

**GLOBAL VILLAGE ACADEMY – NORTH**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2025**

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## **FINANCIAL SECTION**



**PROSPECTIVE  
BUSINESS  
SOLUTIONS, LLC**  
Certified Public Accountants

Auditing, Accounting, and Consulting Services for  
Governments and Nonprofit Organizations

Board of Directors  
Global Village Academy - North  
Thornton, Colorado

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Global Village Academy - North (the "School"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Global Village Academy – North 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 the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS, we

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the School's proportionate share, and the schedules of the School's contributions on pages 52-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*PB Solutions LLC*

Littleton, Colorado  
October 13, 2025

# Global Village Academy – North

## Management’s Discussion and Analysis

June 30, 2025

The following Management Discussion and Analysis (MD&A) presents an overview of the financial performance of Global Village Academy – North for the fiscal year ended June 30, 2025. This narrative is intended to provide insight into the school's financial activities and overall financial health. Readers are encouraged to review the accompanying Financial Statements and the Notes to Financial Statements for a more comprehensive understanding of the school’s financial position.

### Financial Highlights

The fiscal year ended June 30, 2025, marked the fifteenth year of operations for Global Village Academy – North. As of that date, the school’s net position decreased by \$23,312, resulting in a total net position of (\$2,538,787). This negative balance is primarily attributable to the reporting requirements under Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75. Additional details regarding these standards can be found in Notes 6 and 7 of the financial statements.

The school’s operations are primarily funded through tax revenues received under the Colorado School Finance Act, known as Per Pupil Revenue (PPR). For the fiscal year ended June 30, 2025, the school received \$9,507,301 in PPR, representing a 6.4% increase from the prior year. At fiscal year-end, Global Village Academy – North’s governmental fund reported an ending fund balance of \$4,217,299, an increase of \$516,164 compared to the previous year.

### Overview of Financial Statements

This discussion and analysis serve as an introduction to the School’s basic financial statements. The basic financial statements consist of three main components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

### Government-wide financial statements

The government-wide financial statements provide a broad overview of the School’s finances in a format similar to that of a private-sector business.

The Statement of Net Position presents information on all the School’s assets, liabilities, and deferred inflows and outflows of resources. The difference between these elements is reported as the School’s net position. Over time, changes in net position may serve as a useful indicator of whether the School’s overall financial position is improving or declining.

The Statement of Activities, or income statement, shows how the School’s net position changed during the fiscal year. This statement reports all changes in net position as they occur, regardless of the timing of related cash

**Global Village Academy – North**  
Management’s Discussion and Analysis  
June 30, 2025

flows. As a result, it includes revenues and expenses related to events that may impact future cash flows—such as salaries and benefits earned but not yet paid and grant revenues that have been earned but not yet received.

The Statement of Activities also distinguishes the School’s functions and programs that are primarily supported by Per Pupil Revenue and other funding passed through by its authorizer, the Colorado Charter School Institute. The School’s governmental activities include instruction and supporting services.

**Fund Financial Statements**

A fund is a collection of related accounts used to manage resources that are set aside for specific purposes or activities. Like other governmental entities, the School uses fund accounting to ensure and demonstrate compliance with financial and legal requirements.

**Governmental Funds**

The School maintains a single governmental fund: the General Fund. Governmental funds are used to account for the same activities reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the focus of governmental fund financial statements is on short-term inflows and outflows of spendable resources, as well as the available balances at the end of the fiscal year. This information can be helpful in assessing the School’s near-term financial needs and liquidity.

Because governmental fund reporting is more limited in scope than government-wide reporting, comparing the two provides valuable insight. Such comparisons help readers better understand the long-term implications of the School’s short-term financial decisions. To assist with this analysis, both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances include reconciliations to the corresponding government-wide statements.

The School prepares and adopts annually appropriated budgets for its governmental funds. A budgetary comparison schedule for the General Fund is included in the accompanying financial statements.

**Proprietary Funds**

The School also maintains a proprietary fund to account for the activities of the Global Village Building Corporation (the "Building Corporation"). The Building Corporation was established exclusively to issue and service debt on behalf of the School.

**Notes to the Financial Statements**

The notes to the financial statements offer additional detail that is essential for a complete understanding of the information presented in the financial statements.

**Global Village Academy – North**  
**Management’s Discussion and Analysis**

June 30, 2025

**Government-Wide Financial Analysis**

As noted earlier, net position can serve as a useful long-term indicator of a school’s overall financial health. For Global Village Academy – North, liabilities exceeded assets in fiscal year 2024–2025, resulting in a net position of (\$2,538,787). This negative balance is primarily due to the recognition of long-term obligations associated with the Pension Plan and Other Post-Employment Benefits (OPEB), as required by GASB Statements No. 68 and 75.

A portion of the School’s net position—\$380,000—is restricted in accordance with Article X, Section 20 of the Colorado Constitution, commonly referred to as the TABOR Amendment. These restricted funds are not available to cover the School’s general operating expenses.

