EXCEL ACADEMY CORPORATION

BASIC FINANCIAL STATEMENTS

June 30, 2025

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JOHN CUTLER & ASSOCIATES

Board of Directors
Excel Academy Corporation
Arvada, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of Excel Academy Corporation (the "Academy"), a component unit of Jefferson County School District No. R-1, 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 Excel Academy Corporation 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 Excel Academy Corporation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 43-47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

John Cutler & Associates, LLC

October 31, 2025

Excel Academy Corporation
Management's Discussion and Analysis
Year Ended June 30, 2025

As management of Excel Academy Corporation (the Academy), we offer readers of these financial statements this narrative and analysis of the financial activities of the Academy for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

Financial Highlights:

- In Fiscal Year 2025, The Academy invested in a planned, board approved capitol construction project to replace the original roofing from 1995.
- The board approved an additional supplemental appropriation from fund balance to offset operational overspend in the area of employee compensation. This was in part due to greater than anticipated staff participation in new Academy-specific benefit offerings with the goal of increasing employee satisfaction and retention.

Overview of Organization

On May 18, 1995, the Academy incorporated as a nonprofit corporation under the Colorado Nonprofit Corporation Act; and on November 3, 1995, the Internal Revenue Service issued a determination letter recognizing the Academy's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986. The Academy is a Colorado charter school organized pursuant to the Colorado Charter Schools Act, C.R.S. §§ 22-30.5-101 et seq. The Academy operates pursuant to a charter granted and authorized by the Jefferson County Public School District R-1 (the District) on June 1, 1995. Under the Charter Schools Act, the Academy is a public school within the District, and its status as a nonprofit corporation does not affect its status as a governmental unit. However, for governance and administrative purposes, the Academy operates as a Colorado nonprofit corporation.

Overview of Financial Statements

The Academy's accounting policies and financial statements conform with generally accepted accounting principles applicable to governmental units. This discussion and analysis is intended to serve as an introduction to the Academy's financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. For the year ending June 30, 2025, the Academy had its twenty-second financial audit completed.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances in a manner similar to a private-sector business.

The government-wide and business-type fund financial statements utilize a net position presentation. The statement of net position presents information on the Academy's net position, which is categorized as investment in capital assets, restricted, and unrestricted. All changes in net position are reported as soon as the underlying event giving rise to the change occurs,

regardless of the timing of the related cash flows in future periods. In general, changes in net position may serve over time as a useful indicator of overall financial position.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Academy, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Academy uses one major governmental fund, its General Fund, to account for all financial resources and to report the results of its governmental activities and operations. The Academy is required under its charter authorization to pool its cash deposits, other than investments reserved to satisfy bond covenants, with the District's cash and investments, which are held by several banking institutions.

The Academy adopts an annual budget for its General Fund. A budgetary comparison has been provided for the General Fund on page 47 as part of the basic financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Government-wide Financial Analysis

For the year ended June 30, 2025, the Academy's liabilities exceeded our assets resulting in a short fall net position of approximately $(1,052,184). As previously noted, changes in net position may serve over time as a useful indicator of the Academy's overall financial position. However, recent accounting changes promulgated by the Government Accounting Standards Board (GASB), primarily GASB No. 68, have resulted in decreases to the Academy's net position, which are not directly related to the Academy's overall financial position derived from its governmental activities and operations. The objective of GASB No. 68 is to recognize a net pension liability in the statement of net position for government employers who sponsor defined benefit retirement plans for their employees. The Academy participates, as an employer, in the Public Employees Retirement Association of Colorado (PERA) which is a defined benefit retirement plan. The Academy's proportionate share of the difference between PERA's total pension liability and total plan assets, in the amount of approximately $8,172,378, has been recognized as a net pension liability on the Academy's statement of net position as of June 30, 2025. This represents a decrease of approximately $(239,234) as compared to the net pension liability of approximately $8,411,612 which was recognized as of June 30, 2024. More information about the defined benefit pension plan can be found in Note 7 in the Notes to the Financial Statements.

The Academy's ending shortfall net position of approximately $(1,052,184) has resulted primarily from the Academy including the Net Pension Liability per GASB No.68. The ending shortfall surplus position is comprised of the following: 1) a positive general fund balance of $2,279,036; plus 2) positive net capital assets of $7,203,187; less 3) the net pension liability and deferred pension inflows, offset by deferred pension outflows, of $7,248,160, as required by the implementation of GASB No. 68; and less 4) the long-term liabilities not due and payable, net of the bond premium, accrued interest and deferred loss on refunding, in the current period of $3,286,247.

