

**DENVER JUSTICE HIGH SCHOOL**  
**A COMPONENT UNIT OF THE DENVER PUBLIC SCHOOL DISTRICT NO.1**

**DENVER, COLORADO**

**FINANCIAL STATEMENTS**  
**WITH AN INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2025**

**DENVER JUSTICE HIGH SCHOOL**  
**(A COMPONENT UNIT OF DENVER PUBLIC SCHOOL DISTRICT NO.1)**  
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June 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Denver Justice High School  
Denver, Colorado

### Report on the Audit of the Financial Statements

#### Opinions

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

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

#### Basis of Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

### **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 it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### **Required Supplementary Information**

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

*DMC Auditing and Consulting, LLC*

October 7, 2025  
Bailey, Colorado

**Management's Discussion and Analysis**  
**Denver Justice High School**  
**June 30, 2025**

As management of Denver Justice High School, we offer readers of Denver Justice High School's financial statements this narrative overview and analysis of the financial activities of the Denver Justice High School for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the school's financial statements, which follow this narrative.

**Financial Highlights**

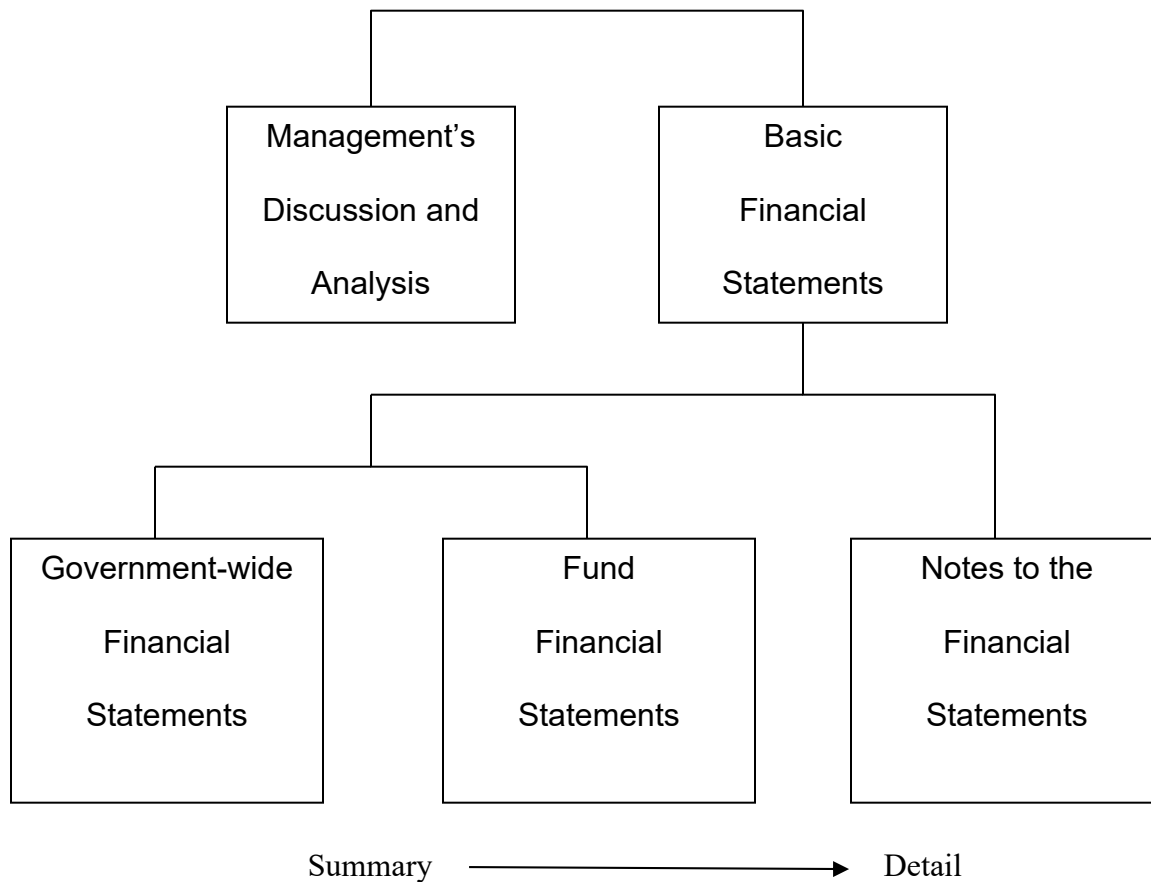
- On June 30, 2025, the school reported a total liability of \$880,602. This includes the school's share of the net pension liability of \$576,000 as deemed by GASB 68 and the net OPEB asset of \$27,732 as deemed by GASB 75.
- The school's total net position at year end was \$1,664,250.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Denver Justice High School's basic financial statements. The school's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the school through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Denver Justice High School.