**Global Village Academy – North’s Net Position**

	<b>Governmental Activities</b>	
	<b>6/30/2025</b>	<b>6/30/2024</b>
<b>ASSETS</b>		
Cash and Investments	\$ 4,727,587	\$ 4,123,249
Restricted Cash and Investments	\$ 3,118,300	\$ 9,263,550
Other Assets	\$ 404,937	\$ 446,386
Capital Assets, Net	<u>\$ 30,252,099</u>	<u>\$ 25,306,691</u>
<b>TOTAL ASSETS</b>	<b>\$ 38,502,923</b>	<b>\$ 39,139,876</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Related to Pensions	\$ 2,819,707	\$ 4,328,032
Related to OPEB	\$ 74,473	\$ 101,246
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ 2,894,180</u>	<u>\$ 4,429,278</u>
<b>LIABILITIES</b>		
Current Liabilities	\$ 1,088,930	\$ 1,677,661
Accrued Interest	\$ 76,146	\$ 77,046
Noncurrent Liabilities	<u>\$ 41,741,693</u>	<u>\$ 43,678,276</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 42,906,769</b>	<b>\$ 45,432,983</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Related to Pensions	\$ 902,610	\$ 548,648
Related to OPEB	\$ 126,511	\$ 102,998
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 1,029,121</u>	<u>\$ 651,646</u>
<b>NET PENSION</b>		
Net Position		
Net Investment in Capital Assets	\$ 642,922	\$ (5,268,196)
Restricted	\$ 3,324,595	\$ 9,616,331
Unrestricted	<u>\$ (6,506,304)</u>	<u>\$ (6,863,610)</u>
<b>TOTAL NET POSITION</b>	<b>\$ (2,538,787)</b>	<b>\$ (2,515,475)</b>

**Global Village Academy – North**  
Management’s Discussion and Analysis  
June 30, 2025

**Global Village Academy – North’s Change in Net Position**

	<b>Governmental Activities</b>	
	<b>6/30/2025</b>	<b>6/30/2024</b>
<b>PROGRAM REVENUE</b>		
Charges for Services	\$ 189,793	\$ 179,357
Operating Grants and Contributions	\$ 1,486,875	\$ 1,823,494
Capital Grants and Contributions	\$ 318,173	\$ 329,642
<b>TOTAL PROGRAM REVENUE</b>	<b>\$ 1,994,841</b>	<b>\$ 2,332,493</b>
<b>GENERAL REVENUE</b>		
Per Pupil Operating Revenue	\$ 9,507,301	\$ 8,935,388
Mill Levy Override	\$ 1,667,974	\$ 1,173,988
Investment Earnings Other	\$ 270,531	\$ 234,156
	\$ 242,476	\$ 161,577
<b>TOTAL GENERAL REVENUE</b>	<b>\$ 11,688,282</b>	<b>\$ 10,505,109</b>
<b>TOTAL REVENUE</b>	<b>\$ 13,683,123</b>	<b>\$ 12,837,602</b>
<b>EXPENSES</b>		
Instruction	\$ 7,940,858	\$ 7,647,767
Supporting Services	\$ 4,317,335	\$ 4,953,738
Interest and Fiscal Charges	\$ 1,448,242	\$ 1,066,237
<b>TOTAL EXPENSES</b>	<b>\$ 13,706,435</b>	<b>\$ 13,667,742</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ (23,312)</b>	<b>\$ (830,140)</b>
<b>BEGINNING NET POSITIONS</b>	<b>\$ (2,515,475)</b>	<b>\$ (1,685,335)</b>
<b>ENDING NET POSITION</b>	<b>\$ (2,538,787)</b>	<b>\$ (2,515,475)</b>

The majority of the School’s revenue is derived from Per Pupil Revenue (PPR), which accounted for 72% of total revenue in 2025, compared to 73% in 2024.

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Management’s Discussion and Analysis  
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**Financial Analysis of the Government’s Funds**

As previously mentioned, the School employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**General Fund**

The School’s General Fund focuses on providing information about near-term inflows, outflows, and the balances of spendable resources. This information is valuable for evaluating the School’s short-term financing needs. In particular, the unassigned fund balance serves as an important indicator of the net resources available for spending at the end of the fiscal year.

At the close of the current fiscal year, the General Fund reported an ending balance of \$4,217,299, reflecting an increase of \$516,164 compared to the previous year.

**General Fund Budgetary Highlights**

The School adopts its General Fund budget in May based on projected enrollment for the upcoming school year. After the enrollment count is finalized in October, the budget is adjusted accordingly. For the fiscal year ended June 30, 2025, there were some variances between the final budget and actual results. The School recognized \$320,628 more in revenue than budgeted, primarily due to additional grant funding and SBITA proceeds, and spent \$194,535 less than anticipated. The final budget amendment for the fiscal year was approved on January 28, 2025.

**Capital Assets & Long-Term Debt**

The School has invested in capital assets, including its educational facility, land, and equipment. Detailed information about these capital assets can be found in Note 3 of the financial statements. Depreciation expenses related to these assets are recorded under the School’s Supporting Services.

The School carries long-term debt in the form of 2020 Charter School Revenue Bonds issued by the Colorado Educational and Facilities Authority (CECFA). These bonds were used to refinance the 2018 bonds and to fund the construction of the new School building. Additional details on long-term debt are provided in Note 4 of the financial statements.

In February 2024, the School issued additional long-term debt totaling \$9,800,000 to finance the construction of a gymnasium and additional classrooms. This project has since been completed.

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

The primary factor influencing the budget for Global Village Academy – North is the outlook for the Colorado state budget and its impact on Per Pupil Revenue (PPR) for K-12 education. The School regularly reviews projected PPR funding and assesses its potential effects on the budget. Multiple budget scenarios and operational plans are developed to evaluate options in response to state funding decisions. Additionally, changes

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Management’s Discussion and Analysis  
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in student enrollment, facility financing costs, and other relevant factors are carefully considered to accurately project the School’s revenues and expenses.

