7,590,036	204,965	7,795,001
<b>Total Liabilities</b>	<u>8,722,819</u>	<u>390,876</u>	<u>9,113,695</u>
<b>Fund Balance</b>			
Nonspendable	656,334	24,501	680,835
Restricted for emergencies	3,858,161	546,211	4,404,372
Restricted for debt service	931,300	-	931,300
Restricted for capital projects	396,060	-	396,060
Assigned	28,243,225	1,530,349	29,773,574
Unassigned	20,832,985	2,408,544	23,241,529
<b>Total Fund Balance</b>	<u>54,918,065</u>	<u>4,509,605</u>	<u>59,427,670</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 63,640,884</u>	<u>\$ 4,900,481</u>	<u>\$ 68,541,365</u>

**DSST Public Schools  
Combining Statement of General Fund Balance Sheet –  
Reconciliation by School District  
Year Ended June 30, 2025**

	<u>DPS</u>	<u>APS</u>	<u>Total</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balance of the governmental fund	\$ 54,918,065	\$ 4,509,605	\$ 59,427,670
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	34,069,505	280,958	34,350,463
Subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	2,523,112	334,319	2,857,431
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the fund	1,777,725	235,554	2,013,279
Long-term debt is not due and payable in the current period and, therefore, is not reported in the fund	(18,337,534)	-	(18,337,534)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the fund	-	(128,836)	(128,836)
Deferred outflows of resources are not financial resources and, therefore, are not reported in the fund	-	4,940,793	4,940,793
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(13,441,179)	(13,441,179)
The net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental fund	-	(238,484)	(238,484)
Long-term subscription liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	(2,268,221)	(300,546)	(2,568,767)
Long-term lease liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(1,859,450)</u>	<u>(246,382)</u>	<u>(2,105,832)</u>
Total net position of governmental activities	<u>\$ 70,823,202</u>	<u>\$ (4,054,198)</u>	<u>\$ 66,769,004</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures, and  
Changes in General Fund Balance by School District  
Year Ended June 30, 2025**

	<u>Total DPS</u>	<u>Total APS</u>	<u>Total General Fund</u>
<b>Revenues</b>			
Local sources			
Contributions and grants	\$ 245,742	\$ 253,033	\$ 498,775
Investment income	842,679	103,529	946,208
Mill levy	24,174,903	3,512,070	27,686,973
Supporting services	13,176,272	4,338,611	17,514,883
States sources			
Per pupil revenue	78,441,006	10,822,318	89,263,324
Supporting services	2,290,161	216,354	2,506,515
Federal sources			
Title funds from School District	3,658,084	493,492	4,151,576
<b>Total Revenues</b>	<u>122,828,847</u>	<u>19,739,407</u>	<u>142,568,254</u>
<b>Expenditures</b>			
Instructional			
Regular education	63,779,054	7,496,911	71,275,965
Supporting services			
Pupil supporting services	10,200,960	1,554,858	11,755,818
Instructional support	7,814,842	821,021	8,635,863
General administration	466,115	43,568	509,683
School administration	24,053,550	2,910,049	26,963,599
Business services	(2,836,199)	3,715,546	879,347
Operations and maintenance	9,181,646	1,292,957	10,474,603
Pupil transportation	1,325,206	485	1,325,691
Central services	2,368,366	397,350	2,765,716
Property	1,127,780	-	1,127,780
Other support services	-	13,290	13,290
Capital Outlay	811,923	107,582	919,505
Debt service			
Principal	984,750	80,131	1,064,881
Interest	692,020	18,645	710,665
<b>Total Expenditures</b>	<u>119,970,013</u>	<u>18,452,393</u>	<u>138,422,406</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,858,834</u>	<u>1,287,014</u>	<u>4,145,848</u>
<b>Other Financing Sources (Uses)</b>			
Subscription and lease issuance	811,923	107,582	919,505
Transfers in	3,250,000	300,000	3,550,000
Transfers out	(3,210,700)	(339,300)	(3,550,000)
<b>Total Other Financing Sources (Uses)</b>	<u>851,223</u>	<u>68,282</u>	<u>919,505</u>
<b>Net Change in Fund Balance</b>	3,710,057	1,355,296	5,065,353
<b>Fund Balance, Beginning of Year</b>	<u>51,208,008</u>	<u>3,154,309</u>	<u>54,362,317</u>
<b>Fund Balance, End of Year</b>	<u>\$ 54,918,065</u>	<u>\$ 4,509,605</u>	<u>\$ 59,427,670</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures, and Changes  
in General Fund Balance – Reconciliation by School District  
Year Ended June 30, 2025**