Required Components of Annual Financial Report

Figure 1



**Basic Financial Statements**

The first two statements (Pages 3 and 4) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the school's financial status.

The next statements (Pages 5 through 8) are **Fund Financial Statements**.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the budgetary information for the school.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the school's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the school's financial status.

The two government-wide statements report the school's net position and how they have changed. Net position is the difference between the school's total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources. Measuring net position is one way to gauge the school's financial condition.

The government-wide financial statements are on pages 3 and 4 of this report.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the school's most significant activities on a fund accounting basis. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Denver Justice High School uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The school's basic services are accounted for in a governmental fund. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the school's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Management and Discussion Analysis Letter  
 Denver Justice High School  
 June 30, 2025

Denver Justice High School adopts an annual budget on a fund basis. The budgetary comparison statements are not included in the basic financial statements but are part of the supplemental statements and schedules that follow the notes. The budget is a legally adopted document that incorporates input from the faculty, management, and the Board of Directors of the School in determining what activities will be pursued and what services will be provided by the school during the year. It also authorizes the school to obtain funds from identified sources to finance these current period activities. The budgetary statement provided demonstrates how well the school has complied with the budget ordinance and whether the school has succeeded in providing the services as planned when the budget was adopted.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Government-Wide Financial Analysis**

The Net Position of the government type activities is \$1,664,250 due to the school including the Net Pension Liability per GASB No. 68 and Net OPEB (Asset) Liability per GASB 75.

<b>Denver Justice High School's Net Position</b>		
	Governmental Activities	
	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash	\$ 1,985,904	\$ 1,772,913
Accounts Receivable	\$ 92,693	\$ 370,825
Prepaid Expenses	\$ -	\$ 17,768
Capital Assets, Net of Accumulated Depreciation	\$ 179,154	\$ 137
Net OPEB Asset	\$ 27,732	\$ 5,185
<i>Total Assets:</i>	<b><u>\$ 2,285,483</u></b>	<b><u>\$ 2,166,828</u></b>
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	\$ 315,013	\$ 430,890
Related to OPEB	\$ 11,708	\$ 15,163
<i>Total Deferred Outflows of Resources:</i>	<b><u>\$ 326,721</u></b>	<b><u>\$ 446,053</u></b>

LIABILITIES

Accounts Payable	\$ 54,890	\$ 86,865
Accrued Salary and Benefits Liability	\$ 71,630	\$ 89,824
Loan Payable Due in One Year	\$ 178,082	\$ -
Loan Payable due in More than One Year		
Net Pension Liabilities	\$ 576,000	\$ 732,495
Net OPEB Liability	\$ -	\$ -
<i>Total Liabilities:</i>	<b>\$ 880,602</b>	<b>\$ 909,184</b>

DEFERRED INFLOWS OF RESOURCES

Related to Pensions	\$ 47,704	\$ 35,058
Related to OPEB	\$ 19,648	\$ 19,682
<i>Total Deferred Inflows of Resources:</i>	<b>\$ 67,352</b>	<b>\$ 54,740</b>

NET POSITION

Investment in Capital Assets	\$ 1,072	\$ 137
Restricted for Emergencies (Tabor)	\$ 71,144	\$ 62,599
Unrestricted	\$ 1,592,034	\$ 1,586,221
<i>Total Net Position:</i>	<b>\$ 1,664,250</b>	<b>\$ 1,648,957</b>

- The positive net position is due to the lower liability related to GASB 68 this is not in direct correlation to school's operation

