HIGHLINE ACADEMY NETWORK

BASIC FINANCIAL STATEMENTS

June 30, 2025

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FINANCIAL SECTION

PROSPECTIVE BUSINESS SOLUTIONS, LLC
Certified Public Accountants
Auditing, Accounting, and Consulting Services for Governments and Nonprofit Organizations

Board of Directors
Highline Academy Network
Denver, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

• exercise professional judgment and maintain professional skepticism throughout the audit.

• identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, no such opinion is expressed.

• evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Prospective Business Solutions, LLC

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

PB Solutions LLC

Littleton, Colorado
October 6, 2025

Prospective Business Solutions, LLC

Highline Academy Network
Management Discussion and Analysis

As management of Highline Academy Network (HA-Network or the Network), we offer readers of Highline Academy Network's financial statements our narrative overview and analysis of the financial activities of the Network for the fiscal year ended June 30, 2025.

Financial Highlights

The year ended June 30, 2025 is the nineth year of operations for the schools operating as a Network. The Southeast Campus completed its twenty-first year, and the Northeast Campus completed its eleventh year since opening. As of June 30, 2025, net position increased by $1,035,750 to $4,306,364. This balance includes the result of the implementation of regulations under the Governmental Accounting Standards Board Statement (GASB) Numbers 68 and 75. Further information about GASB 68 and 75 is provided in Notes 7 and 8 of the financial statements.

The operations of the Network are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue from the Network's two schools: the Northeast Campus and the Southeast Campus. Such revenue for the year was $12,987,071. At the close of the fiscal year, Highline Academy Network's governmental funds reported an ending fund balance of $9,244,072, a decrease of $(843,375) from the prior year.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Network's basic financial statements. The Network's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

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

The statement of net position presents information on all the Network's assets, liabilities, and deferred inflows and outflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Network is improving or deteriorating.

The statement of activities presents information showing how the Network's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the Network supported primarily by Per Pupil Revenue or other revenues passed through from the authorizer

(Denver Public Schools). The governmental activities of the Network include instruction and supporting services.

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 Network, like other governmental units or schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The Network has three governmental funds consisting of the activity from the Northeast Campus, the Southeast Campus, and the Highline Academy Southeast Building Corporation (the Corporation). Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Network's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Network's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Network adopts annually appropriated budgets for the General Fund. A budgetary comparison schedule for the General Fund, as well as the individual activity of the Northeast Campus, the Southeast Campus, and the Corporation have been provided herein.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided on pages 7-51.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Network's financial position. In the case of Highline Academy Network, assets and deferred outflows exceeded liabilities and deferred inflows resulting in a net position of $4,306,364 in FY 2024-2025. Again, the net position includes amounts directly related to the Pension Plan and the Defined Benefit Other Post Employment Benefit (OPEB) liabilities reporting requirements under GASB 68 and 75. Of the Network's total net position, $615,747 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment, $(2,642,216) is invested in capital assets, $1,407,404 is restricted for debt service, and $131,266 is restricted for capital construction uses in future fiscal years. Accordingly, these funds are not available to satisfy the Network's general operating expenses.

Highline Academy Network's Net Position
Governmental Activities

	June 30, 2025	June 30, 2024
ASSETS		
Cash and Investments	$ 8,253,684	$ 7,541,519
Restricted Cash and Investments	1,729,409	3,977,434
Accounts Receivable	94,883	188,515
Inventory	29,373	28,716
Prepaid Expenses	60,202	87,336
Deposits	104,280	104,000
Capital Assets, Not Depreciated	2,300,000	8,436,765
Capital Assets, Net of Accum Depreciation	10,333,058	2,925,236
Right of Use Assets - Equipment	105,696	151,430
Net OPEB Asset	226,078	42,057
Total Assets	**23,236,663**	**23,483,008**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges	367,828	442,648
Related to Pensions	2,708,099	3,718,687
Related to OPEB	87,599	124,017
Total Deferred Outflows of Resources	**3,163,526**	**4,285,352**
LIABILITIES		
Accounts Payable	370,249	996,878
Retainage Payable	-	224,516
Accrued Expenses	628,065	437,563
Unearned Revenue	29,445	181,116
Accrued Interest Payable	68,723	79,671
Noncurrent Liabilities		
Due in One Year	174,495	167,330
Due in More than One Year	15,574,303	15,762,185
Net Pension Liability	4,695,684	5,940,940
Total Liabilities	**21,540,964**	**23,790,199**
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	410,259	588,920
Related to OPEB	142,602	118,627
Total Deferred Inflows of Resources	**552,861**	**707,547**
NET POSITION		
Net Investment in Capital Assets	(2,642,216)	(3,973,436)
Restricted for Emergencies	615,747	577,651
Restricted for Debt Service	1,407,404	2,795,922
Restricted for Capital Construction	131,266	69,134
Unrestricted	4,794,163	3,801,343
Total Net Position	**$ 4,306,364**	**$ 3,270,614**

The largest portion of the Network's assets are capital and right-to-use assets, at 55% of total assets in 2025.