	<u>DPS</u>	<u>APS</u>	<u>Total</u>
Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balance - governmental funds	\$ 3,710,057	\$ 1,355,296	\$ 5,065,353
Capital outlays to purchase or build capital assets are reported in the governmental fund as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is total capital outlay (\$1,167,691 DPS; \$0 - APS) less depreciation expense (\$1,251,291 - DPS; \$106,658 - APS) for the year.	(83,600)	(106,658)	(190,258)
Subscription asset amortization expense not included in the fund	(479,843)	(63,580)	(543,423)
Lease asset amortization expense not included in the fund	(209,144)	(27,712)	(236,856)
Repayment of subscription liabilities	451,663	59,847	511,510
Repayment of lease liabilities	153,088	20,285	173,373
The issuance of long-term debt provides current financial resources to the governmental funds. However, issuing debt increases long-term liabilities on the statement of net position. Additionally, governmental funds report the effects of premiums as expenditures in the period when the debt is created. However, these amounts are deferred and amortized in the statement of activities.			
Principal payments	380,000	-	380,000
Amortization of premium	104,378	-	104,378
Revenues in the governmental funds are not reported as revenues in governmental activities	(283,750)	10,182	(273,568)
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 the governmental funds			
Pension expense	-	(2,115,953)	(2,115,953)
OPEB expense	-	(18,716)	(18,716)
Change in net position of governmental activities	<u>\$ 3,742,849</u>	<u>\$ (887,009)</u>	<u>\$ 2,855,840</u>

***Supplementary Information***

**DSST Public Schools  
Combining DPS Balance Sheet  
June 30, 2025**

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	<b>Home Office</b>	<b>Montview Middle School</b>	<b>Montview High School</b>
Assets			
Cash and cash equivalents	\$ (32,500,117)	\$ 4,591,713	\$ 4,787,097
Cash held by fiscal agent	1,123,475	-	-
Restricted permanent endowment	227,787	-	-
Accounts receivable	59,514	13,539	29,422
Receivable from Foundation	39,239,062	412,001	391,065
PCOPs credits	542,678	-	-
Prepaid expenses	112,861	85,510	45,757
Total assets	<u>8,805,260</u>	<u>5,102,763</u>	<u>5,253,341</u>
Liabilities and fund balance			
Accounts payable	389,464	47,653	64,375
Accrued salaries and benefits	2,194,138	162,770	221,488
Total liabilities	<u>2,583,602</u>	<u>210,423</u>	<u>285,863</u>
Fund balance			
Nonspendable	655,539	-	-
Restricted for emergencies	853,553	199,152	249,473
Restricted for debt service	931,300	-	-
Restricted for capital projects	-	58,068	50,992
Assigned	2,331,656	2,710,458	2,373,761
Unassigned	1,449,610	1,924,662	2,293,252
Total fund balance	<u>6,221,658</u>	<u>4,892,340</u>	<u>4,967,478</u>
Total liabilities and fund balance	<u>\$ 8,805,260</u>	<u>\$ 5,102,763</u>	<u>\$ 5,253,341</u>