Denver Justice High School Changes Fund Balances  
Governmental Funds

	<u>2025</u>	<u>2024</u>
<u>Revenues</u>		
Grants and Donations	\$ 250,750	\$ 372,711
Per Pupil Revenue	\$ 1,278,582	\$ 1,186,140
Mill Levy Override	\$ 735,677	\$ 681,860
Other Local Sources	\$ 53,748	\$ 33,097
Charges for Services	\$ 14,737	
<i>Total Revenues:</i>	<b>\$ 2,333,494</b>	<b>\$ 2,273,808</b>
 <u>Expenses</u>		
Instructional	\$ 884,922	\$ 840,543
Support	\$ 1,433,279	\$ 1,255,972
<i>Total Expenses:</i>	<b>\$ 2,318,201</b>	<b>\$ 2,096,515</b>
 Change in Net Position	 \$ 15,293	 \$ 177,293
Fund Balance, Beginning	\$ 1,648,957	\$ 1,471,664
Fund Balance, Ending	\$ 1,664,250	\$ 1,648,957

**Governmental activities:** Governmental activities increased the school’s net position by \$15,293 for the year 2024-2025.

### Financial Analysis of the School’s Funds

As noted earlier, **Denver Justice High School** uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Denver Justice High School’s general fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Denver Justice High School’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,880,933 while total fund balance decreased to \$1,952,077. The school is required by statute to keep an

emergency reserve, which was \$71,144. There were no non-spendable balances recorded for pre-paid expenses as of June 30, 2025.

### **Capital Asset and Debt Administration**

**Capital assets.** Denver Justice High School’s net investment in capital assets is \$1,072 on June 30, 2025. It consists primarily of Equipment. More details can be found in note 3 of the footnotes to the financial statements.

### **Economic Factors**

The following key economic indicators were considered in the school’s budget:

- 104 student funded pupil count
- An increase in PPR due to a change in state funding
- The school has continued to apply for & receive grant funding thru the “Empowering Action for School Improvement Act” (EASI grants) which has provided for additional support to students & staff.
- The decrease to fund balance at the end of 2024-2025 is attributed to US Bank not honoring their agreement of ~ 4% investment earnings in the school’s MMA account which impacted the budget by roughly \$68,000. In addition, the school had unexpected roof repairs caused by heavy snowfall & subsequent water damage to the building.

### **Requests for Information**

This report is designed to provide an overview of the school’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Principal, Denver Justice High School, 300 E. 9<sup>th</sup> Avenue, Denver, CO 80203.

## **BASIC FINANCIAL STATEMENTS**

**DENVER JUSTICE HIGH SCHOOL**

## STATEMENT OF NET POSITION

June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,985,904
Grants Receivable	87,260
Other Receivables	5,433
Capital Assets, <i>Net of Accumulated Depreciation</i>	179,154
Net OPEB Asset	<u>27,732</u>
<b>TOTAL ASSETS</b>	<u>2,285,483</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	315,013
OPEB, <i>Net of Accumulated Amortization</i>	<u>11,708</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>326,721</u>
<b>LIABILITIES</b>	
Accounts Payable	54,890
Accrued Liabilities	71,630
Noncurrent Liabilities	
Lease Payable, Due Within One Year	178,082
Net Pension Liability	<u>576,000</u>
<b>TOTAL LIABILITIES</b>	<u>880,602</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions, <i>Net of Accumulated Amortization</i>	47,704
OPEB, <i>Net of Accumulated Amortization</i>	<u>19,648</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>67,352</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,072
Restricted for Emergencies	71,144
Unrestricted	<u>1,592,034</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,664,250</u>