For the year ended June 30, 2025, the Academy's overall net position decreased by approximately $1,312,118 from its governmental activities and operations. This decrease is comprised of: 1) the net decrease to the general fund balance of approximately $1,066,276; 2) the net increase of approximately $289,961 due to the repayment of bond long-term debt and related costs; 3) the net decrease of approximately $410,665 due to the deferred charges related to pensions not recognized in government funds; and 4) the net decrease of approximately $125,138 as a result of the Academy's capital assets depreciation expense falling short of the capital outlays for the year.

The Academy's net position is categorized as invested in capital assets, restricted, and unrestricted. Investment in capital assets, net of related debt, of approximately $4,559,542 as of June 30, 2025, includes net capital assets of $7,203,187 less approximately $2,643,645 in long-term debt, which is comprised of bonds payable. The Academy has no other long-term debt, other than bonds payable, as of June 30, 2025.

Approximately $173,135 of the net position is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment (TABOR); and approximately $235,693 of the net position is restricted to comply with the Series 2016 bond covenants.

For the year ended June 30, 2025, the Academy's unrestricted net position of approximately $(6,469,242) includes unrestricted cash and investments of $1,950,670 plus deferred bond charges of $262,729, plus deferred pension outflows of $1,715,568, less accounts payable of $213,598, less accrued salaries of $382,978, less accrued interest of $10,075, less deferred revenue of $0, less pension liability of $8,172,378, and less deferred pension inflows of $579,128.

Net Position as of June 30:

	2025	2024
Assets:		
Current Assets	$2,875,612	$3,683,273
Capital and Other Assets, Net	7,203,187	7,328,325
Total Assets	**10,078,799**	**11,011,598**
Deferred Outflows of Resources:	2,000,755	2,655,729
Liabilities:		
Accrued Liabilities, Accounts Payable and Unearned Revenue	606,651	349,036
Long-term Debt, including $250,000 due in one year	3,538,901	3,858,771
Pension Liability and OPEB liabilities	8,317,379	8,614,719
Total Liabilities	**12,462,931**	**12,822,526**
Deferred Inflows of Resources:	668,807	584,867
Net Position:		
Invested in Capital Assets, Net of Related Debt	4,559,542	4,224,351
Restricted for TABOR	173,135	156,372
Restricted for Debt Service	235,693	196,543
Restricted for Construction	448,688	449,432

Unrestricted	(6,469,242)	(4,766,764)
Total Net Position	**(1,052,184)**	**259,934**

The Academy's net position decreased by approximately $1,312,118 from general governmental activities and operations during 2025. As a result, the Academy experienced an ending net position of approximately $(1,052,184) for the year ended June 30, 2025, as compared to an ending net position of approximately $259,934 for the year ended June 30, 2024.

Change in Net Position for the Year Ended June 30:

	2025	**2024**
Revenue:		
Program Revenues		
Charges for Services	$187,537	$156,244
Operating Grants and Contributions	365,419	347,528
Capital Construction Funds	154,785	188,990
General Revenue		
School Finance Act Revenue	4,913,691	4,487,690
Other	1,035,962	938,737
Special Items	77,407	0
Total Revenue	**6,734,801**	**6,119,189**
Expenses:		
Current:		
Instruction	4,169,279	3,986,763
Supporting Services	3,740,701	2,619,277
Debt Service – Interest and Amortization	136,939	148,773
Total Expenses	**8,046,919**	**6,754,813**
Change in Net Position	(1,312,118)	(635,624)
Net Position, July 1, Restated	259,934	895,558
Net Position, June 30	**(1,052,184)**	**259,934**

The operations of the Academy are funded primarily by the per pupil revenue received under the State School Finance Act. State per pupil revenue for the year ended June 30, 2025 totaled approximately $4,913,691, as compared to $4,487,690 for the year ended June 30, 2024. This increase in per pupil revenue, of approximately $426,000 was primarily due to an increase in per pupil funding from the State of Colorado, as compared to the 2023-2024 school year. In addition, the Academy received mill levy funding of approximately $939,064 from its District for the year ended June 30, 2025, as compared to $886,8411 for the year ended June 30, 2024. Mill levy funding continues to remain constant due to the District's decision to fully equalize mill levy funding across all of the District's public schools, including its charter schools. In accordance with Article IX, Section 17 of the Colorado Constitution, known as Amendment 23, the Academy receives capital construction funds from the state for repayment of long-term debt used to finance the purchase of land and construction

of the school building. For the year ended June 30, 2024, the Academy received capital construction funds of $154,785 as compared to receiving $188,990 by June 30, 2024.