**DSST Public Schools  
Combining DPS Balance Sheet  
June 30, 2025**

**(Continued)**

<b>Green Valley Ranch Middle School</b>	<b>Green Valley Ranch High School</b>	<b>Cole Middle School</b>	<b>Cole High School</b>	<b>College View Middle School</b>	<b>College View High School</b>
\$ 5,382,953	\$ 4,280,806	\$ 2,090,396	\$ 1,717,553	\$ 4,189,903	\$ 4,102,378
-	-	-	-	-	-
-	-	-	-	-	-
15,682	53,893	8,445	18,299	207,281	42,375
174,282	247,322	509,104	282,963	110,369	225,639
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,572,917</u>	<u>4,582,021</u>	<u>2,607,945</u>	<u>2,018,815</u>	<u>4,507,553</u>	<u>4,370,392</u>
35,955	50,341	22,285	72,805	35,898	34,373
<u>399,474</u>	<u>485,565</u>	<u>298,055</u>	<u>317,463</u>	<u>369,582</u>	<u>501,852</u>
<u>435,429</u>	<u>535,906</u>	<u>320,340</u>	<u>390,268</u>	<u>405,480</u>	<u>536,225</u>
-	-	-	-	-	-
197,988	253,699	140,908	175,164	196,933	227,345
-	-	-	-	-	-
60,683	50,462	-	-	55,257	68,241
2,799,186	2,492,823	1,505,780	1,108,454	2,171,514	2,296,469
<u>2,079,631</u>	<u>1,249,131</u>	<u>640,917</u>	<u>344,929</u>	<u>1,678,369</u>	<u>1,242,112</u>
<u>5,137,488</u>	<u>4,046,115</u>	<u>2,287,605</u>	<u>1,628,547</u>	<u>4,102,073</u>	<u>3,834,167</u>
<u>\$ 5,572,917</u>	<u>\$ 4,582,021</u>	<u>\$ 2,607,945</u>	<u>\$ 2,018,815</u>	<u>\$ 4,507,553</u>	<u>\$ 4,370,392</u>

**DSST Public Schools  
Combining DPS Balance Sheet  
June 30, 2025**

**(Continued)**

<b>Cedar Middle School</b>	<b>Cedar High School</b>	<b>Conservatory Green Middle School</b>	<b>Conservatory Green High School</b>	<b>Elevate Middle School</b>	<b>Elevate High School</b>	<b>Total DPS</b>
\$ 4,832,821	\$ 2,017,579	\$ 4,010,216	\$ 2,750,218	\$ 4,403,720	\$ 839,301	\$ 17,496,537
-	-	-	-	-	546,923	1,670,398
-	-	-	-	-	-	227,787
12,972	24,832	31,068	72,906	79,738	195,641	865,607
382,056	292,426	201,218	51,086	63,543	10,818	42,592,954
-	-	-	-	-	-	542,678
-	795	-	-	-	-	244,923
<u>5,227,849</u>	<u>2,335,632</u>	<u>4,242,502</u>	<u>2,874,210</u>	<u>4,547,001</u>	<u>1,592,683</u>	<u>63,640,884</u>
14,634	69,225	51,040	99,798	58,191	86,746	1,132,783
337,686	565,235	410,704	504,989	370,681	450,354	7,590,036
<u>352,320</u>	<u>634,460</u>	<u>461,744</u>	<u>604,787</u>	<u>428,872</u>	<u>537,100</u>	<u>8,722,819</u>
-	795	-	-	-	-	656,334
203,182	246,155	202,049	249,090	185,316	278,154	3,858,161
-	-	-	-	-	-	931,300
-	-	-	52,357	-	-	396,060
2,311,011	909,355	2,222,195	1,265,150	1,579,632	165,781	28,243,225
2,361,336	544,867	1,356,514	702,826	2,353,181	611,648	20,832,985
<u>4,875,529</u>	<u>1,701,172</u>	<u>3,780,758</u>	<u>2,269,423</u>	<u>4,118,129</u>	<u>1,055,583</u>	<u>54,918,065</u>
<u>\$ 5,227,849</u>	<u>\$ 2,335,632</u>	<u>\$ 4,242,502</u>	<u>\$ 2,874,210</u>	<u>\$ 4,547,001</u>	<u>\$ 1,592,683</u>	<u>\$ 63,640,884</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures,  
and Changes in DPS Fund Balance  
Year Ended June 30, 2025**

