

WINDSOR CHARTER ACADEMY
BASIC FINANCIAL STATEMENTS
June 30, 2025

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JOHN CUTLER & ASSOCIATES

Board of Directors
Windsor Charter Academy
Windsor, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Charter Academy (the "Academy") as of and for the year ended June 30, 2025, a component unit of the Weld RE-4 School District, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Charter Academy as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of 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 of 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy'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 required budgetary and pension information on pages 48-53 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The individual fund schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

December 2, 2025

**Windsor Charter Academy
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

This section of Windsor Charter Academy’s (the “School”) annual financial report offers readers of the School’s financial statements management’s discussion and analysis of the School’s financial performance during the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in the School’s financial statements, which immediately follow this section.

Financial Highlights

- Key to the financial condition of the organization is the strength of the statement of net position disclosing amounts for assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
- For fiscal year 2025, Windsor Charter Academy experienced an increase of \$827,905 in revenues over expenditures, due to mill levy override funds, interest income, savings in benefits costs, SPED and admin costs, and shifts in the PERA-related one year and long term liabilities. The 2025-year end net position shows a surplus of \$3,876,026. The required recording of the unfunded pension liability per GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits other than Pensions* can cause a deficit net position as well. See note 7 and 8 for details about this liability.
- Total general fund balances increased by \$827,905. The year-end total fund balance for 2025 was \$8,727,765 as compared to the total fund balance for June 30, 2024 at \$7,899,860

Overview of the Financial Statements

This annual financial report consists of three parts: management’s discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the School’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the school, reporting the School’s operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

**Windsor Charter Academy
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

- Proprietary funds statements offer short-and long-term financial information about the activities the School operates like a business.
- Fiduciary funds statements provide information about the financial relationships in which the School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the School’s budget for the year.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of Windsor Charter Academy’s finances, in a manner similar to a private-sector business. The statement of net assets includes all of the School’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements provide both *short-term* and *long-term* information about the School’s *overall* financial status.

The *statement of net assets* presents information on all of the School’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Windsor Charter Academy is improving or deteriorating. To assess the School’s overall health, you need to consider additional non-financial factors such as the condition of our school building.

The *statement of activities* presents information showing how the government’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the School that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Included in governmental activities are most of the School’s basic services such as regular and special education, maintenance and operations, and administration. The School currently has no services accounted for as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School’s funds, focusing on its most significant or “major” funds, not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding

**Windsor Charter Academy
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

and spending on particular programs. Some funds are required by state law and bond covenants. Other funds control and manage money for particular purposes (such as federal grants). The School’s funds are divided into two categories: governmental funds, and fiduciary funds.

- *Governmental funds:* Most of the School’s basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the School’s programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

Windsor Charter Academy maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered to be the School’s major fund. A budget-to-actual comparison for the General Fund is presented in this section, as well as the Food Service Fund. In order to pursue resources for the financing of the School’s facilities, the Windsor Charter Academy Building Corporation (the “Building Corporation”) was formed as a separate legal entity. Because the Building Corporation was formed solely for the purpose of collecting rents from the School and making payments for capital and debt service costs, an Internal Service Fund is presented to provide information regarding these activities. The Internal Service Fund is combined with the Governmental Funds to provide an overall financial picture in the Statement of Net Assets and Statement of Activities. The other governmental funds that are considered to be non-major funds are included in the Other Governmental Funds section of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Also included in the other supplementary information section is budget-to-actual information all the non-major governmental funds as required by state law.

- *Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The School is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The School currently has one fiduciary fund, a Student Activity Fund that is used to account for student activities.

**Windsor Charter Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *other supplementary information*. This includes budget-to-actual information for all funds as dictated by state law.

**Windsor Charter Academy Net Position
Net Position and Changes in Net Position**

The Table below provides a summary of the School's net position at June 30, 2025.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Change</u>
	<u>2025</u>	<u>2024</u>	<u>2024-2025</u>
Assets			
Current Assets	\$ 13,061,654	\$ 13,690,953	\$ (629,299)
Capital Assets, net	\$ 37,600,182	\$ 34,613,311	\$ 2,986,871
Total Assets	\$ 50,661,836	\$ 48,304,264	\$ 2,357,572
Deferred Outflows of Resources			
Deferred Outflows of Resources	\$ 5,300,827	\$ 7,482,326	\$ (2,181,499)
Liabilities			
Current Liabilities	\$ 1,391,023	\$ 3,088,947	\$ (1,697,924)
Long-term Liabilities	\$ 27,312,666	\$ 27,847,542	\$ (534,876)
Net Pension/OPEB Liability	\$ 22,745,048	\$ 23,458,466	\$ (713,418)
Total Liabilities	\$ 51,448,737	\$ 54,394,955	\$ (2,946,218)
Deferred Inflows of Resources			
Deferred Inflows of Resources	\$ 637,900	\$ 923,296	\$ (285,396)
Net Assets			
Net Investment in Capital Assets	\$ 14,206,515	\$ 10,078,949	\$ 4,127,566
Restricted for emergencies	\$ 579,000	\$ 532,000	\$ 47,000
Unrestricted	\$ (10,909,489)	\$ (10,142,610)	\$ (766,879)
Total Net Position	\$ 3,876,026	\$ 468,339	\$ 3,407,687