Financial Analysis of Excel Academy Corporation's Funds

The Academy has one governmental fund, its General Fund. The General Fund is considered a major fund and is used to account for the Academy's general operations and governmental activities. The General Fund had a positive funds balance of approximately $3,345,312 at the beginning of the year. The fund balance of the General Fund decreased to approximately $2,279,036 on June 30, 2025. This represents a decrease of approximately $1,066,276, due to building improvements, which consisted of a roof replacement as well as making the classrooms safer and creating a better use of their space.

The general fund balance of approximately $2,279,036 is comprised of funds restricted for TABOR, funds restricted for debt service, and unrestricted or unassigned general funds. Approximately $173,135 of the general fund balance is restricted to comply with TABOR; approximately $235,693 of the general fund balance is restricted to comply with the Series 2016 bond covenants, related to unexpended bond proceeds, which are reserved for project costs and to satisfy bond covenants that require the unexpended proceeds be used to pay the costs of debt service and required reserve accounts; and approximately $448,688 of the general fund balance is restricted to upcoming construction projects. The remaining unrestricted or unassigned general fund balance of $1,421,520 as of June 30, 2025 is shown net of accounts payable, unearned revenue, accrued interest, and accrued salaries and benefits, as compared to $2,542,544 as of June 30, 2024.

Capital Assets and Debt Administration

As of June 30, 2025, capital assets consist primarily of the instructional facilities. These instructional facilities include the school building and the land, which in total cost approximately $5.5 million. Capital assets, totaling $7,203,187 as of June 30, 2025, are shown net of accumulated depreciation of $6,553,568. *See Note 4 for more information*.

In December 2003, the Academy financed the acquisition of land and the construction of its instructional facilities with Charter School Series 2003 Revenue Bonds which were issued by the Colorado Educational and Cultural Facilities Authority (CECFA) in the amount of $6,830,000. In addition to the long-term bond debt, the Academy incurred a note payable to the District for the additional cost of land in the amount of $236,400.

In August 2005, the Academy refinanced its Series 2003 Revenue Bonds with Charter School Series 2005 Revenue Bonds issued by the CECFA in the amount of $7.61 million, at a premium of $631,000. The Series 2005 Bonds were scheduled to mature in December 2033.

In December 2014, the Academy paid off half of the outstanding principal balance of the note payable in the amount of $118,200 and related accrued interest of $78,000. In March 2016, the Academy paid off the remaining balance of principal in the amount of $118,300 and related accrued interest of $4,400. By paying the note payable off early, the Academy will realize a savings in debt service of approximately $81,000 over the original term of the note payable.

In August 2016, the Academy refinanced its Series 2005 Revenue Bonds with Charter School Series 2016 Revenue Bonds issued by the CECFA in the amount of $5.55 million, at a premium of $328,000. The Series 2016 Bonds are scheduled to mature in December 2033. The Academy will recognize a net present value debt service savings of approximately $1.2 million over the remaining term of the bonds, which equates to a reduction in debt service of approximately $80,000 per year, by refinancing its outstanding Series 2005 Bonds with the Series 2016 Bonds.

To finance the construction of facilities, the purchase of land, and to refinance previously issued revenue bonds, the Academy has incurred long-term debt totaling $5.9 million, of which $3.5 million is outstanding as of June 30, 2025. *See Note 6 for more information*.