**Requests for Information**

This financial report is intended to provide a general overview of Global Village Academy – North’s financial position for all interested parties. Questions regarding the information presented or requests for additional financial details should be directed to the School at:

Global Village Academy – North  
12415 Grant Street  
Thornton, CO 80241

## **BASIC FINANCIAL STATEMENTS**

GLOBAL VILLAGE ACADEMY - NORTH

STATEMENT OF NET POSITION  
As of June 30, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and Investments	\$ 4,727,587
Restricted Cash and Investments	3,118,300
Due from CSI	110,857
Other Accounts Receivable	158,887
Prepaid Expenses	132,693
Deposits	2,500
Capital Assets, Not Depreciated	2,368,692
Capital Assets, Depreciated, Net of Accumulated Depreciation	27,767,402
Right to Use Assets, Net of Accumulated Amortization	116,005
	<hr/>
TOTAL ASSETS	38,502,923
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to Pensions	2,819,707
Related to OPEB	74,473
	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,894,180
	<hr/>
<b>LIABILITIES</b>	
Accounts Payable	318,237
Retainage Payable	1,292
Accrued Salaries and Benefits	767,321
Unearned Revenues	2,080
Accrued Interest Payable	76,146
Noncurrent Liabilities	
Due in One Year	487,683
Due in More than One Year	28,871,643
Net Pension Liability	12,166,499
Net OPEB Liability	215,868
	<hr/>
TOTAL LIABILITIES	42,906,769
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to Pensions	902,610
Related to OPEB	126,511
	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	1,029,121
	<hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	642,922
Restricted for Emergencies	380,000
Restricted for Capital Projects and Debt Service	2,944,595
Unrestricted	(6,506,304)
	<hr/>
TOTAL NET POSITION	\$ (2,538,787)
	<hr/> <hr/>

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

GLOBAL VILLAGE ACADEMY - NORTH

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
<b>PRIMARY GOVERNMENT</b>					
<b>Governmental Activities</b>					
Instructional	\$ 7,940,858	\$ -	\$ 925,351	\$ -	\$ (7,015,507)
Supporting Services	4,317,335	189,793	561,524	318,173	(3,247,845)
Interest and Other Fiscal Charges	1,448,242	-	-	-	(1,448,242)
<b>Total Governmental Activities</b>	<u>\$ 13,706,435</u>	<u>\$ 189,793</u>	<u>\$ 1,486,875</u>	<u>\$ 318,173</u>	(11,711,594)
			<b>GENERAL REVENUES</b>		
			Per Pupil Revenue		9,507,301
			Mill Levy Override		1,667,974
			Interest		270,531
			Other		242,476
			<b>TOTAL GENERAL REVENUES</b>		<u>11,688,282</u>
			<b>CHANGE IN NET POSITION</b>		(23,312)
			<b>NET POSITION, Beginning</b>		<u>(2,515,475)</u>
			<b>NET POSITION, Ending</b>		<u>\$ (2,538,787)</u>

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

GLOBAL VILLAGE ACADEMY - NORTH

BALANCE SHEET  
GENERAL FUND  
June 30, 2025

	GENERAL FUND
ASSETS	
Cash and Investments	\$ 4,727,587
Due from CSI	110,857
Other Accounts Receivable	158,887
Prepaid Expenses	132,693
Deposits	2,500
TOTAL ASSETS	<u>\$ 5,132,524</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 145,824
Accrued Salaries and Benefits	767,321
Unearned Revenue	2,080
TOTAL LIABILITIES	<u>915,225</u>
FUND BALANCES	
Nonspendable	135,193
Restricted for Emergencies	380,000
Assigned to Special Education	90,000
Unassigned	3,612,106
TOTAL FUND BALANCES	<u>4,217,299</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,132,524</u>

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

GLOBAL VILLAGE ACADEMY - NORTH

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances of governmental funds			\$ 4,217,299
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, depreciated	95,633	
	Accumulated Depreciation	(81,504)	
	Right to Use Assets	141,940	
	Accumulated Amortization	<u>(25,935)</u>	130,134
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	SBITAs Payable	(112,506)	
	Net Pension Liability	(12,166,499)	
	Net OPEB Liability	<u>(215,868)</u>	(12,494,873)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pensions	2,819,707	
	Deferred outflows of resources - Related to OPEB	(902,610)	
	Deferred inflows of resources - Related to Pensions	74,473	
	Deferred inflows of resources - Related to OPEB	<u>(126,511)</u>	<u>1,865,059</u>
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.			<u>3,743,594</u>
Net position of governmental activities			<u><u>\$ (2,538,787)</u></u>

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

GLOBAL VILLAGE ACADEMY - NORTH

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

	GENERAL FUND
REVENUES	
Local Sources	\$ 9,987,049
State Sources	2,674,909
Federal Sources	635,396
	<hr/>
TOTAL REVENUES	13,297,354
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EXPENDITURES	
Current	
Instruction	7,628,438
Supporting Services	5,265,258
Debt Service	
Principal	29,434
Interest	-
	<hr/>
TOTAL EXPENDITURES	12,923,130
	<hr/>
EXCESS OF REVENUES OVER (Under) EXPENDITURES	374,224
	<hr/>
OTHER FINANCING SOURCES	
SBITA Proceeds	141,940
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	141,940
	<hr/>
NET CHANGE IN FUND BALANCES	516,164
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FUND BALANCES, Beginning	3,701,135
	<hr/>
FUND BALANCES, Ending	\$ 4,217,299
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The accompanying notes are an integral part of the financial statements.