Highline Academy Network's Change in Net Position
Governmental Activities

	June 30, 2025	June 30, 2024
Program Revenue:		
Charges for Services	$ 100,032	$ 85,707
Operating Grants and Contributions	1,649,635	2,229,530
Capital Grants and Contributions	306,907	316,865
Total Program Revenue	2,056,574	2,632,102
General Revenue:		
Per Pupil Revenue	12,987,071	11,641,530
Mill Levy Override	4,036,070	3,384,069
Interest	390,012	561,793
Other Income	2,561,877	2,651,993
Total General Revenue	19,975,030	18,239,385
Total Revenue	22,031,604	20,871,487
Expenses:		
Instructional	12,948,084	11,804,304
Supporting Services	7,159,158	7,181,951
Interest and Other Fiscal Charges	888,612	949,175
Total Expenses	20,995,854	19,935,430
Increase/(Decrease) in Net Position	1,035,750	936,057
Net Position, Beginning	**3,270,614**	**2,334,557**
Net Position, Ending	**$ 4,306,364**	**$ 3,270,614**

The largest portion of the Network's revenues came from Per Pupil Revenue – 59% in 2025.

Financial Analysis of the Government's Funds

As noted earlier, the Network uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Network's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Network's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Network's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Network's General Fund reported an ending fund balance of $9,244,072, a decrease of $843,375 from prior year. The Northeast Campus reported an ending fund balance of $4,045,651, an increase of $267,699 from prior year. The Southeast Campus reported an ending fund balance of $3,788,337, an increase of $274,764 from prior year. And the Highline Academy Southeast Building Corporation, established to help in financing the Southeast Academy educational facilities, reported an ending fund balance of $1,410,084 a decrease of $1,385,838 from prior year. The

activity of the Highline Academy Southeast Building Corporation included construction with the use of bond proceeds received in FY 2022-2023. See Other Capital Assets & Long-Term Debt below for additional information.

General Fund Budgetary Highlights

The Network approves a General Fund budget in May based on enrollment projections for the school year. In October, after enrollment stabilizes, adjustments are made to the budget. At year-end, the Network had some variances between its final budgeted and actual activities. Overall, the Network recognized $53,560 less revenue than expected and spent $487,387 less than planned, when compared to the final budget. One budget amendment was made during FY 2024-2025. Additional information regarding budget versus actual activity may be found on pages 52 and 62-64 of the financial statements.

Right-to-Use Assets

The Network has invested in right-to-use asets in the form of equipment. Amortization expenses for right-to-use assets are booked under the supporting services program of the Network's operations. Additional information regarding leases may be found in Note 6 to the financial statements.

Other Capital Assets & Long-Term Debt

The Network has invested in other capital assets in the form of land, construction in progress, an educational facility, building improvements, leasehold improvements, furniture, and equipment. Depreciation expenses for capital assets are booked under the supporting services program of the Network's operations. Additional information regarding capital assets may be found in Note 3 to the financial statements.

The Network has equipment lease liabilities and 2022 Charter School Refunding Revenue Bonds, issued through the Colorado Educational and Facilities Authority (CECFA). The proceeds of the Series 2022 Bonds were used to refinance 2018 Charter School Revenue Bonds, which were issued for the purchase and improvement of the Network's Southeast Campus, and to finance additional facility improvements. Additional information related to long-term debt may be found in Note 4 to the financial statements.

Economic Factors and Next Year's Budget

The primary factors driving the budget for Highline Academy Network are student enrollment and Per Pupil Revenue. Enrollment for the 2024-2025 school year was 1,093.00 funded students (502 funded pupils at the Northeast Campus and 591 funded pupils at the Southeast Campus). This information was analyzed as part of the 2025-2026 budget which is projecting a 1,066.00 funded student count (470 funded pupils at the Northeast Campus and 596 funded pupils at the Southeast Campus).