Economic Factors and Next Year's Budget

The primary factor in budget development for the Academy is student enrollment. The Academy's enrollment **was** 445 for the 2024-2025 school year**,** compared to 445 for the 2023-2024 school year, 477 for the 2022-2023 school year and 506 students for 2021-2022 school year. The Academy expects an enrollment of 440 students for the 2025-2026 school year. The Academy maintains a smaller average classroom size of 25 students even though the school building's capacity per classroom is 28-30 students. Based on historical trends and current projections, the Academy expects student enrollment to decrease for the upcoming school years due to the lower enrollment across the Jefferson County School District and the State of Colorado as a whole. The Academy also considers current economic projections in determining per pupil funding levels to be an important factor in developing its budget for fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of Excel Academy Corporation's finances for all those with an interest in the Academy. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Excel Academy Corporation
Attention: Executive Director
11500 West 84th Avenue
Arvada, CO 80005

BASIC FINANCIAL STATEMENTS

EXCEL ACADEMY CORPORATION

STATEMENT OF NET POSITION
As of June 30, 2025

	GOVERNMENTAL ACTIVITIES	
	2025	2024
ASSETS		
Cash and Investments	$ 1,950,670	$ 2,807,099
Restricted Cash and Investments	857,516	802,347
Accounts Receivable	67,426	73,827
Capital Assets, Not Depreciated	649,619	241,381
Capital Assets, Depreciated, Net of Accumulated Depreciation	6,553,568	7,086,944
TOTAL ASSETS	10,078,799	11,011,598
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges	262,729	293,638
Related to Pensions	1,715,568	2,335,014
Related to OPEB	22,458	27,077
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,000,755	2,655,729
LIABILITIES		
Accounts Payable	213,598	24,922
Accrued Salaries	382,978	313,039
Accrued Interest	10,075	11,075
Noncurrent Liabilities		
Due in One Year	334,871	319,871
Due in More Than One Year	3,204,030	3,538,900
Net Pension Liability	8,172,378	8,411,612
Net OPEB Liability	145,001	203,107
TOTAL LIABILITIES	12,462,931	12,822,526
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	579,128	508,161
Related to OPEB	89,679	76,706
TOTAL DEFERRED INFLOWS OF RESOURCES	668,807	584,867
NET POSITION		
Net Investment in Capital Assets	4,559,542	4,229,751
Restricted for Emergencies	173,135	156,793
Restricted for Debt Service	235,693	196,543
Restricted for Construction	448,688	449,432
Unrestricted	(6,469,242)	(4,772,585)
TOTAL NET POSITION	$ (1,052,184)	$ 259,934

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

EXCEL ACADEMY CORPORATION

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: Charges for Services	PROGRAM REVENUES: Operating Grants and Contributions	PROGRAM REVENUES: Capital Grants and Contributions	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: GOVERNMENTAL ACTIVITIES 2025	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION: GOVERNMENTAL ACTIVITIES 2024
PRIMARY GOVERNMENT						
Governmental Activities						
Instruction	$ 4,169,279	$ 187,537	$ 365,419	$ -	$ (3,616,323)	$ (3,468,938)
Supporting Services	3,740,701	-	-	154,785	(3,585,916)	(2,444,340)
Interest on Long-Term Debt	136,939	-	-	-	(136,939)	(148,773)
Total Governmental Activities	$ 8,046,919	$ 187,537	$ 365,419	$ 154,785	(7,339,178)	(6,062,051)
GENERAL REVENUES						
Per Pupil Revenue					4,913,691	4,487,690
Mill Levy Override					939,064	886,841
Interest					32,360	38,934
Other					64,538	12,962
Special Items						
Unrestricted State Aid					77,407	-
TOTAL GENERAL REVENUES					6,027,060	5,426,427
CHANGE IN NET POSITION					(1,312,118)	(635,624)
NET POSITION, Beginning					259,934	895,558
NET POSITION, Ending					$ (1,052,184)	$ 259,934

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

EXCEL ACADEMY CORPORATION

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	TOTAL GOVERNMENTAL FUNDS	
	General Fund	
	2025	2024
ASSETS		
Cash and Investments	$ 1,950,670	$ 2,807,099
Restricted Cash and Investments	857,516	802,347
Accounts Receivable	67,426	73,827
TOTAL ASSETS	$ 2,875,612	$ 3,683,273
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 213,598	$ 24,922
Accrued Salaries	382,978	313,039
TOTAL LIABILITIES	596,576	337,961
FUND BALANCES		
Restricted for Emergencies	173,135	156,793
Restricted for Debt Service	235,693	196,543
Restricted for Construction	448,688	449,432
Unassigned	1,421,520	2,542,544
TOTAL FUND BALANCE	2,279,036	3,345,312
TOTAL LIABILITIES AND FUND BALANCE	$ 2,875,612	$ 3,683,273
Amounts reported for governmental activities in the statement of net position are different because:		
Fund Balance	$ 2,279,036	$ 3,345,312
Capital assets used in governmental activities are not financial resources and, therefore, are not in the funds.	7,203,187	7,328,325
Long-term liabilities and related assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability ($8,172,378), net OPEB liability ($145,001), deferred outflows related to pensions and OPEB $1,738,026, and deferred inflows related to pensions and OPEB ($668,807).	(7,248,160)	(6,837,495)
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include bonds payable ($3,370,000), bond premium ($168,901) accrued interest ($10,075), and deferred loss on refunding $262,729.	(3,286,247)	(3,576,208)
Net position of governmental activities	$ (1,052,184)	$ 259,934