**DENVER JUSTICE HIGH SCHOOL**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT
<b>Governmental Activities</b>					
Instruction	\$ 884,922	\$ -	\$ 200,737	\$ -	\$ (684,185)
Supporting Services	<u>1,433,279</u>	<u>14,737</u>	<u>8,833</u>	<u>41,180</u>	<u>(1,368,529)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 2,318,201</u>	<u>\$ 14,737</u>	<u>\$ 209,570</u>	<u>\$ 41,180</u>	<u>(2,052,714)</u>
<b>GENERAL REVENUES</b>					
					1,278,582
Per Pupil Revenue					735,677
Mill Levy Override					1,301
Investment Income					14,677
Insurance Proceeds					<u>37,770</u>
Other					
<b>TOTAL GENERAL REVENUES</b>					<u>2,068,007</u>
<b>CHANGE IN NET POSITION</b>					15,293
<b>NET POSITION, Beginning</b>					<u>1,648,957</u>
<b>NET POSITION, Ending</b>					<u>\$ 1,664,250</u>

**DENVER JUSTICE HIGH SCHOOL**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
June 30, 2025

	<u>GENERAL</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,985,904
Grants Receivable	87,260
Accounts Receivables	5,433
 TOTAL ASSETS	 \$ 2,078,597
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 54,890
Accrued Liabilities	71,630
 TOTAL LIABILITIES	 126,520
 <b>FUND BALANCE</b>	
Restricted for Emergencies	71,144
Unassigned	1,880,933
 TOTAL FUND BALANCE	 1,952,077
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 2,078,597

**DENVER JUSTICE HIGH SCHOOL**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	1,952,077
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		179,154
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Lease Payable		(178,082)
Net Pension Liability		(576,000)
Pension-Related Deferred Outflows of Resources		315,013
Pension-Related Deferred Inflows of Resources		(47,704)
Net OPEB Asset		27,732
OPEB-Related Deferred Outflows of Resources		11,708
OPEB-Related Deferred Inflows of Resources		<u>(19,648)</u>
Total Net Position of Governmental Activities	\$	<u><u>1,664,250</u></u>

**DENVER JUSTICE HIGH SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
Year Ended June 30, 2025

	<u>GENERAL</u>
REVENUES	
Local Sources	\$ 2,070,667
State Sources	68,376
Federal Sources	179,774
 TOTAL REVENUES	 2,318,817
 EXPENDITURES	
Current	
Instruction	917,797
Supporting Services	1,623,069
Debt Service	
Principal	180,227
Interest	3,450
 TOTAL EXPENDITURES	 2,724,543
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (405,726)
 OTHER FINANCING SOURCES (USES)	
Lease Proceeds	358,309
Insurance Proceeds	14,677
 TOTAL OTHER FINANCING SOURCES (USES)	 372,986
 CHANGE IN FUND BALANCE	 (32,740)
 FUND BALANCE, Beginning	 1,984,817
 FUND BALANCE, Ending	 \$ 1,952,077

**DENVER JUSTICE HIGH SCHOOL**

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

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE  
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balance of the Governmental Fund	\$	(32,740)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:

Depreciation Expense		(137)
Amortization Expense		(179,155)
Capital Outlay		358,309

Debt or lease proceeds provide current financial resources to governmental funds, but issuing debt or leases increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt, leases, and related items:

Lease Proceeds		(358,309)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This includes the changes in the following:

Lease Principal Payment		180,227
Net Pension Liability		156,495
Pension-Related Deferred Outflows of Resources		(115,877)
Pension-Related Deferred Inflows of Resources		(12,646)
Net OPEB Liability		22,547
OPEB-Related Deferred Outflows of Resources		(3,455)
OPEB-Related Deferred Inflows of Resources		34

Change in Net Position of Governmental Activities	\$	<u><u>15,293</u></u>
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**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 1: Summary of Significant Accounting Policies**

The Denver Justice High School (the “School”) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Denver Public School District No. 1, aka School District No. 1 in the City and County of Denver (the “District”) in the State of Colorado. The School began classes in the fall of 2009.

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

**Reporting Entity**

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

**Government-wide and Fund Financial Statements**

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

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

Major individual governmental funds and other significant funds identified by management are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. The School considers all other revenues to be available if they are collected within 60 days of the end of the current year, except for State and federal grants.

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

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

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

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

*Cash and Investments* – For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less. Investments are reported at fair value.