Requests for Information

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

Highline Academy – Northeast
19451 East Maxwell Place
Denver, CO 80249

Highline Academy – Southeast
2170 South Dahlia St.
Denver, CO 8022

BASIC FINANCIAL STATEMENTS

HIGHLINE ACADEMY NETWORK
STATEMENT OF NET POSITION
As of June 30, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	$ 8,253,684
Restricted Cash and Investments	1,729,409
Accounts Receivable	94,883
Inventory	29,373
Prepaid Expenses	60,202
Deposits	104,280
Capital Assets, Not Depreciated	2,300,000
Capital Assets, Depreciated, Net of Accumulated Depreciation	10,333,058
Right of Use Assets - Equipment	105,696
Net OPEB Asset	226,078
TOTAL ASSETS	23,236,663
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges	367,828
Related to Pensions	2,708,099
Related to OPEB	87,599
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,163,526
LIABILITIES	
Accounts Payable	370,249
Retainage Payable	-
Accrued Salaries and Benefits	628,065
Unearned Revenues	29,445
Accrued Interest Payable	68,723
Noncurrent Liabilities	
Due in One Year	174,495
Due in More than One Year	15,574,303
Net Pension Liability	4,695,684
TOTAL LIABILITIES	21,540,964
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	410,259
Related to OPEB	142,602
TOTAL DEFERRED INFLOWS OF RESOURCES	552,861
NET POSITION	
Net Investment in Capital Assets	(2,642,216)
Restricted for Emergencies	615,747
Restricted for Debt Service	1,407,404
Restricted for Capital Construction	131,266
Unrestricted	4,794,163
TOTAL NET POSITION	$ 4,306,364

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

HIGHLINE ACADEMY NETWORK
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 CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instructional	$ 12,948,084	$ -	$ 995,657	$ -	$ (11,952,427)
Supporting Services	7,159,158	100,032	653,978	306,907	(6,098,241)
Interest and Other Fiscal Charges	888,612	-	-	-	(888,612)
Total Governmental Activities	$ 20,995,854	$ 100,032	$ 1,649,635	$ 306,907	(18,939,280)

GENERAL REVENUES	
Per Pupil Revenue	12,987,071
Mill Levy Override	4,036,070
Interest	390,012
Other	2,561,877
TOTAL GENERAL REVENUES	19,975,030
CHANGE IN NET POSITION	1,035,750
NET POSITION, Beginning	3,270,614
NET POSITION, Ending	$ 4,306,364

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

HIGHLINE ACADEMY NETWORK
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND
ASSETS	
Cash and Investments	$ 8,253,684
Restricted Cash and Investments	1,729,409
Accounts Receivable	94,883
Inventory	29,373
Prepaid Expenses	60,202
Deposits	104,280
TOTAL ASSETS	$ 10,271,831
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	$ 370,249
Accrued Salaries	628,065
Unearned Revenue	29,445
TOTAL LIABILITIES	1,027,759
FUND BALANCES	
Nonspendable	193,855
Restricted for Emergencies	615,747
Restricted for Debt Service	1,407,404
Restricted for Capital Construction	131,266
Unassigned	6,895,800
TOTAL FUND BALANCES	9,244,072
TOTAL LIABILITIES AND FUND BALANCES	$ 10,271,831

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

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

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

Total fund balances of governmental funds			$ 9,244,072
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, not depreciated	2,300,000	
	Capital Assets, depreciated	13,029,748	
	Accumulated Depreciation	(2,696,690)	
	Right to Use Assets	228,668	
	Accumulated Amortization	(122,972)	12,738,754
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Bonds Payable	(15,135,000)	
	Bond Premium	(495,350)	
	Accrued Interest Payable	(68,723)	
	Deferred Charges	367,828	
	Lease Payable	(118,448)	
	Net Pension Liability	(4,695,684)	
	Net OPEB Asset	226,078	(19,919,299)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pensions	2,708,099	
	Deferred outflows of resources - Related to OPEB	87,599	
	Deferred inflows of resources - Related to Pensions	(410,259)	
	Deferred inflows of resources- Related to OPEB	(142,602)	2,242,837
Net position of governmental activities			$ 4,306,364