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

EXCEL ACADEMY CORPORATION

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

	TOTAL GOVERNMENTAL FUNDS	
	General Fund	
	2025	2024
REVENUES		
Local Sources	$ 6,163,119	$ 5,616,433
State and Federal Sources	494,275	516,809
TOTAL REVENUES	6,657,394	6,133,242
EXPENDITURES		
Instruction	3,893,009	3,705,557
Supporting Services	2,984,565	2,108,217
Capital Outlay	419,196	949,583
Debt Service		
Principal	300,000	290,000
Interest	126,900	138,700
TOTAL EXPENDITURES	7,723,670	7,192,057
NET CHANGE IN FUND BALANCE	(1,066,276)	(1,058,815)
FUND BALANCE, Beginning	3,345,312	4,404,127
FUND BALANCE, Ending	$ 2,279,036	$ 3,345,312

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

EXCEL ACADEMY CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - 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 Changes in Fund Balances - Total Governmental Funds	$ (1,066,276)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of ($545,363), exceeds capital outlay of $420,225, for the year.	(125,138)
Repayment of bond long-term debt and related costs are reported as an expenditure in the governmental funds and decrease fund balance. For the Academy as a whole, however, these costs and payments reduce the liabilities or are capitalized in the statement of net position and do not result in an expense in the statement of activities. These include loan principal payment of $300,000, amortization of bond premium $19,870, decrease in accrued interest of and interest and other fiscal charges of ($29,909).	289,961
Deferred Charges related to pensions are not recognized in the governmental funds. However, in the government-wide statements these amounts are capitalized and amortized.	(410,665)
Change in Net Position of Governmental Activities	$ (1,312,118)

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

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

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

Reporting Entity

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

Based upon the application of these criteria, the Excel Academy Building Corporation is considered to be financially accountable to the Academy. The purpose of the Building Corporation is to provide a mechanism to issue debt on behalf of the Academy. The Building Corporation is considered to be part of the Academy for financial reporting purposes because its resources are entirely for the direct benefit of the Academy and is reported as part of the General Fund.

The Academy is a component unit of Jefferson County School District No. R-1(the "District").

Government-Wide and Fund Financial Statements

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

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

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The Academy reports the following major governmental fund:

General Fund – This fund is the general operating fund of the Academy. It is used to account for all financial resources.

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

Deferred Outflows/Inflows of Resources

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

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

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are recorded at fair value.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings, 30 years, and equipment 10 years.

Long-term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. 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, 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.

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

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

Net Position

The government-wide 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 are 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 are liquid assets, which have third party limitations on their use.

- Unrestricted Net Position represent assets that do not have any third party limitation on their use. While Academy management may have categorized and segmented portions for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions.

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

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves and Debt Service Reserves as being restricted because their use is restricted by State Statute for declared emergencies and bond covenants.

- 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.

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

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

- This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2025.

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

The Academy would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Academy pays the District to participate in the District's risk management plan. The District is self-insured for certain liability, property and worker's compensation coverages. The District purchases excess insurance coverage to limit the District's self-insurance exposure. Settled claims have not exceeded this coverage in any of the past three years.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Academy's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

Legal Compliance

The actual expenditures of the General Fund exceeded the budgeted amount by $340,290. This may be a violation of State statutes.

NOTE 3: ***CASH AND INVESTMENTS***

A reconciliation of the cash and investment components on the balance sheet to the cash and investment categories in this footnote are as follows:

Petty Cash	$ 500
Pooled Cash with the District	2,123,305
Investments	684,381
Total	**$ 2,808,186**

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2025, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

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

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2025, the Academy did not have any deposits subject to custodial credit risk.