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

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

Building and Improvements	15 years
Equipment	5 years

*Long-Term Debt* – A lease liability is reported for noncancellable leases. The School recognizes a lease liability and a corresponding right-to-use lease asset in the governmental activities. The lease liability may include the purchase option(s) that School considers reasonably certain to exercise. The School measures the lease liability at the present value of fixed lease payments expected to be made during the lease term. The lease liability is reduced by the principal lease payment. The lease asset is measured initially based on the amount of the lease liability. The lease is amortized on a straight-line basis over its useful life. The School's discount rate is based on the interest rate in the lease or, if not provided by lessor, the School uses its incremental borrowing rate.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

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

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

*Accrued Salaries and Benefits* - Salaries and retirement benefits are paid July to June but are earned during a school year of approximately nine to ten months. Therefore, the School does not incur a liability at year-end.

*Compensated Absences* – The School’s policy allows employees to accumulate eight hours of sick leave during the year. Employees are paid at the end of each school year for unused sick days at a daily rate of \$120. Therefore, no liability for accumulated leave is reported in the financial statements.

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

*Postemployment Benefits Other Than Pensions (OPEB)* - The School participates in the Denver Public Schools Denver Public Schools Health Care Trust Fund (DPSHCTF), a single-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position, and additions to and deductions from the DPSHCTF’s fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the DPSDTF. For this purpose, the DPSHCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

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

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

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**NOTE 2: Cash and Investments**

**Deposits**

At June 30, 2025, the School held deposits in the amount of \$1,985,904.

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the School had bank deposits of \$1,747,926 collateralized with securities held by the financial institution's agent but not in the School's name.

**Investments**

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

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

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

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

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

The School had no investments at June 30, 2025. The School has no policy for managing credit risk.

**DENVER JUSTICE HIGH SCHOOL**  
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**NOTE 3: Capital Assets**

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

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
<b>Governmental Activities</b>				
Capital Assets, Being Depreciated / Amortized				
Leasehold Improvements	\$ 4,072	\$ -	\$ -	\$ 4,072
Equipment	21,632	-	-	21,632
Right-to-Use Lease Asset	-	358,309	-	358,309
Total Capital Assets, Being Depreciated	<u>25,704</u>	<u>358,309</u>	<u>-</u>	<u>384,013</u>
Less Accumulated Depreciation/Amortization				
Leasehold Improvements	(3,935)	(137)	-	(4,072)
Equipment	(21,632)	-	-	(21,632)
Right-to-Use Lease Asset	-	(179,155)	-	(179,155)
Total Accumulated Depreciation / Amortization	<u>(25,567)</u>	<u>(179,292)</u>	<u>-</u>	<u>(204,859)</u>
Capital Assets, Governmental Activities, Net	<u>\$ 137</u>	<u>\$ 179,017</u>	<u>\$ -</u>	<u>\$ 179,154</u>

Depreciation expense of the governmental activities was charged to the supporting services program of the School.

**NOTE 4: Long-Term Debt**

In April 2024, the School entered into a lease agreement for the right to use the building commencing on July 1, 2024. Beginning on July 1, 2024, minimum monthly payments of \$15,306 were required under the agreement through June 30, 2025, with an option to renew for one year with monthly lease payments of \$15,766 through June 30, 2026. The School renewed its lease for an additional year, resulting in a lease payable at June 30, 2025, with a remaining balance of \$178,082. The related right-to-use asset has been capitalized, with straight-line amortization expense charged over the duration of the two-year lease as identified in Note 3.

**NOTE 5: Defined Benefit Pension Plan**

**General Information**

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

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 5: Defined Benefit Pension Plan (Continued)**

**General Information (Continued)**

*Benefits Provided as of December 31, 2024* – The DPSDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) \$15 times the first 10 years of service credit plus \$20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) described previously, considering a minimum of twenty years of service credit, if deemed disabled. Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

*Contribution provisions as of June 30, 2025* – The School and eligible employees and the State are required to contribute to the DPSDTF at rates established by Title 24, Article 51, Part 4 of the CRS. The contribution requirements for the DPSDTF are established and may be amended by the State Legislature. The contribution rate for employees was 11% of their PERA-includable salary during the period from July 1, 2024, through June 30, 2025. The School's contribution rate for the fiscal year was 10.6% of covered salaries from July 1, 2024, through December 31, 2024, and 11.62% from January 1, 2025, through June 30, 2025. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Denver Public Schools Health Care Trust Fund (Note 6). The School's contributions to the DPSDTF for the year ended June 30, 2025, were \$136,878, equal to the required contributions.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 5: Defined Benefit Pension Plan (Continued)**