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

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

	GENERAL FUND
REVENUES	
Local Sources	$ 20,412,822
State Sources	1,118,684
Federal Sources	367,290
TOTAL REVENUES	21,898,796
EXPENDITURES	
Current	
Instruction	13,288,870
Supporting Services	6,893,991
Capital Outlay	1,553,853
Debt Service	
Principal	167,329
Interest	838,128
TOTAL EXPENDITURES	22,742,171
NET CHANGE IN FUND BALANCES	(843,375)
FUND BALANCES, Beginning	10,087,447
FUND BALANCES, Ending	$ 9,244,072

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

HIGHLINE ACADEMY NETWORK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds		$ (843,375)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlay	1,527,445	
Depreciation	(256,388)	
Amortization	(45,734)	1,225,323
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.		
Bond Principal Payments	125,000	
Lease Principal Payments	42,329	
Changes in Accrued Interest Payable	10,948	
Amortization of Bond Premium and Deferred Charges	(61,432)	116,845
Deferred Charges related to pensions and OPEB are not recognized in the governmental fund. However, for the government-wide funds those amounts are capitalized and amortized.		
Deferred charges related to Pension Plan	413,329	
Deferred charges related to OPEB	123,628	536,957
Change in net position of governmental activities		$ 1,035,750

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Highline Academy Network (the "Network" or the "School") was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Denver Public Schools District of the State of Colorado. The Network operates two campuses, Highline Academy Northeast Campus and Highline Academy Southeast Campus. The Network is governed by an eight-member Board of Directors.

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

Reporting Entity

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

Based on the application of these criteria, the Network includes the following organizations within its reporting entity:

Highline Academy Southeast Building Corporation

The Highline Academy Southeast Building Corporation (the "Corporation") was formed to support and assist the Network to perform its function and to carry out its purpose, specifically to assist in the financing of the Network's facilities. The Corporation is blended into the Network's financial statements and included in the General Fund. Separate financial statements are not available for the Corporation.

The Network is a component unit of the Denver Public Schools District.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the Network. 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 net position reports all financial, capital and debt resources of the Network. The difference between the assets plus deferred outflows of resources and liabilities and deferred inflows of resources of the Network is reported as net position.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

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

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

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Network considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

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

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – The Network considers cash and cash equivalents to be all demand deposits as well as short- term investments with a maturity date of three months or less. Investments are stated at fair value.

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

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

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

Inventory – Inventory consists of consumable supplies. Inventory purchases are recorded as expenditures at the time the items are purchased and adjusted to inventory at year-end based on a physical count.

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

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Network 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 acquisition value at the date of donation.

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

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

Buildings and Improvements	30 years
Leasehold Improvements	10 years
Equipment	5-10 years

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

Accrued Salaries and Benefits – Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a Network year of approximately nine to ten months. At June 30, 2025, the Network reports accrued salaries and benefits in the General Fund.

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

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Compensated Absences – The Network's policy allows employees to earn personal leave of absence during the year. Employees are allowed to carry over a maximum of three unused personal leave days to the next fiscal year. Any remaining unused days are paid out at the substitute teacher rate in June each year. No liability is recorded in the Network's government-wide statement of net position.

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

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

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

Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset-related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

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

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While Network management may have categorized and segmented portions for various purposes, the Network Board has the unrestricted right 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 Network is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Network considers prepaid expenses, inventory, and deposits as nonspendable.

- 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 Network has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. A portion of the General Fund's fund balance is restricted for capital construction. The Network has also classified the fund balance of the Southeast Campus Building Corporation and funds held for capital construction as restricted because their use is restricted by contributors and debt covenants.

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

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

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

- Assigned – This classification includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Network did not have any assigned resources as of June 30, 2025.

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

The Network 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 Network 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 Network purchases commercial insurance for these risks of loss. Settled claims have not exceeded this coverage in the last three years.

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

Income Taxes

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

Subsequent Events

The Network has evaluated events subsequent to the year ended June 30, 2025, through October 6, 2025, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: ***CASH AND INVESTMENTS***

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

Deposits	$ 4,544,168
Investments	5,438,925
Total	$ 9,983,093

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

Cash and Investments - Unrestricted	$ 8,253,684
Cash and Investments - Restricted	1,729,409
	$ 9,983,093

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

Deposits (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.

At June 30, 2025, the Network had deposits with financial institutions with a carrying amount of $4,544,168. The bank balances with the financial institutions were $4,649,747. Of these balances, $250,000 was covered by federal depository insurance and $4,399,747 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado units of government.