Pooled Cash with the District

Cash deposits are pooled with the District cash and investments which were held by several banking institutions. Pooled investments represent investments in local government investment pools or in money market funds. At June 30, 2025, the Academy's balance in equity in both restricted and unrestricted pooled cash of the District totaled $2,123,305.

Investments

Credit Risk

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

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

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

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

Local Government Investment Pool

The Academy had invested $684,381 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statues, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to $1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

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

Interest Rate and Credit Risk Policies

The District 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, or a formal policy to limit credit risk. However, they follow state statutes regarding investments.

Restricted Cash

Cash and investments are restricted as follows:

Debt Service	$ 235,693
Construction	448,688
Emergency reserves	173,135
Total	**$ 857,516**

NOTE 4: *CAPITAL ASSETS*

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

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities				
Capital assets, not being depreciated				
Land and CIP	$ 241,381	$ 408,238	$ -	$ 649,619
Capital assets, being depreciated				
Buildings	10,860,324	1,378	-	10,861,702
Office Equipment	18,749	-	-	18,749
Moveable Equipment	31,350	10,609	-	41,959
Total Capital assets being depreciated	10,910,423	11,987	-	10,922,410
Accumulated Depreciation				
Buildings	3,775,874	543,078	-	4,318,952
Office Equipment	18,750	-	-	18,750
Moveable Equipment	28,855	2,285	-	31,140
Total Accumulated Depreciation	3,823,479	545,363	-	4,368,842
Net Capital Assets, Depreciated	7,086,944	(533,376)	-	6,553,568
Net Capital Assets	**$ 7,328,325**	**$ (125,138)**	**$ -**	**$ 7,203,187**

Depreciation in the amount of $545,363 has been charged to the Supporting Services program of the Academy.

NOTE 5: *ACCRUED SALARIES AND BENEFITS*

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a Academy year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2025, were $382,978. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 6: *LONG-TERM DEBT*

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

	Balance June 30, 2024	Additions	Payments	Balance June 30, 2025	Due In One Year
Building Lease	$ 3,670,000	$ -	$ 300,000	$ 3,370,000	$ 315,000
Bond Premium	188,771	-	19,870	168,901	19,871
Total	**$ 3,858,771**	**$ -**	**$ 319,870**	**$ 3,538,901**	**$ 334,871**

Building Lease

In August 2005, the Colorado Educational and Facilities Authority (CECFA) issued $7,610,000 Charter School Revenue Bonds, Series 2005. Proceeds from the bonds were used to advance refund the 2003 Bonds. Monthly principal and interest payments are due under the lease agreements, with interest accruing at 3.25% to 5.5%. These bonds were refunded in 2016.

In August 2016, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $5,550,000 Charter School Revenue Bonds, Series 2016. Proceeds from the bonds were used to advance refund the 2005 Bonds. Monthly principal and interest payments are due under the lease agreements, with interest accruing at 2% to 5%. The bonds mature in December 2033.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 315,000	$ 113,025	$ 428,025
2027	330,000	96,900	426,900
2028	345,000	80,025	425,025
2029	365,000	65,925	430,925
2030	375,000	54,825	429,825
2031-2034	1,640,000	100,650	1,740,650
Total	**$ 3,370,000**	**$ 511,350**	**$ 3,881,350**

NOTE 7: ***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.

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.

NOTE 7: ***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.

NOTE 7: ***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 the Academy: Eligible employees of, the Academy and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413.

Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the 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%
Total employer contribution rate to the SCHDTF	**20.38%**

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from School were $804,831 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.

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

General Information about the Pension Plan (Continued)

As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

At June 30, 2025, the Academy reported a liability of $8,172,378 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Academy as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Academy were as follows:

The Academy's proportionate share of the net pension liability	$8,172,378
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Academy.	674,048
Total	$8,846,426

At December 31, 2024, the Academy's proportion was 0.0474%, which was an increase of 0.039% from its proportion measured as of December 31, 2023. For the year ended June 30, 2025, the Academy recognized pension expense of $1,256,010 and revenue of $77,407 for support from the State as a nonemployer contributing entity.

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

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

At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$462,789	N/A
Changes of assumptions or other inputs	61,269	N/A
Net difference between projected and actual earnings on pension plan investments	154,190	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	626,645	$579,128
Contributions subsequent to the measurement date	462,789	N/A
Total	$1,715,568	$579,128

$462,789 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	$367,539
2027	$250,447
2028	$55,665
2029	-
2030	-
Thereafter	-

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

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

Actuarial assumptions. The 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[1]	Financed by the AIR

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

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.