GLOBAL VILLAGE ACADEMY - NORTH

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		\$ 516,164
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.		
Capital Outlay	141,940	
Depreciation and Amortization	<u>(36,027)</u>	105,913
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the governmental funds.		
SBITA Principal Payments		29,434
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide statements those amounts are capitalized and amortized.		
Deferred charges related to Pension Plan	(312,596)	
Deferred charges related to OPEB	<u>65,036</u>	(247,560)
Debt proceeds are reported as financial resources in the governmental funds and increase fund balance. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities		
SBITA Proceeds		<u>(141,940)</u>
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.		<u>(285,323)</u>
Change in net position of governmental activities		<u>\$ (23,312)</u>

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

GLOBAL VILLAGE ACADEMY - NORTH

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 June 30, 2025

	Governmental Activities <u>Internal Service Fund</u>
ASSETS	
Current Assets	
Restricted Cash and Investments	\$ 3,118,300
Due from Other Fund	<u>-</u>
Total Current Assets	<u>3,118,300</u>
Noncurrent Assets	
Capital Assets, Not Being Depreciated	2,368,692
Capital Assets, Depreciated, Net	<u>27,753,273</u>
Total Noncurrent Assets	<u>30,121,965</u>
TOTAL ASSETS	<u>33,240,265</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	172,413
Retainage Payable	1,292
Accrued Interest Payable	76,146
Bonds Payable, Current Portion	<u>465,000</u>
Total Current Liabilities	<u>714,851</u>
Noncurrent Liabilities	
Bonds Payable	<u>28,781,820</u>
Total Noncurrent Liabilities	<u>28,781,820</u>
TOTAL LIABILITIES	<u>29,496,671</u>
NET POSITION	
Net Investment in Capital Assets	798,999
Restricted for capital projects and debt service	<u>2,944,595</u>
TOTAL NET POSITION	<u>\$ 3,743,594</u>

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

GLOBAL VILLAGE ACADEMY - NORTH

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

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Rent Income	\$ 1,619,253
TOTAL OPERATING REVENUES	<u>1,619,253</u>
OPERATING EXPENSES	
Purchased Services	13,036
Depreciation	<u>713,829</u>
TOTAL OPERATING EXPENSES	<u>726,865</u>
NET OPERATING INCOME (LOSS)	<u>892,388</u>
NON-OPERATING REVENUES (EXPENSES)	
Earnings on Investments	270,531
Interest Expense	<u>(1,448,242)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(1,177,711)</u>
CHANGE IN NET POSITION	(285,323)
NET POSITION, Beginning	<u>4,028,917</u>
NET POSITION, Ending	<u><u>\$ 3,743,594</u></u>

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

GLOBAL VILLAGE ACADEMY - NORTH

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

	Governmental Activities
	Internal Service Fund
	<u>                    </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Rental Operations	\$ 1,619,253
Cash Paid to Suppliers	(13,036)
Net Cash Provided by Operating Activities	<u>1,606,217</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments to/from Other Funds	<u>8,180</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(6,196,960)
Principal Payments on Long Term Debt	(355,000)
Interest Payments	(1,478,218)
Net Cash Used by Capital Financing Activities	<u>(8,030,178)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>270,531</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,145,250)
CASH AND CASH EQUIVALENTS, Beginning	<u>9,263,550</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 3,118,300</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income (Loss)	<u>\$ 892,388</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	<u>713,829</u>
Net Cash Provided by Operating Activities	<u>\$ 1,606,217</u>

Funding for \$643,636 of capital asset additions provided by accounts payable.

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Global Village Academy-North (the “School”) was formed in 2006 under the name Global Village Academy-Northglenn pursuant to the Colorado Charter Schools Act to form and operate a charter school. Beginning July 1, 2023, the School changed its name to Global Village Academy – North. The accounting policies of the School conform with generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. Following is a summary of the more significant policies:

**Reporting Entity**

The definition of the reporting entity is based primarily on financial accountability. The financial reporting entity consists of the School and organizations for which the School is financially accountable. It is also financially accountable for legally separate organizations if the School’s officials appoint a voting majority for the organization’s governing body and either it is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School. The School may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of this criteria, the School includes the following organization within its reporting entity:

**Global Village Building Corporation**

The Global Village Building Corporation (the “Corporation”) was formed to support the School to perform its function and to carry out its purpose, specifically to provide a mechanism to issue debt on behalf of the School. The Corporation is considered to be part of the School for financial reporting purposes because its resources are entirely for the benefit of the School. The Corporation is reported in the School’s financial statements as an internal service fund. Separate financial statements are not available for the Corporation.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School. 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.

GLOBAL VILLAGE ACADEMY – NORTH

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 net position reports all financial, capital and debt resources of the School. The difference between the assets plus deferred outflows of resources and liabilities and deferred inflows of resources of the School is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenue and other items 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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 School.

GLOBAL VILLAGE ACADEMY – NORTH

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)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

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

The *General Fund* is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

In addition, the School reports the following fund type:

The *Internal Service Fund* accounts for the activities of the Corporation.

**Assets, Liabilities, and Fund Balance/Net Position**

Deposits and Investments – For purposes of the statement of cash flows, the School considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Prepaid Expenses – Payments made to vendors for services that will benefit future periods are recorded as prepaid expenses. An expenditure is reported in the year in which the services are consumed.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Property and equipment of the School is depreciated using the straight-line method over the following estimated useful lives.

Buildings	20 years
Equipment	5 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

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, are reported as a liability in the General Fund.

Deferred Outflows 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.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Long-Term Debt – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

Compensated Absences – The School’s policy allows employees to accumulate paid time off. Unused paid time off is paid in August of each fiscal year. At June 30, 2025, a liability for the unused compensated absences has been reported in the General Fund.