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

Investments (Continued)

Local Government Investment Pools

The Network had invested $5,438,925 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to $1.00 (Net Asset Value). Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

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

Restricted Cash

At June 30, 2025, cash in the amount of $1,729,409 is restricted in the Building Corporation for debt service payments.

NOTE 3: ***CAPITAL ASSETS***

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

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 2,300,000	$ -	$ -	$ 2,300,000
Construction in Progress	6,136,765	-	6,136,765	-
Total Capital Assets, Not Being Depreciated	8,436,765	-	6,136,765	2,300,000
Capital Asset, Being Depreciated/Amortized				
Buildings and Improvements	4,760,157	7,664,210	-	12,424,367
Leasehold Improvements	501,209	-	-	501,209
Equipment	91,340	-	-	91,340
Furniture	12,832	-	-	12,832
Right to Use Assets-Equipment	228,668	-	-	228,668
Total Capital Assets, Being Depreciated/Amortized	5,594,206	7,664,210	-	13,258,416
Accumulated Depreciation/ Amortization				
Buildings and Improvements	2,062,146	201,393	-	2,263,539
Leasehold Improvements	319,933	39,895	-	359,828
Equipment	48,814	12,534	-	61,348
Furniture	9,409	2,566	-	11,975
Right to Use Assets-Equipment	77,238	45,734	-	122,972
Total Depreciation/Amortization	2,517,540	302,122	-	2,819,662
Total Capital Assets, Being Depreciated/Amortized, Net	3,076,666	7,362,088	-	10,438,754
Net Capital Assets	$ 11,513,431	$ 7,362,088	$ 6,136,765	$ 12,738,754

Depreciation and Amortization were charged to the Supporting Services program of the Network.

NOTE 4: ***LONG-TERM DEBT***

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

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
2022 Bonds	$ 15,260,000	$ -	$ 125,000	$ 15,135,000	$ 130,000
2022 Bond Premium	508,738	-	13,388	495,350	-
Net Pension Liability	5,940,940	-	1,245,256	4,695,684	-
Net OPEB Asset	(42,057)	-	184,021	(226,078)	-
Total	$ 21,667,621	$ -	$ 1,567,665	$ 20,099,956	$ 130,000

Series 2022 Charter School Revenue Bonds

In November 2022, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $15,260,000 Charter School Revenue Bonds, Series 2022. Proceeds from the bonds were used to refinance the Series 2018 bonds, finance improvements to the School's educational facility, fund a bond reserve fund, and pay a portion of the costs associated with the issuance of the 2022 bonds.

Interest on the bonds accrues at rates ranging from 5.00% to 5.75% per year. Semi-annual interest payments are due on June 1 and December 1. Annual principal payments are due on December 1, beginning on December 1, 2024 through 2061.

The Network is obligated to make monthly lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal loan payments to the Trustee for payment of the bonds.

The 2022 bonds maturing on and after December 1, 2033 are subject to optional redemption prior to maturity on December 1, 2032, and on any date thereafter at written direction of the Corporation, in whole or in part, at a redemption price equal to the principal amount of the Series 2022 bonds to be redeemed, plus accrued interest.

The Series 2022 bonds maturing on December 1, 2037, and thereafter are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

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

The bonds have been secured by a pledge of certain rights to real estate property located in Denver Colorado ("pledged property") and a pledge of the Network's funds and revenues.

In the event of default, the bond trustee may declare the principal amount of all bonds then outstanding, and the interest accrued thereon to be immediately due and payable. The trustee may also begin foreclosure proceedings against all or a portion of the pledged property.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 130,000	$ 824,675	$ 954,675
2027	135,000	818,050	953,050
2028	140,000	811,175	951,175
2029	150,000	803,925	953,925
2030	155,000	796,300	951,300
2031-2035	920,000	3,850,907	4,770,907
2036-2040	1,190,000	3,577,563	4,767,563
2041-2045	1,540,000	3,221,350	4,761,350
2046-2050	2,005,000	2,758,431	4,763,431
2051-2055	2,620,000	2,149,750	4,769,750
2056-2060	3,470,000	1,292,312	4,762,312
2061-2062	2,680,000	183,712	2,863,712
Total	$ 15,135,000	$ 21,088,150	$ 36,223,150

Financial Covenants

The School is required to maintain certain financial covenants related to days' cash on hand, maintaining emergency reserves, coverage ratio, and cash reserves. These balances are required to be tested on June 30th of each year, commencing June 30, 2024.

At June 30, 2025, the School met all financial covenant requirements.