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

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

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

The 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%

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

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

Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	**Males:** 106% of the rates for all ages **Females:** 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	**Males**: 92% of the rates for all ages **Females**: 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.

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- 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.

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

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

- Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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.

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

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

Sensitivity of the Academy's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	$11,079,851	$8,172,378	$5,736,963

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.

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

Summary of Significant Accounting Policies

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

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

General Information about the OPEB Plan

Plan description. Eligible employees of the Academy are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/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 School's (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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

General Information about the OPEB Plan (Continued)

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

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

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.

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

General Information about the OPEB Plan (Continued)

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 $39,722 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 Academy reported a liability of $145,001 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 Academy's proportion of the net OPEB liability was based on the Academy's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Academy's proportion was 0.0303%, which was an increase of 0.0018% from its proportion measured as of December 31, 2023.

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

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

For the year ended June 30, 2025, the Academy recognized OPEB income of $792. At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	N/A	$31,984
Changes of assumptions or other inputs	$1,663	46,350
Net difference between projected and actual earnings on OPEB plan investments	492	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	105	11,345
Contributions subsequent to the measurement date	20,198	N/A
Total	$22,458	$89,679

$20,198 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:

Year ended June 30	
2026	($27,286)
2027	($20,183)
2028	($18,440)
2029	($9,741)
2030	($7,640)
Thereafter	($4,129)

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

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

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

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age			
Price inflation	2.30%			
Real wage growth	0.70%			
Wage inflation	3.00%			
Salary increases, including wage inflation				
Members other than Safety Officers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
Safety Officers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
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			
DPS benefit structure:				
Service-based premium subsidy	0.00%			
PERACare Medicare plans	N/A			
Medicare Part A premiums	N/A			

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

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

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect 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%

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

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

Sample Age	MAPD PPO #1 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.

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.

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

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

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:

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

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the 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.

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

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

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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

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

The 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.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

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

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

The 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.

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

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

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A
Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

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.

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

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

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:

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

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

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

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

Sensitivity of the Academy'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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate[1]	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$141,094	$145,001	$149,422

[1]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.

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

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

- 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 Academy'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 (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$177,701	$145,001	$116,810

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.

NOTE 9: ***COMMITMENTS AND CONTINGENCIES***

Claims and Judgments

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

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Academy believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2025, the reserve of $173,135 was recorded as a reservation of cash and investments in the General Fund.

NOTE 10: ***SUBSEQUENT EVENTS***

Potential subsequent events were considered through October 31, 2025. It was determined that no events were required to be disclosed through this date.

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REQUIRED SUPPLEMENTARY INFORMATION

EXCEL ACADEMY CORPORATION

GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2025

	2025				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Per Pupil Operating Revenue	$ 4,779,985	$ 4,897,090	$ 4,913,691	$ 16,601	$ 4,487,690
Mill Levy Override	870,000	870,000	939,064	69,064	886,841
Tuition	-	-	-	-	74,140
Charges for Services	165,500	165,500	187,537	22,037	82,104
Interest	36,000	36,000	32,360	(3,640)	38,934
Grants and Donations	48,500	48,500	25,929	(22,571)	33,762
Other	37,500	37,500	64,538	27,038	12,962
State and Federal Sources					
Grants and Donations	465,000	465,000	494,275	29,275	516,809
TOTAL REVENUES	6,402,485	6,519,590	6,657,394	137,804	6,133,242
EXPENDITURES					
Salaries	3,701,193	4,207,893	4,101,159	106,734	3,343,958
Employee Benefits	899,650	1,051,973	1,198,752	(146,779)	982,607
Purchased Services	1,461,942	1,513,907	1,192,186	321,721	1,044,997
Supplies and Materials	339,700	379,147	385,477	(6,330)	442,212
Property and Equipment	195,000	230,460	419,196	(188,736)	949,583
Debt Service					
Principal	-	-	300,000	(300,000)	290,000
Interest and Fiscal Charges	-	-	126,900	(126,900)	138,700
TOTAL EXPENDITURES	6,597,485	7,383,380	7,723,670	(340,290)	7,192,057
EXCESS OF EXPENDITURES OVER REVENUES	(195,000)	(863,790)	(1,066,276)	(202,486)	(1,058,815)
FUND BALANCE, Beginning	3,404,127	3,345,312	3,345,312	-	4,404,127
FUND BALANCE, Ending	$ 3,209,127	$ 2,481,522	$ 2,279,036	$ (202,486)	$ 3,345,312