	<u>Home Office</u>	<u>Montview Middle School</u>	<u>Montview High School</u>
Revenues			
Local sources			
Contributions and grants	\$ 211,567	\$ -	\$ 2,525
Investment income	842,679	-	-
Mill levy	-	1,607,030	2,093,033
Supporting services	48,043,253	532,220	585,681
State sources			
Per pupil revenue	-	5,425,426	6,614,077
Supporting services	64,938	107,286	133,021
Federal sources			
Federal grants from Denver Public Schools	70,042	269,820	310,217
Total revenues	<u>49,232,479</u>	<u>7,941,782</u>	<u>9,738,554</u>
Expenditures			
Instructional			
Regular education	5,195,255	3,939,574	5,294,498
Supporting services			
Pupil supporting services	422,603	464,308	810,743
Instructional support	3,776,400	334,125	373,610
General administration	119,565	49,562	8,741
School administration	15,860,470	886,996	509,798
Business services	17,336,538	1,259,592	1,566,373
Operations and maintenance	149,183	512,303	604,406
Pupil transportation	-	178,276	12,536
Central services	8,235	163,526	199,353
Property	-	14,760	-
Other support services	1,096,444	724	596
Capital outlay	811,923	-	-
Debt service			
Principal	984,750	-	-
Interest	692,020	-	-
Total expenditures	<u>46,453,386</u>	<u>7,803,746</u>	<u>9,380,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,779,093</u>	<u>138,036</u>	<u>357,900</u>
Other financing sources (uses)			
Subscription and lease issuance	811,923	-	-
Transfers in	-	-	-
Transfers out	<u>(3,210,700)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,398,777)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	380,316	138,036	357,900
Fund balances, beginning of year	<u>5,841,342</u>	<u>4,754,304</u>	<u>4,609,578</u>
Fund balances, end of year	<u>\$ 6,221,658</u>	<u>\$ 4,892,340</u>	<u>\$ 4,967,478</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures,  
and Changes in DPS Fund Balance  
Year Ended June 30, 2025**

**(Continued)**

<u>Green Valley Ranch Middle School</u>	<u>Green Valley Ranch High School</u>	<u>Cole Middle School</u>	<u>Cole High School</u>	<u>College View Middle School</u>	<u>College View High School</u>
\$ -	\$ -	\$ -	\$ 18,450	\$ 3,000	\$ 2,075
-	-	-	-	-	-
1,665,275	2,119,240	1,020,360	1,138,650	1,606,013	2,128,088
372,674	503,782	128,498	501,724	128,676	146,211
5,735,829	6,605,664	3,387,307	3,419,564	5,324,500	6,370,572
109,703	152,296	63,634	75,917	302,918	140,281
292,260	333,594	203,393	205,222	344,268	366,232
<u>8,175,741</u>	<u>9,714,576</u>	<u>4,803,192</u>	<u>5,359,527</u>	<u>7,709,375</u>	<u>9,153,459</u>
4,201,377	5,340,769	2,388,646	3,512,959	3,929,442	5,149,791
395,550	1,075,870	875,161	752,426	587,145	744,216
263,190	188,647	165,773	272,715	174,324	266,645
43,738	9,057	-	700	26,278	63,180
505,934	593,618	609,963	189,608	717,481	647,356
1,310,791	1,552,644	802,329	861,261	1,283,195	1,552,212
571,625	653,888	306,477	329,991	680,496	580,859
216,903	220,487	69,794	104,598	84,161	10,029
170,975	198,998	100,031	101,805	157,141	189,066
-	-	6,027	-	-	-
-	44	-	60	1,294	1,280
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,680,083</u>	<u>9,834,022</u>	<u>5,324,201</u>	<u>6,126,123</u>	<u>7,640,957</u>	<u>9,204,634</u>
<u>495,658</u>	<u>(119,446)</u>	<u>(521,009)</u>	<u>(766,596)</u>	<u>68,418</u>	<u>(51,175)</u>
-	-	-	-	-	-
-	150,000	600,000	850,000	-	100,000
-	-	-	-	-	-
-	150,000	600,000	850,000	-	100,000
495,658	30,554	78,991	83,404	68,418	48,825
4,641,830	4,015,561	2,208,614	1,545,143	4,033,655	3,785,342
<u>\$ 5,137,488</u>	<u>\$ 4,046,115</u>	<u>\$ 2,287,605</u>	<u>\$ 1,628,547</u>	<u>\$ 4,102,073</u>	<u>\$ 3,834,167</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures,  
and Changes in DPS Fund Balance  
Year Ended June 30, 2025**