NOTE 5: INTERFUND BALANCES AND TRANSFERS

During the course of operations, the Network has activity between the funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities (i.e. the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

At June 30, 2025, the Northeast Campus owed $2,286 to the Southeast Campus for payments made by the Southeast Campus on the Northeast Campus' behalf.

During the year ended June 30, 2025, the Southeast Campus transferred $25,111 to the Building Corporation to reimburse the Building Corporation for capital expenditures.

NOTE 6: LEASES

The following is a summary of the School's lease transactions for the year ended June 30, 2025:

	Balance 6/30/2024	Additions	Payments	Balance 6/30/2025	Due In One Year
Copier Leases	$ 160,777	$ -	$ 42,329	$ 118,448	$ 44,495

Copier Lease Agreements

On June 18, 2022, the School entered into a lease agreement with Frontier Communications Corp for copiers, commencing on June 18, 2022. The balance of the lease liability at June 30, 2025, was $69,482. The interest rate implied in the lease is calculated at 5%. The lease payment schedule requires the School to make equal monthly lease payments of $1,921 beginning in July 2022 through September 2027.

On October 24, 2022, the School entered into a lease agreement with Frontier Business Products for copiers, commencing on February 1, 2023. The balance of the lease liability at June 30, 2025, was $48,966. The interest rate implied in the lease is calculated at 5%. The lease payment schedule requires the School to make equal monthly lease payments of $2,196 beginning in February 2023 through April 2028.

NOTE 6: ***LEASES*** (Continued)

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

Year Ended June 30,	Principal	Interest	Total
2026	$ 44,495	$ 4,912	$ 49,407
2027	46,771	2,636	49,407
2028	27,182	541	27,723
Total	$ 118,448	$ 8,089	$ 126,537

Total rent expense for the year ended June 30, 2025, was $49,407.

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NOTE 7: *DEFINED BENEFIT PENSION PLAN*

Summary of Significant Accounting Policies

Pensions. The School participates in the Denver Public Schools Division Trust Fund (DPS Division), 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 DPS Division 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 DPS Division—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 DPS DIVISION. 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.

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

General Information about the Pension Plan (Continued)

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

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

Contributions provisions as of June 30, 2025: Eligible employees of the School and the State are required to contribute to the DPS Division at a rate set by Colorado statute. The contribution requirements for the DPS Division 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 December 31, 2024	January 1, 2025 Through June 30, 2025
Employer contribution rate	11.40%	11.40%
Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)
PCOP offset as specified in C.R.S. § 24-51-412	(9.78%)	(9.12%)
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the DPS Division	**10.60%**	**11.26%**

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

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

General Information about the Pension Plan (Continued)

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from the School were $1,111,442 for the year ended June 30, 2025.

The DPS Division is permitted under C.R.S. § 24-51-412 to offset the contribution rate for Pension Certificates of Participation (PCOP). The offset, expressed as a percentage of covered payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing, by the Denver Public Schools at a fixed effective annual interest rate of 8.50%. At a minimum, the DPS Division employer rate, after applying the PCOP offset, must be sufficient to fund the Denver Public Schools Health Care Trust Fund (DPS HCTF) and the AIR contribution rates as it applies to the DPS Division.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS DIVISION and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, 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 DPS Division was measured as of December 31, 2024, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TPL to December 31, 2024. The School's proportion of the net pension liability was based on the School's contributions to the DPS Division for the calendar year 2024 relative to the total contributions of participating employers and 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 School reported a liability of $4,695,684 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	$4,695,684
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	833,476
Total	$5,529,160

At December 31, 2024, the School's proportion was 0.829%, which was a decrease of 0.0883% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized pension expense of $1,014,330 and revenue of $183,409 for support from the State as a nonemployer contributing entity. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$595,565	$-
Changes of assumptions or other inputs	374,960	-
Net difference between projected and actual earnings on pension plan investments	368,636	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	785,267	410,259
Contributions subsequent to the measurement date	583,671	N/A
Total	$2,708,099	$410,259

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)

$583,671 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2026	$1,058,242
2027	1,452,857
2028	(539,032)
2029	(257,898)
2030	-
Thereafter	-

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:	3.80%-11.50%
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.

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

Actuarial Assumptions (Continued)

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

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: 3.90%-16.80%

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.

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

Actuarial Assumptions (Continued)

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

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

	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.

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

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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.

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

Discount Rate (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

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

- Employer contributions for the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

- 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.