**Windsor Charter Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Changes in Net Position from Operating Results

	<u>Governmental Activities</u>		Change
	2025	2024	2024-2025
Revenues			
Program Revenues			
Charges for Service	\$ 232,019	\$ 302,207	\$ (70,188)
Operating Grants & Contributions	\$ 2,391,123	\$ 2,372,813	\$ 18,310
Capital Grants & Contributions	\$ 608,571	\$ 608,571	\$ -
	<u>\$ 3,231,713</u>	<u>\$ 3,283,591</u>	<u>\$ (51,878)</u>
General Revenues			
Transfer from Weld RE-4	\$ 19,039,291	\$ 17,282,886	\$ 1,756,405
Earnings on Investments	\$ 352,466	\$ 364,896	\$ (12,430)
Other/ Transfers In	\$ 3,520,686	\$ 12,799,202	\$ (9,278,516)
Total Revenues	<u>\$ 26,144,156</u>	<u>\$ 33,730,575</u>	<u>\$ (7,586,419)</u>
Expenses			
Instruction	\$ 8,723,164	\$ 10,199,157	\$ (1,475,993)
Support Services:	\$ 13,038,855	\$ 10,212,406	\$ 2,826,449
Capital Outlay/Other	\$ 974,450	\$ 989,950	\$ (15,500)
Interest on Long Term Debt	\$ -	\$ -	\$ -
Total Expenses	<u>\$ 22,736,469</u>	<u>\$ 21,401,513</u>	<u>\$ 1,334,956</u>
Incr (Decr) in Net Position	<u>\$ 3,407,687</u>	<u>\$ 12,329,062</u>	<u>\$ (8,921,375)</u>

Expenses for Fiscal Year 2025

The per-pupil state formula revenues account for most of the School's revenue, accounting for 85% of total revenues. The remaining 15% came from program revenues (mill levy override, grants, charges for services, capital contributions and transfer from financing).

The School's expenses predominantly relate to instruction and support services, which include support for students and instructional staff, administration and operations and maintenance. Given that Windsor Charter Academy is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the School's employees.

**Windsor Charter Academy
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Governmental Activities

The primary source of operating revenue for Windsor Charter Academy comes from the School Finance Act of 1994. For the 2024-2025 year, the School received \$10,791 per funded student. Funding for the School Finance Act comes from property taxes, specific ownership tax, and state equalization. These sources fund all students in the entire district. The District then transfers the School’s appropriate per-pupil amount to Windsor Charter Academy. In November 2007, the voters of Weld County School District RE-4 authorized a mill levy override for funding operating costs of new schools in the District and additions to one District school and Windsor Charter Academy. Windsor Charter Academy’s allocation of this mill levy override is \$90,000 per year to fund operating costs. In November of 2016, the voters approved a mill levy override to fund operating costs, as well as a technology portion. Windsor Charter Academy receives \$462,614 per year of the 2016 mill levy override, with approximately \$74,000 per year dedicated toward technology costs. In November of 2022, voters approved a bond question and mill levy override to fund FF&E and teacher salaries. Windsor Charter Academy should receive approximately \$912,000 per year moving forward.

Financial Analysis of Windsor Charter Academy’s Funds

Windsor Charter Academy renewed its charter with the District in March of 2023 for a five-year period. The School’s historical enrollment is as follows:

Fiscal Year	Enrollment
2014-2015	517
2015-2016	864
2016-2017	1,021
2017-2018	1132.5
2018-2020	1210.2
2020-2021	1328.9
2021-2022	1501.5
2022-2023	1536
2023-2024	1559
2024-2025	1611

General Fund Budgetary Highlights

The School’s budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements.

- The result of all General Fund transactions is a positive net change in fund balance of \$827,905, resulting in an end of year fund balance of \$8,849,322.

**Windsor Charter Academy
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

- The School must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2025, the School’s TABOR reserve amounted to \$579,000.

Capital Assets and Debt Administration

Capital Assets

By the end of fiscal year 2025, the School had invested \$23.8 million in capital assets, including the purchase of the Middle School/High School addition built in 2015, the additional parking lot at the Elementary, as well completing construction on the second portion of the High School in 2017. The new High School Gymnasium and Classrooms, the Firebird Facility, was completed July of 2024, funded by the District Bond. Additional information on the School’s capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$495,760 with total accumulated depreciation to date of \$5,530,470.

Long-Term Debt

The School received a credit rating from Moody’s in 2020 of Baa3, stable outlook, and was approved to refinance the 2017 outstanding debt through the Moral Obligation program in Colorado. The refinance competed in August 2020. This debt accrues interest at a coupon rate of 4% and matures on September 1, 2055. The funding was \$10,305,000.

In October of 2021, the Building Corporation received an updated credit rating from Moody’s of Baa3 with a positive outlook. It refinanced the 2016 bond issuance and borrowed \$15,280,000 from the Colorado Educational and Cultural Facilities Authority. The debt accrues interest at a coupon rate of 4.00% and matures on Sept 1, 2046.

A lease agreement between the Building Corporation and the School, subject to annual appropriation, is in place to cause direct payment of base rentals in the amount of annual loan payments due to be made directly to the Trustee by the State Treasurer through the state intercept payment program. Please refer to Note 6 to the financial statements for further information.