**(Continued)**

<u>Cedar Middle School</u>	<u>Cedar High School</u>	<u>Conservatory Green Middle School</u>	<u>Conservatory Green High School</u>	<u>Elevate Middle School</u>	<u>Elevate High School</u>
\$ -	\$ 3,125	\$ 5,000	\$ (5,000)	\$ -	\$ 5,000
-	-	-	-	-	-
1,501,834	1,953,182	1,549,774	2,066,970	1,569,312	2,156,142
444,386	688,810	530,392	477,384	244,384	1,165,320
5,550,376	6,263,281	5,473,835	6,496,609	5,341,405	6,432,561
108,707	123,812	114,486	170,052	283,720	339,390
42,265	48,960	253,508	308,538	290,486	319,279
<u>7,647,568</u>	<u>9,081,170</u>	<u>7,926,995</u>	<u>9,514,553</u>	<u>7,729,307</u>	<u>10,417,692</u>
4,163,265	5,600,038	4,192,762	5,296,474	3,666,528	4,690,076
450,433	887,599	397,450	759,737	724,436	853,283
218,689	519,862	283,032	297,497	326,032	354,301
8,741	43,422	9,632	55,089	3,860	24,550
197,749	751,509	704,890	586,936	726,429	564,813
1,245,750	1,430,069	1,269,510	1,541,780	1,171,331	1,515,149
512,991	567,882	564,724	638,660	69,541	2,438,620
5,257	23,883	105,526	14,218	116,690	162,848
172,039	192,436	166,009	196,870	159,269	192,613
-	-	(1,905)	-	-	-
5,722	703	1,213	818	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,980,636</u>	<u>10,017,403</u>	<u>7,692,843</u>	<u>9,388,079</u>	<u>6,964,116</u>	<u>10,796,253</u>
666,932	(936,233)	234,152	126,474	765,191	(378,561)
-	-	-	-	-	-
-	1,000,000	-	-	-	550,000
-	-	-	-	-	-
-	1,000,000	-	-	-	550,000
666,932	63,767	234,152	126,474	765,191	171,439
4,208,597	1,637,405	3,546,606	2,142,949	3,352,938	884,144
<u>\$ 4,875,529</u>	<u>\$ 1,701,172</u>	<u>\$ 3,780,758</u>	<u>\$ 2,269,423</u>	<u>\$ 4,118,129</u>	<u>\$ 1,055,583</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures,  
and Changes in DPS Fund Balance  
Year Ended June 30, 2025**

**(Continued)**

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<u>Eliminations</u>	<u>Total DPS</u>
\$ -	\$ 245,742
-	842,679
-	24,174,903
(41,317,123)	13,176,272
-	78,441,006
-	2,290,161
-	3,658,084
(41,317,123)	122,828,847
(2,782,400)	63,779,054
-	10,200,960
-	7,814,842
-	466,115
-	24,053,550
(38,534,723)	(2,836,199)
-	9,181,646
-	1,325,206
-	2,368,366
-	18,882
-	1,108,898
-	811,923
-	984,750
-	692,020
(41,317,123)	119,970,013
-	2,858,834
-	811,923
-	3,250,000
-	(3,210,700)
-	851,223
-	3,710,057
-	51,208,008
\$ -	\$ 54,918,065

**DSST Public Schools  
Combining APS Balance Sheet  
June 30, 2025**

	<u>Home Office</u>	<u>AST Middle School</u>	<u>AST High School</u>	<u>Total APS</u>
Assets				
Cash and cash equivalents	\$ (3,099,932)	\$ 2,401,894	\$ 444,170	\$ (253,868)
Restricted permanent endowment	30,182	-	-	30,182
Accounts receivable	7,886	456,394	246,912	711,192
Receivable from Foundation	4,271,767	116,697	10	4,388,474
Prepaid expenses	24,089	412	-	24,501
Total assets	<u>1,233,992</u>	<u>2,975,397</u>	<u>691,092</u>	<u>4,900,481</u>
Liabilities and fund balance				
Accounts payable	115,611	23,595	46,705	185,911
Accrued salaries and benefits	200,270	2,922	1,773	204,965
Total liabilities	<u>315,881</u>	<u>26,517</u>	<u>48,478</u>	<u>390,876</u>
Fund balance				
Nonspendable	24,089	412	-	24,501
Restricted for emergencies	113,098	196,819	236,294	546,211
Assigned	308,951	1,221,398	-	1,530,349
Unassigned	471,973	1,530,251	406,320	2,408,544
Total fund balance	<u>918,111</u>	<u>2,948,880</u>	<u>642,614</u>	<u>4,509,605</u>
Total liabilities and fund balance	<u>\$ 1,233,992</u>	<u>\$ 2,975,397</u>	<u>\$ 691,092</u>	<u>\$ 4,900,481</u>