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

Discount Rate (Continued)

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

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	$10,238,207	$4,695,684	$114,459

Pension plan fiduciary net position. Detailed information about the DPS DIVISION's FNP is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

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

Subsequent Events

HB 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%, and reduces the allocated employer contribution to the DPS HCTF by 0.82% of salary, from 1.02% to 0.20%.

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

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

Summary of Significant Accounting Policies

OPEB. The School participates in the Denver Public Schools Health Care Trust Fund (DPS 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 DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

General Information about the OPEB Plan (Continued)

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

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

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

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

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

General Information about the OPEB Plan (Continued)

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

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the DPS HCTF. PERA-reporting agencies of the DPS Division are required to contribute at a rate of 1.02% of PERA-includable salary into the DPS HCTF.

Employer contributions are recognized by the DPS 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 DPS HCTF from the School were $103,658 for the year ended June 30, 2025.

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

At June 30, 2025, the School reported a pension asset of $226,078 for its proportionate share of the net OPEB liability/asset. The net OPEB liability/asset for the DPS HCTF was measured as of December 31, 2024, and the total OPEB liability/asset (TOL) used to calculate the net OPEB liability/asset 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.

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 School's proportion of the net OPEB liability/asset was based on the School's contributions to the DPS HCTF for the calendar year 2024 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2024, the School's proportion was 0.976%, which was an increase of 0.0154% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense of ($19,970). At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$-	$69,116
Changes of assumptions or other inputs	918	72,786
Net difference between projected and actual earnings on OPEB plan investments	625	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	33,184	700
Contributions subsequent to the measurement date	52,872	N/A
Total	$87,599	$142,602

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)

$52,872 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	($20,105)
2027	(14,536)
2028	(33,269)
2029	(21,418)
2030	(10,947)
Thereafter	(7,600)

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

Actuarial Assumptions

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.80%-11.50%
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

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

Actuarial Assumptions (Continued)

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)

Actuarial Assumptions (Continued)

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

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

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

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

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

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

Actuarial Assumptions (Continued)

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

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

Year	PERACare Medicare Plans[1]	MAPD PPO #2[1]	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.

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

Actuarial Assumptions (Continued)

Mortality assumptions used in the December 31, 2023, valuation for the DPS 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 DPS 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. Reporting agencies of the DPS Division participate in the DPS HCTF.

Pre-Retirement	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 8: ***DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN*** (Continued)

Actuarial Assumptions (Continued)

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

	DPS Division
Salary increases, including wage inflation:	
Members	3.90%-16.80%

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

Actuarial Assumptions (Continued)

The following health care costs assumptions were used in the roll forward calculation for the DPS 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 DPS Division Trust Fund were also applied in the roll forward calculations for the DPS HCTF using a headcount-weighted basis. Reporting agencies of the DPS Division participate in the DPS HCTF.

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

Actuarial Assumptions (Continued)

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

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

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

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

Actuarial Assumptions (Continued)

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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%.

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

The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[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/(Asset)	($226,107)	($226,078)	($226,058)

[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)

Discount Rate (Continued)

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

- Estimated transfers of dollars into the DPS 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.

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

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

The following table presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate	1% Increase (8.25%)
Proportionate share of the net OPEB liability/(asset)	($176,366)	($226,078)	($268,742)

OPEB plan fiduciary net position. Detailed information about the DPS 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: TAXABLE PENSION CERTIFICATES OF PARTICIPATION (PCOPs)

The Denver Public Schools District (the "District") issued Taxable Pension Certificates of Participation (PCOPs) on July 17, 1997 to fully fund the unfunded actuarial accrued liability (UAAL) of the Plan. The Network contributed 7.21%, 7.94%, and 8.20% of covered payroll for the fiscal years ending June 30, 2025, 2024, and 2023, respectively, to the District to cover its obligation relating to the PCOPs.