**Windsor Charter Academy
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

Contacting the School's Financial Management

This financial report is designed to provide the School's citizens, taxpayers, parents, investors, and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Windsor Charter Academy
Director of Finance and HR
810 Automation Drive
Windsor CO 80550

BASIC FINANCIAL STATEMENTS

WINDSOR CHARTER ACADEMY

STATEMENT OF NET POSITION

As of June 30, 2025

	Governmental Activities	
	2025	2024
ASSETS		
Cash and Investments	\$ 8,022,844	\$ 6,514,306
Restricted Cash and Investments	4,256,479	3,650,660
Accounts Receivable	545,270	1,872,117
Due from District	218,013	1,647,478
Inventory	9,985	4,419
Prepaid Expenses	4,644	1,973
Capital Assets, Not Being Depreciated	19,429,532	15,946,901
Capital Assets, Depreciated, Net of Accumulated Depreciation	18,170,650	18,666,410
TOTAL ASSETS	50,657,417	48,304,264
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	5,179,147	7,365,863
Related to OPEB	121,680	116,463
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,300,827	7,482,326
LIABILITIES		
Accounts Payable	277,988	1,977,424
Interest Payable	337,480	337,480
Accrued Salaries and Benefits	761,738	678,978
Unearned Revenues	13,817	95,065
Noncurrent Liabilities		
Net Pension Liability	22,348,522	22,905,398
Net OPEB Liability	396,526	553,068
Due in One Year	421,250	406,250
Due in More than One Year	26,891,416	27,441,292
TOTAL LIABILITIES	51,448,737	54,394,955
DEFERRED INFLOWS OF RESOURCES		
Loss on Refunding	311,176	325,320
Related to Pensions	112,509	425,975
Related to OPEB	214,215	172,001
TOTAL DEFERRED INFLOWS OF RESOURCES	637,900	923,296
NET POSITION		
Net Investment in Capital Assets	14,206,515	10,078,949
Restricted for Emergencies	579,000	532,000
Unrestricted	(10,913,908)	(10,142,610)
TOTAL NET POSITION	\$ 3,871,607	\$ 468,339

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Food Service	TOTAL	
	Fund	Fund	2025	2024
ASSETS				
Cash and Investments	\$ 8,022,644	\$ 200	\$ 8,022,844	\$ 6,514,306
Restricted Cash and Investments	1,029,922	67,768	1,097,690	611,034
Accounts Receivable	473,896	71,374	545,270	1,872,117
Due from District	218,013	-	218,013	1,647,478
Due From Other Funds	16,524	-	16,524	184,164
Inventory	-	9,985	9,985	4,419
Prepaid Items	4,644	-	4,644	1,973
TOTAL ASSETS	\$ 9,765,643	\$ 149,327	\$ 9,914,970	\$ 10,835,491
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 276,140	\$ 1,848	\$ 277,988	\$ 1,977,424
Due To Other Funds	-	16,524	16,524	184,164
Accrued Salaries and Benefits	761,738	-	761,738	678,978
Unearned Revenues	-	13,817	13,817	95,065
TOTAL LIABILITIES	1,037,878	32,189	1,070,067	2,935,631
FUND BALANCES				
Nonspendable	4,644	9,985	14,629	1,973
Restricted for Emergencies	579,000	-	579,000	532,000
Restricted for Food Service	-	107,153	107,153	4,419
Unassigned	8,144,121	-	8,144,121	7,361,468
TOTAL FUND BALANCES	8,727,765	117,138	8,844,903	7,899,860
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,765,643	\$ 149,327		
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			17,742,029	14,259,398
Internal Service funds are used by management to charge the lease costs to governmental funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.			(4,944,380)	(5,116,803)
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes net pension liability of (\$22,348,522), net OPEB liability (\$396,526) and deferred outflows related to pensions and OPEB of \$5,300,827, and deferred inflows related to pensions and OPEB (\$326,724).			(17,770,945)	(16,574,116)
Net position of governmental activities			<u>\$ 3,871,607</u>	<u>\$ 468,339</u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

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

	General Fund	Food Service Fund	TOTAL	
			2025	2024
REVENUES				
Local Sources	\$ 19,373,507	\$ 135,482	\$ 19,508,989	\$ 17,796,950
State and Federal Sources	735,706	803,007	1,538,713	1,573,908
TOTAL REVENUES	20,109,213	938,489	21,047,702	19,370,858
EXPENDITURES				
Current				
Instruction	8,129,857	-	8,129,857	9,275,311
Supporting Services	10,929,570	821,351	11,750,921	8,790,054
Capital Outlay	3,482,631	-	3,482,631	12,798,201
TOTAL EXPENDITURES	22,542,058	821,351	23,363,409	30,863,566
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,432,845)	117,138	(2,315,707)	(11,492,708)
OTHER FINANCING SOURCES (USES)				
Transfers from the District	3,260,750	-	3,260,750	12,644,122
Transfers In (Out)	-	-	-	134,396
TOTAL OTHER FINANCING SOURCES (USES)	3,260,750	-	3,260,750	12,778,518
NET CHANGE IN FUND BALANCES	827,905	117,138	945,043	1,285,810
FUND BALANCES, Beginning	7,899,860	-	7,899,860	6,614,050
FUND BALANCES, Ending	\$ 8,727,765	\$ 117,138	\$ 8,844,903	\$ 7,899,860

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
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 balances - total governmental funds	\$ 945,043
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount is the capital outlay for the year.	3,482,631
The Internal Service fund is used by management to charge the cost of lease payments to the governmental funds. The net revenue of the internal service fund is reported with the governmental activities.	172,423
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>(1,196,829)</u>
Change in net position of governmental activities	<u>\$ 3,403,268</u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPES
 June 30, 2025