**General Information (Continued)**

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

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

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

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

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

At June 30, 2025, the School reported a liability of \$576,000 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 576,000
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	102,239
	678,239
<b>Total</b>	<b>\$ 678,239</b>

At December 31, 2024, the School's proportion was 0.1016819437%, which was a decrease of 0.0114090505% from its proportion measured at December 31, 2023.

**DENVER JUSTICE HIGH SCHOOL**  
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**NOTE 5: Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2025, the School recognized pension expense of \$108,906 and a revenue of (\$16,291) representing support from the state as a nonemployer contributing entity. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,055	\$ -
Changes of assumptions and other inputs	45,995	-
Net difference between projected and actual earnings on plan investments	45,219	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	82,444	47,704
Contributions subsequent to the measurement date	68,300	-
Total	\$ 315,013	\$ 47,704

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

<u>Year Ended June 30,</u>			
2026		\$	124,335
2027			172,802
2028			(66,491)
2029			(31,637)
Total		\$	199,009

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

**DENVER JUSTICE HIGH SCHOOL**  
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**NOTE 5: Defined Benefit Pension Plan (Continued)**

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

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

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

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

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

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

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

**DENVER JUSTICE HIGH SCHOOL**  
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**NOTE 5: Defined Benefit Pension Plan (Continued)**

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

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

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

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

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

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

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

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

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**NOTE 5: Defined Benefit Pension Plan (Continued)**

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

<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>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- School contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. School contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated School contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, School contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the state, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million, commencing July 1, 2018, that is proportioned between the PERA Division Trust Funds, including DPSDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- School contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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**NOTE 5: Defined Benefit Pension Plan (Continued)**

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

- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the DPSDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Proportionate share of the net pension liability	\$ 1,255,878	\$ 576,000	\$ 14,040

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

**NOTE 6: Postemployment Healthcare Benefits**

**General Information**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

**General Information (Continued)**

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

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

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

*PERA Benefit Structure* - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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

*Contributions* - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the School's contributions to the Denver Public Schools Division Trust Fund (DPSDTF) (Note 5) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The School's apportionment to the HCTF for the year ended June 30, 2025, was \$12,787, equal to the required amount.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

At June 30, 2025, the School reported a net OPEB liability (asset) of (\$27,732), representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the School's proportion was 0.1197303402%, which was a decrease of 0.0012873907% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense of (\$6,338). At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 8,478
Changes of assumptions and other inputs	113	8,928
Net difference between projected and actual earnings on plan investments	76	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,331	2,242
Contributions subsequent to the measurement date	6,188	-
Total	\$ 11,708	\$ 19,648

School contributions subsequent to the measurement date of \$6,188 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>			
2026		\$	(3,902)
2027			(1,663)
2028			(3,331)
2029			(2,673)
2030			(1,620)
2031			(939)
Total		\$	(14,128)

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	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:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

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

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

Age-Related Morbidity Assumptions

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

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

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

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

The 2024 Medicare Part A premium is \$506 per month. All costs are subject to the health care cost trend rates.

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

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

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

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

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

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option. The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation rate based on an experience analysis of recent data.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

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

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

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

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

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

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

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

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

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

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

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

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

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

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

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2023, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

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

	1% Decrease in Trend Rates	Current Trend Rates (7.25%)	1% Increase in Trend Rates
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability (Asset)	\$ (5,455)	\$ (27,732)	\$ (5,071)

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

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

**DENVER JUSTICE HIGH SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2025

**NOTE 6: Postemployment Healthcare Benefits (Continued)**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability (asset)	\$ 2,131	\$ (27,732)	\$ (11,506)

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

**NOTE 7: Commitments and Contingencies**

**Claims and Judgments**

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

**Tabor Amendment**

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

The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. The Amendment requires the School to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the School’s emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$71,144.