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

EXCEL ACADEMY CORPORATION

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

Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's proportion of the Net Pension Liability	0.04602%	0.04701%	0.04829%	0.04220%	0.43860%	0.46340%	0.46560%	0.03786%	0.04757%	0.04740%
School's proportionate share of the Net Pension Liability	$ 7,038,629	$ 13,995,465	$ 15,880,480	$ 7,475,492	$ 6,365,873	$ 7,619,481	$ 5,202,430	$ 6,893,393	$ 8,411,612	$ 8,172,378
State of Colorado Proportionate Share of the Net Pension Liability associated with the Academy	$ -	$ -	$ -	$ 1,022,170	$ 807,430	$ -	$ 535,064	$ 546,918	$ 197,703	$ 674,048
Total portion of the Net Pension Liability associated with the Academy	$ 7,038,629	$ 13,995,465	$ 15,880,480	$ 8,497,662	$ 7,173,303	$ 7,619,481	$ 5,737,494	$ 7,440,311	$ 8,609,315	$ 8,846,426
School's covered payroll	$ 1,952,814	$ 2,096,089	$ 2,213,002	$ 2,354,059	$ 2,476,198	$ 2,676,178	$ 2,734,667	$ 2,885,195	$ 3,396,522	$ 3,724,973
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	360.4%	667.7%	717.6%	317.6%	257.1%	284.7%	190.2%	238.9%	247.7%	219.4%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%	67.2%

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

See the accompanying independent auditors' report.

EXCEL ACADEMY CORPORATION

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contributions	$ 377,187	$ 404,720	$ 423,643	$ 451,481	$ 505,672	$ 535,968	$ 563,293	$ 601,410	$ 702,024	$ 804,831
Contributions in relation to the Statutorily required contributions	377,187	404,720	423,643	451,481	505,672	535,968	563,293	601,410	702,024	804,831
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 1,984,133	$ 2,181,907	$ 2,240,123	$ 2,354,059	$ 2,603,477	$ 2,694,704	$ 2,813,014	$ 2,882,723	$ 3,396,522	$ 3,894,275
Contributions as a percentage of covered payroll	19.01%	18.55%	18.91%	19.18%	19.42%	19.89%	20.02%	20.86%	20.67%	20.67%

See the accompanying independent auditors' report.

EXCEL ACADEMY CORPORATION

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

Years Ended December 31,

	2016	2017	2018	2019	2020	2021	2022	2023	2024
School's proportion of the Net OPEB Liability	0.02655%	0.02726%	0.02744%	0.02785%	0.02915%	0.04660%	0.02880%	0.02850%	0.03030%
School's proportionate share of the Net OPEB Liability	$ 351,589	$ 362,643	$ 373,356	$ 313,008	$ 277,014	$ 251,687	$ 234,904	$ 203,107	$ 145,001
School's covered payroll	$ 2,096,089	$ 2,213,002	$ 2,354,059	$ 2,476,198	$ 2,676,178	$ 2,734,667	$ 2,885,195	$ 3,396,522	$ 3,724,973
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.8%	16.4%	15.9%	12.6%	10.4%	9.2%	8.1%	6.0%	3.9%
Plan fiduciary net position as a percentage of the total OPEB liability	16.7%	17.5%	17.0%	24.5%	32.8%	39.4%	38.6%	46.2%	59.8%

Notes:

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

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

See the accompanying independent auditors' report.

EXCEL ACADEMY CORPORATION

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Statutorily required contributions	$ 22,255	$ 22,849	$ 24,011	$ 26,555	$ 27,486	$ 28,693	$ 29,404	$ 34,645	$ 39,722
Contributions in relation to the Statutorily required contributions	22,255	22,849	24,011	26,555	27,486	28,693	29,404	34,645	39,722
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 2,181,907	$ 2,240,123	$ 2,354,059	$ 2,603,477	$ 2,694,704	$ 2,813,014	$ 2,882,723	$ 3,396,522	$ 3,894,275
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

See the accompanying independent auditors' report.