	<u>Governmental Activities - Internal Service Fund</u>	
	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Restricted Cash and Investments	\$ 3,158,789	\$ 3,039,626
Total Current Assets	<u>3,158,789</u>	<u>3,039,626</u>
Long-term Assets		
Capital Assets, Not Depreciated	1,844,450	1,844,450
Capital Assets, Net of Accumulated Depreciation	<u>18,013,703</u>	<u>18,509,463</u>
Total Long-term Assets	<u>19,858,153</u>	<u>20,353,913</u>
TOTAL ASSETS	<u>23,016,942</u>	<u>23,393,539</u>
LIABILITIES		
Current Liabilities		
Interest Payable	337,480	337,480
Loan Payable - Current Portion	<u>421,250</u>	<u>406,250</u>
Total Current Liabilities	<u>758,730</u>	<u>743,730</u>
Long-Term Liabilities		
Loan Payable	<u>26,891,416</u>	<u>27,441,292</u>
TOTAL LIABILITIES	<u>27,650,146</u>	<u>28,185,022</u>
DEFERRED INFLOW OF RESOURCES		
Cost of Refunding	<u>311,176</u>	<u>325,320</u>
NET POSITION		
Net Investment in Capital Assets	(4,295,724)	(4,454,003)
Unrestricted	<u>(648,656)</u>	<u>(662,800)</u>
TOTAL NET POSITION	<u>\$ (4,944,380)</u>	<u>\$ (5,116,803)</u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
Year Ended June 30, 2025

	Governmental Activities - Internal Service Fund	
	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Rent	<u>\$ 1,387,933</u>	<u>\$ 1,388,633</u>
TOTAL OPERATING REVENUES	<u>1,387,933</u>	<u>1,388,633</u>
OPERATING EXPENSES		
Purchased Services	5,740	6,123
Depreciation	<u>495,760</u>	<u>496,289</u>
TOTAL OPERATING EXPENSES	<u>501,500</u>	<u>502,412</u>
OPERATING INCOME	<u>886,433</u>	<u>886,221</u>
NON-OPERATING EXPENSES		
Investment Income	110,250	131,132
Interest Expense	<u>(974,450)</u>	<u>(989,950)</u>
TOTAL NON-OPERATING EXPENSES	<u>(864,200)</u>	<u>(858,818)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>22,233</u>	<u>27,403</u>
OTHER TRANSACTIONS		
Transfer Out	-	(134,396)
Non-operating Revenue	<u>150,190</u>	<u>149,825</u>
CHANGE IN NET POSITION	172,423	42,832
NET POSITION, Beginning	<u>(5,116,803)</u>	<u>(5,159,635)</u>
NET POSITION, Ending	<u>\$ (4,944,380)</u>	<u>\$ (5,116,803)</u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Year Ended June 30, 2025
 Increase (Decrease) in Cash

	Governmental Activities - Internal Service Fund	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Rental Operations	\$ 1,387,933	\$ 1,388,633
Cash Paid to Suppliers	(5,740)	(6,123)
Net Cash Provided (Used) by Operating Activities	<u>1,382,193</u>	<u>1,382,510</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	<u>110,250</u>	<u>131,132</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments on Debt	(549,020)	(534,020)
Interest Expense	(974,450)	(989,951)
Other	150,190	149,825
Payments to Other Funds	-	(134,396)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,373,280)</u>	<u>(1,508,542)</u>
NET INCREASE (DECREASE) IN CASH	119,163	5,100
CASH, Beginning	<u>3,039,626</u>	<u>3,034,526</u>
CASH, Ending	<u>\$ 3,158,789</u>	<u>\$ 3,039,626</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	<u>\$ 886,433</u>	<u>\$ 886,221</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation Expense	<u>495,760</u>	<u>496,289</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,382,193</u>	<u>\$ 1,382,510</u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

STUDENT ACTIVITY FUND
 STATEMENT OF FIDUCIARY NET POSITION
 As of June 30, 2025

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	<u>\$ 295,018</u>	<u>\$ 248,667</u>
TOTAL ASSETS	<u>295,018</u>	<u>248,667</u>
LIABILITIES		
Accounts Payable	30,724	15,690
Due to Student Groups	<u>264,294</u>	<u>232,977</u>
TOTAL LIABILITIES	<u>295,018</u>	<u>248,667</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Windsor Charter Academy (the “Academy”) was formed in March of 2001, pursuant to the Colorado Charter Schools Act to form and operate a charter school. The focus of which is to bring innovation into education to students from kindergarten to 12th grade.

The accounting policies of the Academy conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity. Financial accountability exists if the Academy appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Academy.

Based upon the application of these criteria, the following organization is included in the Academy’s reporting entity.

Windsor Charter Building Corporation

The Windsor Charter Building Corporation (the “Building Corporation”) is considered to be financially accountable to the Academy. The Building Corporation was formed to support and assist the Academy to perform its function and to carry out its purpose, specifically to assist in the financing and construction of the Academy’s facilities. The Building Corporation is blended into the Academy’s financial statements as an internal service fund. Separate financial statements are not available for the Building Corporation.

The Academy is a component unit of the Weld RE-4 School District (the “District”).

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, are restricted to meeting the operational or capital requirements of a particular function or segment.

Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

WINDSOR CHARTER ACADEMY

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)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internally dedicated resources are reported as general revenues rather than as program revenues. When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first and the unrestricted resources as they are needed.

The Academy reports the following major funds:

General Fund – This fund is the general operating fund of the Academy. It is used to account for all financial resources except those required to be accounted for in another fund.