**NOTE 8: Risk Management**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The School does not maintain an equity interest in the self-insurance pool. The School funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The School continues to carry commercial insurance for all other risks of loss, including workers’ compensation. Settled claims resulting from these risks have not exceeded commercial or School coverages in any of the past three years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DENVER JUSTICE HIGH SCHOOL**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
<b>REVENUES</b>				
Local Sources				
Per Pupil Revenue	\$ 1,233,585	\$ 1,283,569	\$ 1,278,582	\$ (4,987)
Mill Levy Override	668,995	735,673	735,677	4
Interest	1,950	1,200	1,301	101
Other	5,275	24,065	55,107	31,042
State Grants	105,261	47,981	68,376	20,395
Federal Grants	163,220	170,034	179,774	9,740
<b>TOTAL REVENUES</b>	<b>2,178,286</b>	<b>2,262,522</b>	<b>2,318,817</b>	<b>56,295</b>
<b>EXPENDITURES</b>				
Current				
Instruction				
Salaries	541,228	608,291	624,333	(16,042)
Employee Benefits	212,221	155,540	198,553	(43,013)
Purchased Services	67,602	65,165	68,744	(3,579)
Supplies and Materials	24,000	25,000	25,820	(820)
Other	2,800	500	347	153
<b>Total Instruction</b>	<b>847,851</b>	<b>854,496</b>	<b>917,797</b>	<b>(63,301)</b>
Supporting Services				
Salaries	577,765	581,400	606,338	(24,938)
Employee Benefits	146,309	145,603	152,415	(6,812)
Purchased Services	538,583	677,255	455,312	221,943
Supplies and Materials	59,876	50,876	43,969	6,907
Property	2,450	4,800	362,294	(357,494)
Other	10,750	3,200	2,741	459
<b>Total Supporting Services</b>	<b>1,335,733</b>	<b>1,463,134</b>	<b>1,623,069</b>	<b>(159,935)</b>
Debt Service				
Principal	-	-	180,227	(180,227)
Interest	-	-	3,450	(3,450)
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>183,677</b>	<b>(183,677)</b>
<b>TOTAL EXPENDITURES</b>	<b>2,183,584</b>	<b>2,317,630</b>	<b>2,724,543</b>	<b>(406,913)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,298)</b>	<b>(55,108)</b>	<b>(405,726)</b>	<b>(350,618)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Proceeds	-	-	358,309	358,309
Insurance Proceeds	-	15,000	14,677	(323)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>15,000</b>	<b>372,986</b>	<b>357,986</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(5,298)</b>	<b>(40,108)</b>	<b>(32,740)</b>	<b>7,368</b>
<b>FUND BALANCE, Beginning</b>	<b>-</b>	<b>-</b>	<b>1,984,817</b>	<b>1,984,817</b>
<b>FUND BALANCE, Ending</b>	<b>\$ (5,298)</b>	<b>\$ (40,108)</b>	<b>\$ 1,952,077</b>	<b>\$ 1,992,185</b>

**DENVER JUSTICE HIGH SCHOOL**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO DENVER PUBLIC SCHOOLS DIVISION TRUST FUND**  
June 30, 2025

<b>MEASUREMENT YEAR</b>	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>					
School's Proportion of the Net Pension Liability	0.1016819437%	0.1130909942%	0.0730010584%	0.0850746418%	0.0904943049%
School's Proportionate Share of the Net Pension Liability	\$ 576,000	\$ 732,495	\$ 633,451	\$ 5,080	\$ 407,146
State's Proportionate Share of the Net Pension Liability Associated with the School	<u>102,239</u>	<u>34,649</u>	<u>450,706</u>	<u>1,491</u>	<u>-</u>
Total Proportionate Share of the Net Pension Liability	<u>\$ 678,239</u>	<u>\$ 767,144</u>	<u>\$ 1,084,157</u>	<u>\$ 6,571</u>	<u>\$ 407,146</u>
School's Covered Payroll	\$ 1,195,760	\$ 1,094,713	\$ 1,070,323	\$ 921,653	\$ 777,563
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	48%	67%	59%	1%	52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107%	107%	82%	100%	90%
<b>FISCAL YEAR</b>	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>06/30/21</u>
<b>SCHOOL CONTRIBUTIONS</b>					
Statutorily Required Contribution	\$ 136,878	\$ 109,525	\$ 98,536	\$ 84,243	\$ 58,306
Contributions in Relation to the Statutorily Required Contribution	<u>(136,878)</u>	<u>(109,525)</u>	<u>(98,536)</u>	<u>(84,243)</u>	<u>(58,306)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$ 1,253,617	\$ 1,092,205	\$ 1,087,534	\$ 1,021,780	\$ 777,563
Contributions as a Percentage of Covered Payroll	10.92%	10.03%	9.06%	8.24%	7.50%