Net Position – The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

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 represents liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While School management may have categorized and segmented portion for various purposes, the School Board has the unrestricted right to revisit or alter these managerial decisions.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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 School 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 School reports prepaid expenses and deposits as nonspendable at June 30, 2025.
- 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 School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- 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 School did not have any committed resources as of June 30, 2025.
- Assigned – This classification includes spendable fund balance amounts that are intended to be used for a specific purpose that are neither considered restricted nor committed. The School reports its Special Education Reserve as assigned 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

The School 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 fund balance.

**Risk Management**

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The School purchases commercial insurance for these risks of loss. Settled claims have not exceeded this coverage in the last three years.

**Income Taxes**

The School is a tax-exempt entity under section 501 (c) 3 of the US Internal Revenue Code. The School's tax filings are subject to audit by various taxing authorities. The School believes it has no significant uncertain tax provisions for the year ended June 30, 2025.

**Subsequent Events**

The School has evaluated events subsequent to the year ended June 30, 2025 through October 13, 2025 the date these financial statements were issued and has incorporated any required recognition into these financial statements.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2025 cash and investments consist of the following:

Deposits	\$ 6,045,008
Investments	<u>1,800,879</u>
Total	<u>\$ 7,845,887</u>

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

Cash and Investments - Unrestricted	\$ 4,727,587
Cash and Investments - Restricted	<u>3,118,300</u>
Total	<u>\$ 7,845,887</u>

**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 School 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Deposits (Continued)**

At June 30, 2025, the School had deposits with financial institutions with a carrying amount of \$6,045,008. The bank balances with the financial institutions were \$6,259,920. \$500,000 of these balances were covered by federal depository and \$5,751,696 were covered by collateral held by authorized escrow agents in the financial institutions' name (PDPA).

**Investments**

Interest Rate Risk

The School 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.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The School does not have a formal investment policy to limit credit risk. However, the School follows state statutes regarding investments.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 2:** **CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

**Local Government Investment Pools**

The School had invested \$1,800,879 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 (net asset value). 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. The School's investments are measured at Net Asset Value.

**Restricted Cash and Investments**

Cash and Investments in the amount of \$3,118,300 are restricted in the Internal Service Fund for debt service requirements.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 3: CAPITAL ASSETS**

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

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
<b>Governmental Activities</b>				
Capital Assets, Not				
Depreciated				
Land	\$ 2,303,827	\$ -	\$ -	\$ 2,303,827
Construction in Progress	3,065,131	5,553,324	8,553,590	64,865
Capital Assets, Not				
Being Depreciated	\$ 5,368,958	\$ 5,553,324	\$ 8,553,590	\$ 2,368,692
Capital Asset, Being				
Depreciated/Amortized				
Buildings	21,338,628	8,553,590	-	29,892,218
Equipment	95,633	-	-	95,633
Right to Use Assets-Subscriptions	-	141,940	-	141,940
Capital Assets, Being				
Depreciated/Amortized	21,434,261	8,695,530	-	30,129,791
Accumulated Depreciation/ Amortization				
Buildings	1,425,116	713,829	-	2,138,945
Equipment	71,412	10,092	-	81,504
Right to Use Assets-Subscriptions	-	25,935	-	25,935
Total Depreciation/Amortization	1,496,528	749,856	-	2,246,384
Capital Assets, Being				
Depreciated/Amortized, Net	19,937,733	7,945,674	-	27,883,407
Net Capital Assets	\$ 25,306,691	\$ 13,498,998	\$ 8,553,590	\$ 30,252,099

Depreciation and amortization expense has been charged to the Supporting Services program of the School.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 4: LONG-TERM DEBT**

The following is a summary of the School’s long-term debt transactions for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
Revenue Bonds					
Series 2020 A & B	\$ 18,915,000	\$ -	\$ 270,000	\$ 18,645,000	\$ 280,000
2020 Premium	915,896	-	29,076	886,820	-
Series 2024 A & B	9,800,000	-	85,000	9,715,000	185,000
Net Pension Liability	13,716,190	-	1,549,691	12,166,499	-
Net OPEB Liability	331,190	-	115,322	215,868	-
Total	<u>\$ 43,678,276</u>	<u>\$ -</u>	<u>\$ 2,049,089</u>	<u>\$ 41,629,187</u>	<u>\$ 465,000</u>

**Series 2020 Revenue Bonds**

In December 2020, the Colorado Educational and Facilities Authority (CECFA) issued \$19,170,000 Charter School Revenue Bonds. Proceeds from the bonds are being used to finance the cost of construction of an educational facility and to refund the Series 2018 bonds. Interest accrues at a rate ranging from 4.00% to 5.00% per year. Interest payments are due semi-annually on June 1 and December 1 beginning on June 1, 2021. Principal payments are due annually through December 31, 2055. Future debt service requirements on the Series 2020 bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 280,000	\$ 908,150	\$ 1,188,150
2027	290,000	896,750	1,186,750
2028	300,000	884,950	1,184,950
2029	315,000	872,650	1,187,650
2030	325,000	859,850	1,184,850
2031-2035	1,860,000	4,058,550	5,918,550
2036-2040	2,365,000	3,534,375	5,899,375
2041-2045	3,015,000	2,865,375	5,880,375
2046-2050	3,845,000	2,011,875	5,856,875
2051-2055	4,915,000	921,875	5,836,875
2056	1,135,000	28,375	1,163,375
Total	<u>\$ 18,645,000</u>	<u>\$ 17,842,775</u>	<u>\$ 36,487,775</u>