Food Service Fund – This fund accounts for the food service activity of the Academy.

Additionally, the Academy reports the following fund types:

The *Internal Service Fund* is used to account for activity of Building Corporation.

The *Student Activity Fund* is used to account of the resources used to support the Academy's student and fundraising activities. The Academy holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Balance/Net Assets

Investments – Investments are recorded at fair value.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$5,000 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 estimated fair market value at the date of donation.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings, 40 years, leasehold improvements, 7 years; equipment, 3-7 years.

Long-term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Unearned Revenues – Unearned revenues include tuition revenues that have been collected but the corresponding expenditure that has not been incurred.

Net Position – The government-wide fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Academy has classified prepaid items as nonspendable resources as of June 30, 2025.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Academy has also restricted the fund balance of the Food Service Fund.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2025.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Academy would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources.

WINDSOR CHARTER ACADEMY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2025 consisted of the following:

Cash on Hand	\$ 674
Deposits	4,171,190
Investments	<u>8,402,772</u>
Total	<u>\$ 12,574,636</u>

The above amounts are classified in the statement of net assets as follows:

Cash and Investments	\$ 8,022,644
Restricted Cash and Investments	4,256,679
Agency Fund	<u>295,313</u>
Total	<u>\$ 12,574,636</u>

WINDSOR CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories.

Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2025, the Academy had deposits with financial institutions with a carrying amount of \$4,171,190. The bank balances with the financial institutions were \$4,647,808. Of this amount, \$250,000 was covered federal depository insurance and \$4,397,808 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 3: *CASH AND INVESTMENTS* (Continued)

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pool

The Academy had invested \$3,158,789 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 3: CASH AND INVESTMENTS (Continued)

Local Government Investment Pool (Continued)

The Academy had invested \$5,243,983 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Fair Value

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Academy does not hold investments subject to these inputs.

The Academy has no policy for managing credit risk or interest rate risk.

Restricted Cash

Cash and investments are restricted as follows:

Loan Principal and Interest	\$ 784,810
Loan Reserve	2,373,979
Medical Self-Insurance	1,029,922
Food Service	<u>67,968</u>
Total	<u>\$ 4,256,679</u>

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 1,844,450	\$ -	\$ -	\$ 1,844,450
Construction in Progress	<u>14,102,451</u>	<u>3,482,631</u>	<u>-</u>	<u>17,585,082</u>
Total Capital Assets Not Depreciated	<u>15,946,901</u>	<u>3,482,631</u>	<u>-</u>	<u>19,429,532</u>
Capital Assets, Depreciated				
Land Improvements	10,000	-	-	10,000
Buildings & Improvements	23,330,420	-	-	23,330,420
Machinery & Equipment	<u>360,700</u>	<u>-</u>	<u>-</u>	<u>360,700</u>
Total Capital Assets, Depreciated	<u>23,701,120</u>	<u>-</u>	<u>-</u>	<u>23,701,120</u>
Accumulated Depreciation				
Land Improvements	10,000	-	-	10,000
Buildings & Improvements	4,820,731	471,679	-	5,292,410
Machinery & Equipment	<u>203,979</u>	<u>24,081</u>	<u>-</u>	<u>228,060</u>
Total Accumulated Depreciation	<u>5,034,710</u>	<u>495,760</u>	<u>-</u>	<u>5,530,470</u>
Total Capital Assets, Depreciated, Net	<u>18,666,410</u>	<u>(495,760)</u>	<u>-</u>	<u>18,170,650</u>
Net Capital Assets	<u>\$ 34,613,311</u>	<u>\$ 2,986,871</u>	<u>\$ -</u>	<u>\$ 37,600,182</u>

Depreciation has been charged to the Supporting Services program of the Academy.

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, were \$761,738. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: LONG-TERM DEBT

Following is a summary of the Academy's long-term debt transactions for the year ended June 30, 2025:

	Balance <u>June 30, 2024</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2025</u>	Due In <u>One Year</u>
2020 Revenue Bonds	\$ 10,305,000	\$ -	\$ -	\$ 10,305,000	\$ -
2020 Premium	1,228,016	-	38,375	1,189,641	-
2021 Refunding Bonds	14,238,750	-	406,250	13,832,500	421,250
2021 Premium	<u>2,075,776</u>	<u>-</u>	<u>90,251</u>	<u>1,985,525</u>	<u>-</u>
Total	<u>\$ 27,847,542</u>	<u>\$ -</u>	<u>\$ 534,876</u>	<u>\$ 27,312,666</u>	<u>\$ 421,250</u>

2020 Refunding Revenue Bonds

In August 2020, the Building Corporation borrowed \$10,305,000 from the Colorado Educational and Cultural Facilities Authority in the form of revenue and refunding bonds. The loan is secured by a mortgage on the facility and a pledge of revenues in any trust accounts referred to in the agreement. The bonds accrue interest 4.00% and mature September 1, 2055. Interest payments are due annually on September 1. Principal payments are due annually on September 1, through 2055. In addition, the Building Corporation agrees that during the lease term, the Building Corporation shall take or cause to be taken such actions as may be necessary to cause direct payment of base rentals to be made to the Trustee by the State Treasurer. Further, during the lease term the base rentals shall be payable at such times and payable in such amounts to make the loan payments.