<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0653222149%	0.0688167525%	0.1245089405%	0.1116000000%	0.1176000000%
\$ 430,371	\$ 703,927	\$ 1,116,235	\$ 1,223,061	\$ 956,594
<u>190,734</u>	<u>364,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 621,105</u>	<u>\$ 1,068,628</u>	<u>\$ 1,116,235</u>	<u>\$ 1,223,061</u>	<u>\$ 956,594</u>
\$ 706,647	\$ 758,582	\$ 851,534	\$ 767,370	\$ 726,975
61%	93%	131%	159%	132%
85%	76%	80%	74%	59%
<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 46,948	\$ 44,484	\$ 43,783	\$ 37,447	\$ 21,946
<u>(46,948)</u>	<u>(44,484)</u>	<u>(43,783)</u>	<u>(37,447)</u>	<u>(21,946)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 741,166	\$ 698,619	\$ 791,987	\$ 851,156	\$ 730,754
6.33%	6.37%	5.53%	4.40%	3.00%

**DENVER JUSTICE HIGH SCHOOL**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS**  
**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO DPS HEALTH CARE TRUST FUND**  
June 30, 2025

	12/31/24	12/31/23	12/31/22	12/31/21
<b>PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>				
School's Proportion of the Net OPEB Liability (Asset)	0.1197303402%	0.1184429495%	0.1249649721%	0.1090947108%
School's Proportionate Share of the Net OPEB Liability (Asset)	\$ (27,732)	\$ (5,185)	\$ 10,983	\$ 11,476
School's Covered Payroll	\$ 1,195,760	\$ 1,094,713	\$ 1,070,323	\$ 921,653
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	-2%	0%	1%	1%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	89%	87%	86%	84%
<b>FISCAL YEAR</b>	<b>6/30/25</b>	<b>6/30/24</b>	<b>6/30/23</b>	<b>6/30/22</b>
<b>SCHOOL CONTRIBUTIONS</b>				
Statutorily Required Contribution	\$ 12,787	\$ 11,140	\$ 11,093	\$ 10,422
Contributions in Relation to the Statutorily Required Contribution	(12,787)	(11,140)	(11,093)	(10,422)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
School's Covered Payroll	\$ 1,253,617	\$ 1,092,205	\$ 1,087,534	\$ 1,021,780
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%

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

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0904976123%	0.0942682135%	0.1044693047%	0.1241767160%
\$ 20,717	\$ 34,727	\$ 47,189	\$ 63,279
\$ 777,563	\$ 706,647	\$ 758,582	\$ 851,534
3%	5%	6%	7%
65%	47%	35%	31%
<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 7,930	\$ 7,560	\$ 7,126	\$ 8,078
<u>(7,930)</u>	<u>(7,560)</u>	<u>(7,126)</u>	<u>(8,078)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 777,563	\$ 741,166	\$ 698,619	\$ 791,987
1.02%	1.02%	1.02%	1.02%

**DENVER JUSTICE HIGH SCHOOL**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

**NOTE 1: Stewardship, Compliance, and Accountability**

**Budgetary Information**

A budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. The School adheres to the following procedures to establish the budgetary information reflected in the financial statements.

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

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

*DPSTDF 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.

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

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

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

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

**DENVER JUSTICE HIGH SCHOOL**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

**NOTE 3: Changes in Assumptions and Other Inputs**

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

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

*HCTF Plan* – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The 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.

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