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 4: LONG-TERM DEBT** (Continued)

**Series 2024 Revenue Bonds**

In February 2024, the Colorado Educational and Facilities Authority (CECFA) issued \$9,800,000 Charter School Revenue Bonds. Proceeds from the bonds are being used to finance the cost of construction of a gymnasium. Interest accrues at a rate ranging from 5.70% to 6.63% per year. Interest payments are due monthly beginning on June 1, 2024. Principal payments are due monthly beginning on January 1, 2025, through February 1, 2034. A final balloon payment in the amount of \$7,685,000 is due on March 1, 2034. Future debt service requirements on the Series 2024 bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 185,000	\$ 549,252	\$ 734,252
2027	197,000	538,145	735,145
2028	209,000	526,603	735,603
2029	221,000	514,378	735,378
2030	234,000	501,444	735,444
2031-2034	8,669,000	1,751,317	10,420,317
Total	<u>\$ 9,715,000</u>	<u>\$ 4,381,139</u>	<u>\$ 14,096,139</u>

**Financial Covenants**

The Series 2020A and 2020B as well as the Series 2024A and 2024B Charter School Revenue Bonds require the School meet certain financial covenants. These covenants are tested at June 30 of each year and a certification whether the balances required have been met is submitted to the bond trustee. At June 30, 2025, the School was required to maintain a coverage ratio of 1.2 and maintain cash on hand of not less than 45 days. At June 30, 2025, the School has met its financial covenants.

**NOTE 5: SUBSCRIPTION BASED IT ARRANGEMENTS (SBITAs)**

The following is a summary of the School’s subscription-based IT arrangements (SBITAs) transactions for the year ended June 30, 2025:

	<u>Balance</u>		<u>Balance</u>	<u>Due In</u>
	<u>6/30/2024</u>	<u>Additions</u>	<u>Payments</u>	<u>6/30/2024</u>
				<u>One Year</u>
SBITAs	<u>\$ -</u>	<u>\$ 141,940</u>	<u>\$ 29,434</u>	<u>\$ 112,506</u>
				<u>\$ 22,683</u>

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 5: SUBSCRIPTION BASED IT ARRANGEMENTS (SBITAs) (Continued)**

During the year ended June 30, 2025, the School entered into various six-year SBITA agreements for classroom instructional software. The total liability under the terms of the SBITAs is \$141,940 and the balance at June 30, 2025, is \$112,506. The interest rate implied in the SBITAs is 6%. The School has prepaid the full amount to the SBITA and reports prepaid expenses in the amount of \$132,693.

Annual requirements to amortize these long-term obligations and related interest are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 22,683	\$ 6,751	\$ 29,434
2027	24,044	5,390	29,434
2028	20,662	3,947	24,609
2029	21,902	2,707	24,609
2030	23,215	1,394	24,609
Total	<u>\$ 112,506</u>	<u>\$ 20,189</u>	<u>\$ 132,695</u>

Total lease and SBITA expense for the year ended June 30, 2025, was \$29,434.

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**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

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

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

- Highest average salary multiplied by 2.5% 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times the service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

	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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>20.38%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$1,151,692 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The School’s proportion of the net pension liability was based on the School’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.

At June 30, 2025, the School reported a liability of \$12,166,499 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School’s proportionate share of the net pension liability	\$12,166,499
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	1,092,745
Total	\$13,259,244

At December 31, 2024, the School’s proportion was 0.071%, which was a decrease of 0.007% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized pension expense of \$1,679,261 and revenue of \$99,735 for support from the State as a nonemployer contributing entity. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$688,971	\$-
Changes of assumptions or other inputs	91,214	-
Net difference between projected and actual earnings on pension plan investments	229,548	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,231,137	902,610
Contributions subsequent to the measurement date	578,837	N/A
Total	\$2,819,707	\$902,610

\$578,837 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, 2026. 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,	
2026	\$1,133,195
2027	842,177
2028	(\$473,400)
2029	(\$163,712)
2030	-
Thereafter	-

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions**

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
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 <sup>1</sup>	Financed by the AIR

<sup>1</sup> 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.

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

	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	<b>Males:</b> 112% of the rates prior to age 80/ 94% of the rates age 80 and older <b>Females:</b> 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	<b>Males:</b> 97% of the rates for all ages <b>Females:</b> 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions (Continued)**

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

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

Salary increases, including wage inflation:	4.00%-13.40%
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Salary scale assumptions were altered to better reflect actual experience.

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

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions (Continued)**

	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	<b>Males:</b> 106% of the rates for all ages <b>Females:</b> 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non- Disabled	Pub-2010 Contingent Survivor	<b>Males:</b> 92% of the rates for all ages <b>Females:</b> 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by 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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial assumptions (Continued)**

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

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.
- 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

**Discount Rate (Continued)**

- 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.

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 School’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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	\$16,494,954	\$12,166,499	\$8,540,814

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)**

*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/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

**Subsequent Events**

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

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**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**General Information about the OPEB Plan (Continued)**

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

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

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 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.

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**General Information about the OPEB Plan** (Continued)

*DPS Benefit Structure*

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

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the 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 School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were \$57,641 for the year ended June 30, 2025.