2021 Refunding Revenue Bonds

In October 2021, the Building Corporation borrowed \$15,280,000 from the Colorado Educational and Cultural Facilities Authority in the form of revenue and refunding bonds. The loan is secured by a mortgage on the facility and a pledge of revenues in any trust accounts referred to in the agreement. The bonds accrue interest 4.00% and mature September 1, 2046. Interest and principal payments are due monthly, beginning on December 1, 2021 through September 1, 2046. In addition, the Building Corporation agrees that during the lease term, the Building Corporation shall take or cause to be taken such actions as may be necessary to cause direct payment of base rentals to be made to the Trustee by the State Treasurer. Further, during the lease term the base rentals shall be payable at such times and payable in such amounts to make the loan payments.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 421,250	\$ 965,500	\$ 1,386,750
2027	440,000	948,650	1,388,650
2028	456,250	931,050	1,387,300
2029	475,000	912,800	1,387,800
2030	495,000	893,800	1,388,800
2030-2034	2,792,500	4,155,500	6,948,000
2035-2039	3,411,250	3,549,500	6,960,750
2040-2044	4,163,750	2,809,600	6,973,350
2045-2049	5,043,749	1,907,650	6,951,399
2050-2054	6,106,250	818,100	6,924,350
2055-2056	<u>332,500</u>	<u>13,300</u>	<u>345,800</u>
Total	<u>\$ 24,137,500</u>	<u>\$ 17,905,451</u>	<u>\$ 42,042,951</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the Academy are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

General Information about the Pension Plan (Continued)

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

In all cases the service retirement benefit is limited to 100% 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 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2025: Eligible employees of the Academy and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

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

WINDSOR CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: **DEFINED BENEFIT PENSION PLAN**(Continued)

General Information about the Pension Plan (Continued)

*Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Academy were \$2,151,708 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2024 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2024 only.

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The Academy's proportion of the net pension liability was based on the Academy's contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

WINDSOR CHARTER ACADEMY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

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

At June 30, 2025, the Academy reported a liability of \$22,905,398 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Academy 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 Academy were as follows:

Academy's proportionate share of the net pension liability	\$22,348,522
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Academy	1,841,827
Total	\$24,190,349

At December 31, 2024, the Academy's proportion was .12952%, which was a decrease of .00001% from its proportion measured as of December 31, 2023.

WINDSOR CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: 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 Academy recognized pension expense of \$3,662,186 and revenue of \$194,104 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,265,563	N/A
Changes of assumptions or other inputs	167,549	N/A
Net difference between projected and actual earnings on pension plan investments	421,655	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,236,963	\$112,509
Contributions subsequent to the measurement date	1,087,417	N/A
Total	\$5,179,147	\$112,509

\$1,087,417 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2025	\$2,318,115
2026	\$1,509,144
2027	\$151,962
2028	-

WINDSOR CHARTER ACADEMY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

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

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

WINDSOR CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

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

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

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

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

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

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

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero.
- Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2024, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 7: 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 above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount 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 Academy's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	\$30,299,417	\$22,348,522	\$15,688,537

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

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan

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

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

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

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were \$107,625 for the year ended June 30, 2025.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

At June 30, 2025, the Academy reported a liability of \$396,526 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The Academy's proportion of the net OPEB liability was based on the Academy's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Academy's proportion was .0826262%, which was an increase of .00544% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2025, the Academy recognized OPEB income of \$11,920. At June 30, 2025 the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	N/A	\$87,466
Changes of assumptions or other inputs	\$4,547	126,749
Net difference between projected and actual earnings on OPEB plan investments	1,344	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	61,431	N/A
Contributions subsequent to the measurement	54,358	N/A
Total	\$121,680	\$214,215

WINDSOR CHARTER ACADEMY
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
 (Continued)

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

\$54,358 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	(\$48,905)
2026	(\$29,483)
2027	(\$28,187)
2028	(\$15,065)
2029	(\$14,392)
Thereafter	(\$10,863)

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

	School Division
Actuarial cost method	<u>Entry age</u>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans ¹	7.00% in 2024, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

¹ UnitedHealthcare MAPD PPO plans are 0% for 2024.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Age-Related Morbidity Assumptions

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%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2024 Medicare Part A premium is \$506 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

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

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2024 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

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

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

Sensitivity of the Academy’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	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$385,842	\$396,526	\$408,616

¹For the January 1, 2025, plan year.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2024, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2024, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2024, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

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

Sensitivity of the Academy’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 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$485,948	\$396,526	\$319,432

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

WINDSOR CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

NOTE 9: RISK MANAGEMENT

The Academy 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 Academy purchases commercial insurance for these risks of loss. The Academy has not suffered any losses that exceeded coverage in the last three years.

The Academy participates in an agreement with UMR to provide health and dental insurance benefits to its employees. Under this plan, the Academy self-insures employee health claims up to \$45,000. The Academy purchased a stop loss insurance policy to cover individual health claims in excess of \$45,000 and aggregate total yearly claims in excess of \$1,000,000. Excess coverage policies are not purchased for dental claims. Settled benefits claims have not exceeded the aggregate total yearly claims limit during the year ended June 30, 2025.

A benefit claims liability is reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. The liability is estimated based upon the experience of the Academy, trends in costs of services and changes in the number of members. Estimates are revised as changes in these factors occur and such revisions are reflected in operations of the current period. Liabilities include an amount for claims that have been incurred but not reported.

The following represents the changes in the Academy's claims liability amount for the year ended June 30, 2025:

Liability as of June 30, 2024	\$ 93,507
Current year claims and changes in estimates	1,140,200
Claims Paid	<u>(1,252,727)</u>
Liability as of June 30, 2025	<u>\$ (19,020)</u>

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

WINDSOR CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 10: **COMMITMENTS AND CONTINGENCIES** (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Academy believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2025, the reserve of \$579,000 was recorded as a restriction of fund balance in the General Fund.