**DSST Public Schools  
Combining Statement of Revenues, Expenditures,  
and Changes in APS Fund Balance  
Year Ended June 30, 2025**

	<u>Home Office</u>	<u>AST Middle School</u>	<u>AST High School</u>	<u>Eliminations</u>	<u>Total APS</u>
<b>Revenues</b>					
Local sources					
Contributions and grants	\$ 28,033	\$ -	\$ 225,000	\$ -	\$ 253,033
Investment income	103,529	-	-	-	103,529
Mill levy	-	1,789,997	1,722,073	-	3,512,070
Supporting services	6,993,493	24,949	44,556	(2,724,387)	4,338,611
State sources					
Per pupil revenue	-	5,515,812	5,306,506	-	10,822,318
Supporting services	8,604	121,969	85,781	-	216,354
Federal sources					
Federal Grants from Aurora Public Schools	9,281	290,890	193,321	-	493,492
<b>Total revenues</b>	<u>7,142,940</u>	<u>7,743,617</u>	<u>7,577,237</u>	<u>(2,724,387)</u>	<u>19,739,407</u>
<b>Expenditures</b>					
Instructional					
Regular education	355,842	3,525,549	4,040,545	(425,025)	7,496,911
Supporting services					
Pupil supporting services	41,142	765,991	747,725	-	1,554,858
Instructional support	466,036	161,644	193,341	-	821,021
General administration	-	33,766	9,802	-	43,568
School administration	1,586,438	650,973	672,638	-	2,910,049
Business services	3,549,999	1,258,441	1,206,468	(2,299,362)	3,715,546
Operations and maintenance	30,621	640,762	621,574	-	1,292,957
Pupil transportation	-	101	384	-	485
Central services	-	201,177	196,173	-	397,350
Capital outlay	107,582	-	-	-	107,582
Other support services	448	6,675	6,167	-	13,290
Debt service					
Principal	80,131	-	-	-	80,131
Interest	18,645	-	-	-	18,645
<b>Total expenditures</b>	<u>6,236,884</u>	<u>7,245,079</u>	<u>7,694,817</u>	<u>(2,724,387)</u>	<u>18,452,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>906,056</u>	<u>498,538</u>	<u>(117,580)</u>	<u>-</u>	<u>1,287,014</u>
<b>Other financing sources (uses)</b>					
Subscription and lease issuance	107,582	-	-	-	107,582
Transfers in	-	-	300,000	-	300,000
Transfers out	(339,300)	-	-	-	(339,300)
<b>Total other financing sources (uses)</b>	<u>(231,718)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>68,282</u>
<b>Net change in fund balances</b>	674,338	498,538	182,420	-	1,355,296
<b>Fund balances, beginning of year</b>	<u>243,773</u>	<u>2,450,342</u>	<u>460,194</u>	<u>-</u>	<u>3,154,309</u>
<b>Fund balances, end of year</b>	<u>\$ 918,111</u>	<u>\$ 2,948,880</u>	<u>\$ 642,614</u>	<u>\$ -</u>	<u>\$ 4,509,605</u>

**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on  
an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

**Independent Auditor's Report**

Board of Directors  
DSST Public Schools  
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, and the general fund of DSST Public Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise DSST Public Schools' basic financial statements, and have issued our report thereon dated October 16, 2025. We have also audited the financial statements of the governmental activities and the general funds of DSST-Denver (a component unit of School District Number 1 in the City and County of Denver, Colorado [Denver Public Schools or DPS]) and DSST-Aurora (a component unit of Joint School District Number 28-J of the Counties of Adams and Arapahoe, Colorado [Aurora Public Schools or APS]) as of and for the year ended June 30, 2025, as displayed in DSST Public Schools' audited supplementary information as listed in the table of contents, and have issued our report thereon dated October 16, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the DSST Public Schools' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DSST Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the DSST Public Schools' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the DSST Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Forvis Mazars, LLP***

**Denver, Colorado  
October 16, 2025**