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

At June 30, 2025, the School reported a liability of \$215,868 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: 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)

At December 31, 2024, the School’s proportion was 0.045%, which was a decrease of 0.001% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense of (\$7,395). At June 30, 2025, the School 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	\$-	\$47,616
Changes of assumptions or other inputs	2,475	69,002
Net difference between projected and actual earnings on OPEB plan investments	732	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	42,296	9,893
Contributions subsequent to the measurement date	28,970	N/A
<b>Total</b>	<b>\$74,473</b>	<b>\$126,511</b>

\$28,970 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: 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)**

Year ended June 30,	
2026	(\$18,430)
2027	(\$9,972)
2028	(\$21,411)
2029	(\$13,208)
2030	(\$10,798)
Thereafter	(\$7,189)

**Actuarial assumptions**

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

	<b>School Division</b>
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial assumptions (Continued)**

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

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were 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%

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (Continued)

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	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		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	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month.

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (Continued)

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

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

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (Continued)

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

<b>Pre-Retirement</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
School Division	PubT-2010 Employee	N/A
<b>Post-Retirement (Retiree), Non-Disabled</b>		
	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
School Division	PubT-2010 Healthy Retiree	<b>Males:</b> 112% of the rates prior to age 80/ 94% of the rates age 80 and older <b>Females:</b> 83% of the rates prior to age 80/ 106% of the rates age 80 and older
<b>Post-Retirement (Beneficiary), Non-Disabled</b>		
	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
All Beneficiaries	Pub-2010 Contingent Survivor	<b>Males:</b> 97% of the rates for all ages <b>Females:</b> 105% of the rates for all ages
<b>Disabled</b>		
	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Members	PubNS-2010 Disabled Retiree	99% of the rates for all ages

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Actuarial assumptions (Continued)**

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

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

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

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

	School Division
Salary increases, including wage inflation:	
Members other than Safety Officers	4.00%-13.40%
Safety Officers	N/A

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (Continued)

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

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (Continued)

<b>Pre-Retirement</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
School Division	PubT-2010 Employee	N/A
<b>Post-Retirement (Retiree), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
School Division	PubT-2010 Healthy Retiree	<b>Males:</b> 106% of the rates for all ages <b>Females:</b> 86% of the rates prior to age 85/ 115% of the rates age 85 and older
<b>Post-Retirement (Beneficiary), Non-Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
All Beneficiaries	Pub-2010 Contingent Survivor	<b>Males:</b> 92% of the rates for all ages <b>Females:</b> 100% of the rates for all ages
<b>Disabled</b>	<b>Mortality Table</b>	<b>Adjustments, as Applicable</b>
Members	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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

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

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

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Actuarial assumptions** (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 November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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 School’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates**

The following table 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:

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

**Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates** (Continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate <sup>1</sup>	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate <sup>1</sup>	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate <sup>1</sup>	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$210,052	\$215,868	\$222,450

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

**Discount rate**

The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 7: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)**

**Discount rate (Continued)**

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the 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 did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

**Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the discount rate**

The following table 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	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$264,549	\$215,868	\$173,898

*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/forms-resources/financial-reports-and-studies](http://www.copera.org/forms-resources/financial-reports-and-studies).

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

**Charter Collaborative Contract**

On March 25, 2012, the School, along with Global Village Academy – Aurora (“GVA-Aurora”) entered into an agreement with Global Village Collaborative (the “Collaborative”). The purpose of this agreement is to advance and carry out the common educational mission of participating schools. The Collaborative serves as a central office to administer, manage, and support the implementation of the schools’ educational programs.

The Collaborative is financed by the schools through fees and assessments calculated per the contract. For the year ended June 30, 2025, the Collaborative charged the School \$808,099 under the terms of the contract.

**Claims and Judgments**

The School 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 School may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

**Tabor Amendment**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The School believes it has complied with the Amendment.

The School has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2025, the emergency reserve of \$380,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

GLOBAL VILLAGE ACADEMY – NORTH

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025

**NOTE 9: DEFICIT NET POSITION**

At June 30, 2025, the net position of the governmental activities is in a deficit position in the amount of \$2,538,787 due to the School including its Net Pension and Net OPEB liabilities per requirements of GASB No. 68 and No.75.

**REQUIRED SUPPLEMENTARY INFORMATION**

GLOBAL VILLAGE ACADEMY - NORTH

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
<b>REVENUES</b>					
Local Sources					
Per Pupil Revenue	\$9,474,291	\$9,507,052	\$9,507,301	\$ 249	\$8,935,388
Mill Levy Override	1,789,515	1,667,733	1,667,974	241	1,173,988
Charges for Services	167,350	170,076	189,793	19,717	179,357
Grants and Donations	43,000	43,110	47,479	4,369	69,486
Other	167,000	180,882	242,476	61,594	161,577
State Sources					
Capital Construction	323,505	319,000	318,173	(827)	329,642
PERA on Behalf Contribution	10,000	100,000	99,735	(265)	22,915
Grants and Donations	533,910	567,962	589,027	21,065	487,134
Federal Sources					
Grants and Donations	549,363	561,851	635,396	73,545	885,927
<b>TOTAL REVENUES</b>	<b>13,057,934</b>	<b>13,117,666</b>	<b>13,297,354</b>	<b>179,688</b>	<b>12,245,414</b>
<b>EXPENDITURES</b>					
Current					
Salaries	5,890,523	6,096,000	6,234,149	(138,149)	5,770,504
Employee Benefits	2,028,031	2,042,384	1,959,313	83,071	1,778,713
Purchased Services	3,444,059	3,445,551	3,398,660	46,891	2,812,277
Supplies and Materials	1,007,523	1,090,671	934,995	155,676	922,072
Property	65,000	60,000	225,400	(165,400)	96,560
Other	310,000	383,059	141,179	241,880	130,806
Debt Service					
SBITA Principal	-	-	29,434	(29,434)	-
SBITA Interest	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>12,745,136</b>	<b>13,117,665</b>	<b>12,923,130</b>	<b>194,535</b>	<b>11,510,932</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>312,798</b>	<b>1</b>	<b>374,224</b>	<b>374,223</b>	<b>734,482</b>
<b>OTHER FINANCING SOURCES</b>					
SBITA Proceeds	-	-	141,940	141,940	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>312,798</b>	<b>1</b>	<b>516,164</b>	<b>516,163</b>	<b>734,482</b>
FUND BALANCE, Beginning	3,213,245	3,701,132	3,701,135	3	2,966,653
FUND BALANCE, Ending	<u>\$3,526,043</u>	<u>\$3,701,133</u>	<u>\$4,217,299</u>	<u>\$ 516,166</u>	<u>\$3,701,135</u>