NOTE 11: **SUBSEQUENT EVENTS**

Potential subsequent events were considered through December 2, 2025. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

WINDSOR CHARTER ACADEMY

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	2025			VARIANCE	2024 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 17,103,735	\$ 17,384,301	\$ 17,384,784	\$ 483	\$ 15,772,267
Mill Levy Override	1,455,494	1,455,494	1,460,403	4,909	1,464,614
Tuition and Fees	85,590	86,994	103,393	16,399	211,083
Grants and Contributions	50,000	50,000	72,965	22,965	17,450
Interest	25,000	75,000	242,216	167,216	233,764
Other	48,446	48,446	109,746	61,300	5,255
State and Federal Sources					
Grants and Donations	699,816	733,867	735,706	1,839	801,978
TOTAL REVENUES	19,468,081	19,834,102	20,109,213	275,111	18,506,411
EXPENDITURES					
Salaries	10,496,992	10,689,681	10,738,141	(48,460)	9,405,256
Employee Benefits	4,165,524	4,213,662	3,343,730	869,932	2,968,687
Purchased Services	2,039,581	2,184,912	3,677,236	(1,492,324)	3,664,507
Supplies and Materials	536,679	540,250	702,350	(162,100)	540,165
Property	7,474,460	6,618,357	4,066,298	2,552,059	467,296
Other	88,660	88,660	14,303	74,357	12,909,679
TOTAL EXPENDITURES	24,801,896	24,335,522	22,542,058	1,793,464	29,955,590
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,333,815)	(4,501,420)	(2,432,845)	2,068,575	(11,449,179)
OTHER FINANCING SOURCES (USES)					
Transfers from the District	5,000,000	3,897,600	3,260,750	(636,850)	12,644,122
Transfers In (Out)	-	-	-	-	90,867
TOTAL OTHER FINANCING SOURCES (USES)	5,000,000	3,897,600	3,260,750	(636,850)	12,734,989
NET CHANGE IN FUND BALANCE	(333,815)	(603,820)	827,905	1,431,725	1,285,810
FUND BALANCE, Beginning	7,899,860	7,899,860	7,899,860	-	6,614,050
FUND BALANCE, Ending	<u>\$ 7,566,045</u>	<u>\$ 7,296,040</u>	<u>\$ 8,727,765</u>	<u>\$ 1,431,725</u>	<u>\$ 7,899,860</u>

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY
FOOD SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Local Sources			
Alacarte and Adult meals	\$ 27,000	\$ 32,427	\$ 5,427
Vending	15,000	21,303	6,303
Commodity	80,621	64,743	(15,878)
Grants and Contributions	11,670	6,856	(4,814)
Other	28,000	10,153	(17,847)
State and Federal Sources			
Grants and Donations	768,269	796,234	27,965
TOTAL REVENUES	930,560	931,716	1,156
EXPENDITURES			
Salaries	310,267	313,147	(2,880)
Employee Benefits	146,709	133,999	12,710
Purchased Services	32,000	2,135	29,865
Supplies and Materials	416,476	354,367	62,109
Property	13,546	6,511	7,035
TOTAL EXPENDITURES	918,998	810,159	108,839
NET CHANGE IN FUND BALANCE	11,562	121,557	109,995
FUND BALANCE, Beginning	(8,211)	-	8,211
FUND BALANCE, Ending	\$ 3,351	\$ 121,557	\$ 118,206

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
SCHOOL DIVISION TRUST FUND

Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's proportionate share of the Net Pension Liability	0.060%	0.070%	0.083%	0.080%	0.087%	0.106%	0.106%	0.096%	0.130%	0.141%
School's proportionate share of the Net Pension Liability	\$ 9,143,838	\$ 20,921,376	\$ 26,801,741	\$ 14,212,954	\$ 13,071,171	\$ 15,978,764	\$ 12,385,682	\$ 17,520,377	\$ 22,905,398	\$ 22,348,522
State of Colorado's Proportionate Share of the Net Pension Liability associated with the School	\$ -	\$ -	\$ -	\$ 1,943,424	\$ 2,099,913	\$ -	\$ 1,237,832	\$ 3,953,519	\$ 491,471	\$ 1,841,827
Total portion of the Net Pension Liability associated with the School	\$ 9,143,838	\$ 20,921,376	\$ 26,801,741	\$ 16,156,378	\$ 15,171,084	\$ 15,978,764	\$ 13,623,514	\$ 21,473,896	\$ 23,396,869	\$ 24,190,349
School's covered payroll	\$ 3,039,699	\$ 3,153,741	\$ 3,823,338	\$ 4,412,718	\$ 5,140,182	\$ 5,140,182	\$ 6,647,333	\$ 7,418,744	\$ 8,563,113	\$ 10,008,585
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	300.8%	663.4%	701.0%	322.1%	254.3%	310.9%	186.3%	236.2%	267.5%	223.3%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%	67.2%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
SCHOOL DISVISION TRUST FUND

Years Ended June 30,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 528,604	\$ 688,179	\$ 767,175	\$ 920,091	\$ 1,047,909	\$ 1,047,909	\$ 1,407,176	\$ 1,587,796	\$ 1,915,842	\$ 2,151,708
Contributions in relation to the Statutorily required contributions	<u>528,604</u>	<u>688,179</u>	<u>767,175</u>	<u>920,091</u>	<u>1,047,909</u>	<u>1,047,909</u>	<u>1,407,176</u>	<u>1,587,796</u>	<u>1,915,842</u>	<u>2,151,708</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 2,818,596	\$ 3,546,140	\$ 4,055,474	\$ 4,809,668	\$ 5,407,282	\$ 5,407,282	\$ 7,078,349	\$ 7,791,440	\$ 9,395,554	\$ 10,551,534
Contributions as a percentage of covered payroll	18.75%	19.41%	18.92%	19.13%	19.38%	19.38%	19.88%	20.38%	20.39%	20.39%

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,

	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's proportionate share of the Net Pension Liability	0.040%	0.047%	0.052%	0.057%	0.061%	0.072%	0.073%	0.077%	0.083%
School's proportionate share of the Net Pension Liability	\$ 517,846	\$ 612,037	\$ 709,851	\$ 642,551	\$ 580,563	\$ 683,481	\$ 596,911	\$ 553,068	\$ 396,526
School's covered payroll	\$ 3,153,741	\$ 3,823,338	\$ 4,412,718	\$ 5,140,182	\$ 5,140,182	\$ 6,647,333	\$ 7,418,744	\$ 8,563,113	\$ 10,008,585
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	16.4%	16.0%	16.1%	12.5%	11.3%	10.3%	8.0%	6.5%	4.0%
Plan fiduciary net position as a percentage of the total pension liability	16.7%	17.5%	17.0%	24.5%	24.5%	32.8%	38.6%	46.2%	59.8%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contributions	\$ 36,171	\$ 41,366	\$ 49,059	\$ 55,154	\$ 55,154	\$ 72,200	\$ 79,474	\$ 95,833	\$ 107,625
Contributions in relation to the Statutorily required contributions	<u>36,171</u>	<u>41,366</u>	<u>49,059</u>	<u>55,154</u>	<u>55,154</u>	<u>72,200</u>	<u>79,474</u>	<u>95,833</u>	<u>107,625</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 3,546,140	\$ 4,055,474	\$ 4,809,668	\$ 5,407,282	\$ 5,407,282	\$ 7,078,349	\$ 7,791,440	\$ 9,395,554	\$ 10,551,534
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

WINDSOR CHARTER ACADEMY

BUDGETARY COMPARISON STATEMENT
 BUILDING CORPORATION
 Year Ended June 30, 2025

	2025		VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Rent	\$ 1,485,213	\$ 1,387,933	\$ (97,280)	\$ 1,388,633
Interest Income	105,000	110,250	5,250	131,132
Other	15,000	150,190	135,190	149,825
TOTAL REVENUES	<u>1,605,213</u>	<u>1,648,373</u>	<u>43,160</u>	<u>1,669,590</u>
EXPENDITURES				
Purchased Services	9,548	5,740	3,808	6,123
Transfer Out	120,000	-	120,000	134,396
Depreciation Expense	525,000	495,760	29,240	496,289
Debt Service				
Principal	406,250	406,250	-	391,250
Interest	1,048,750	974,450	74,300	989,950
TOTAL EXPENDITURES	<u>2,109,548</u>	<u>1,882,200</u>	<u>227,348</u>	<u>2,018,008</u>
CHANGE IN FUND BALANCES (Budget Basis)	<u>\$ (504,335)</u>	(233,827)	<u>\$ 270,508</u>	(348,418)
Adjustments to Reconcile Budget Basis to GAAP Basis				
Principal Payments		<u>406,250</u>		<u>391,250</u>
CHANGE IN FUND BALANCE (GAAP Basis)		172,423		42,832
FUND BALANCE, Beginning		<u>(5,116,803)</u>		<u>(5,159,635)</u>
FUND BALANCE, Ending		<u>\$ (4,944,380)</u>		<u>\$ (5,116,803)</u>

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

STUDENT ACTIVITY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2025

	2025		VARIANCE Positive (Negative)	2024 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Student Groups	\$ 650,000	\$ 479,714	\$ (170,286)	\$ 465,118
TOTAL REVENUES	650,000	479,714	(170,286)	465,118
EXPENDITURES				
Student Groups	650,000	448,397	201,603	401,552
TOTAL EXPENDITURES	650,000	448,397	201,603	401,552
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	31,317	31,317	63,566
NET CHANGE IN FUND BALANCE	-	31,317	31,317	63,566
DUE TO STUDENT GROUPS, Beginning	-	232,977	232,977	169,411
DUE TO STUDENT GROUPS, Ending	\$ -	\$ 264,294	\$ 264,294	\$ 232,977

See the accompanying independent auditors' report.

WINDSOR CHARTER ACADEMY

STUDENT ACTIVITY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 June 30, 2025

	BALANCE JULY 1, 2025	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 248,667	\$ 46,351	\$ -	\$ 295,018
TOTAL ASSETS	<u>\$ 248,667</u>	<u>\$ 46,351</u>	<u>\$ -</u>	<u>\$ 295,018</u>
 LIABILITIES				
Accrued Liabilities	15,690	15,034	-	30,724
Due to Student Groups	<u>232,977</u>	<u>31,317</u>	<u>-</u>	<u>264,294</u>
TOTAL LIABILITIES	<u>\$ 248,667</u>	<u>\$ 46,351</u>	<u>\$ -</u>	<u>\$ 295,018</u>

See the accompanying independent auditors' report.