See the accompanying independent auditor's report.

GLOBAL VILLAGE ACADEMY - NORTH

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability (Asset)	0.071%	0.078%	0.057%	0.065%	0.070%	0.058%	0.057%	0.061%	0.064%	0.054%
Proportionate Share of the Net Pension Liability (Asset)	\$ 12,166,499	\$ 13,716,190	\$ 10,447,981	\$ 7,604,385	\$ 10,527,264	8,597,709	10,095,156	19,739,851	19,036,892	8,597,709
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	1,092,745	300,755	3,044,647	871,746	-	1,090,510	1,380,373	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	13,259,244	14,016,945	13,492,628	8,476,131	10,527,264	9,688,219	11,475,529	19,739,851	19,036,892	8,597,709
Covered payroll	\$ 5,448,656	\$ 5,127,750	\$ 4,421,522	\$ 8,167,646	\$ 3,722,665	\$ 3,380,829	\$ 3,198,916	\$ 2,807,066	\$ 2,869,660	\$ 2,575,434
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	223.3%	267.5%	236.3%	93.1%	282.8%	286.6%	358.7%	703.2%	663.4%	333.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

See the accompanying independent auditor's report.

GLOBAL VILLAGE ACADEMY - NORTH

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS  
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	\$ 1,151,692	\$ 1,083,622	\$ 985,777	\$ 807,114	\$ 790,262	\$ 693,959	\$ 616,974	\$ 596,253	\$ 483,386	\$ 388,778
Contributions in Relation to the Contractually Required Contributions	1,151,692	1,083,622	985,777	807,114	790,262	693,959	616,974	596,253	483,386	388,778
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,651,071	\$ 5,317,076	\$ 4,836,969	\$ 4,051,273	\$ 3,975,153	\$ 3,580,798	\$ 3,225,174	\$ 3,073,055	\$ 2,575,434	\$ 2,169,003
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.92%	19.88%	19.38%	19.13%	19.40%	18.77%	17.92%

See the accompanying independent auditor's report.

GLOBAL VILLAGE ACADEMY - NORTH

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
PERA HEALTH CARE TRUST FUND PLAN

	Years Ended December 31,										
	2024	2023	2022	2021	2020	2019	2018	2017	2016		
Proportion of the Net OPEB Liability (Asset)	0.045%	0.046%	0.043%	0.043%	0.040%	0.038%	0.037%	0.035%	0.036%		
Proportionate Share of the Net OPEB Liability (Asset)	\$ 215,868	\$ 331,190	\$ 355,045	\$ 367,902	\$ 382,521	\$ 422,629	\$ 503,787	\$ 449,353	\$ 471,202		
Covered payroll	\$5,448,656	\$5,127,750	\$4,421,522	\$8,167,646	\$3,722,665	\$3,380,829	\$3,198,916	\$2,807,066	\$2,869,660		
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	4.0%	6.5%	8.0%	4.5%	10.3%	12.5%	15.7%	16.0%	16.4%		
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%		

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report.

GLOBAL VILLAGE ACADEMY - NORTH

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS  
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	\$ 57,641	\$ 54,234	\$ 49,337	\$ 41,411	\$ 40,547	\$ 36,524	\$ 32,896	\$ 30,658	\$ 31,345
Contributions in Relation to the Contractually Required Contributions	57,641	54,234	49,337	41,411	40,547	36,524	32,896	30,658	31,345
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,651,071	\$ 5,317,076	\$ 4,836,969	\$ 4,051,273	\$ 3,975,153	\$ 3,580,798	\$ 3,225,174	\$ 3,005,686	\$ 3,073,055
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%

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report.

GLOBAL VILLAGE ACADEMY - NORTH

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

**NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING**

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

Management submits to the Board of Directors a proposed budget for the fiscal year commencing 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 to the budget must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All annual appropriations lapse at fiscal year-end.

**NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN**

*2024 Changes in Assumptions or Other Inputs Since 2023:*

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

GLOBAL VILLAGE ACADEMY - NORTH

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

**NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA SCHOOL DIVISION TRUST FUND PLAN (Continued)**

*2023 Changes in Plan Provisions Since 2022:*

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

**NOTE 3: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

*2024 Changes in Plan Provisions Since 2023:*

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

GLOBAL VILLAGE ACADEMY - NORTH

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2025

**NOTE 3:** **SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN** (Continued)

*2023 Changes in Plan Provisions Since 2022:*

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

**NOTE 4:** **SIGNIFICANT CHANGES IN PLAN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA HEALTH CARE TRUST FUND PLAN**

*2024 Changes in Assumptions or Other Inputs Since 2023:*

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

There were no changes made to the actuarial methods or assumptions in 2023.