For the year ended June 30, 2025, the Network contributed $732,720 to the District for its PCOPs obligation.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

Tabor Amendment

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

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

The Network has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2025, the emergency reserve of $615,747 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

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

Facilities Use Agreement

The Network entered into a Facilities Use Agreement (the "Agreement") with the District for the Northeast Campus building. The Facilities Use Fee is calculated annually based on the number of students enrolled at the Northeast Campus at a rate of $770 per student. The Facilities Use Fee covers ground maintenance, basic building maintenance, custodial staff and supplies, safety and security and facility insurance. The Network paid $523,516 to the District during the fiscal year under the terms of the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

HIGHLINE ACADEMY NETWORK
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$12,736,309	$12,993,239	$ 12,987,071	$ (6,168)	$ 11,641,530
Mill Levy Override	3,395,579	4,036,070	4,036,070	-	3,384,069
Tuition and Fees	108,533	108,490	100,032	(8,458)	85,707
Contributions	200,000	289,500	337,760	48,260	346,112
Interest	233,000	378,000	390,012	12,012	561,793
Other	1,559,341	2,625,092	2,561,877	(63,215)	2,651,993
State Sources					
Capital Construction	326,784	330,420	306,907	(23,513)	316,865
PERA - On Behalf Contribution	261,772	108,566	183,410	74,844	39,689
Grants and Donations	584,125	680,399	628,367	(52,032)	661,414
Federal Sources				-	
Grants and Donations	342,416	379,780	367,290	(12,490)	1,159,363
TOTAL REVENUES	19,747,859	21,929,556	21,898,796	(30,760)	20,848,535
EXPENDITURES					
Instruction					
Salaries	8,786,384	9,699,475	9,559,186	140,289	8,704,101
Employee Benefits	2,256,396	2,429,043	2,300,750	128,293	1,932,927
Purchased Services	738,736	701,117	692,624	8,493	382,638
Supplies and Materials	432,012	426,600	417,504	9,096	403,880
Property	179,925	233,000	253,024	(20,024)	309,994
Other	97,704	118,986	65,782	53,204	29,706
Total Instruction	12,491,157	13,608,221	13,288,870	319,351	11,763,246
Supporting Services					
Salaries	1,991,397	1,995,719	1,777,376	218,343	1,759,278
Employee Benefits	902,737	798,400	835,445	(37,045)	708,450
Purchased Services	3,825,560	4,056,367	4,077,194	(20,827)	4,207,821
Supplies and Materials	143,090	168,090	146,908	21,182	122,492
Property	-	1,569,761	1,553,853	15,908	4,644,325
Other	83,000	76,000	57,068	18,932	50,300
Debt Service					
Principal	-	125,000	167,329	(42,329)	40,269
Interest	-	832,000	838,128	(6,128)	843,313
Total Supporting Services	6,945,784	9,621,337	9,453,301	168,036	12,376,248
TOTAL EXPENDITURES	19,436,941	23,229,558	22,742,171	487,387	24,139,494
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	310,918	(1,300,002)	(843,375)	456,627	(3,290,959)
OTHER FINANCING SOURCES					
Transfers	-	22,800	-	(22,800)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	22,800	-	(22,800)	-
NET CHANGE IN FUND BALANCES	310,918	(1,277,202)	(843,375)	433,827	(3,290,959)
FUND BALANCE, Beginning	7,157,001	10,087,445	10,087,447	2	13,378,406
FUND BALANCE, Ending	$ 7,467,919	$ 8,810,243	$ 9,244,072	$ 433,829	$ 10,087,447

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
SCHEDULE OF THE NETWORK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability (Asset)	0.8290%	0.9172%	0.5350%	0.6706%	0.8645%	0.5667%	0.4757%	0.6552%	0.5550%	0.4988%
Proportionate Share of the Net Pension Liability (Asset)	$ 4,695,684	$ 5,940,940	$ 4,645,665	$ 40,043	$ 3,889,480	$ 3,733,953	$ 4,866,296	$ 5,873,480	$ 6,079,600	$ 4,057,547
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	833,476	281,025	3,305,432	11,756	-	1,654,809	2,521,202	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	5,529,160	6,221,965	7,951,097	51,799	3,889,480	5,388,762	7,387,498	5,873,480	6,079,600	4,057,547
Covered payroll	$ 9,748,089	$ 8,878,745	$ 7,849,633	$ 7,265,163	$ 6,807,970	$ 6,130,656	$ 5,703,354	$ 4,440,870	$ 3,667,074	$ 3,137,696
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	56.7%	70.1%	101.3%	0.7%	57.1%	87.9%	129.5%	132.3%	165.8%	129.3%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	89.34%	87.03%	81.93%	99.87%	90.14%	84.73%	75.69%	79.51%	74.10%	79.30%

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
SCHEDULE OF THE NETWORK'S CONTRIBUTIONS
DENVER PUBLIC SCHOOLS DIVISION TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contributions	$ 1,111,442	$ 943,250	$ 752,463	$ 604,576	$ 530,932	$ 428,211	$ 364,834	$ 245,323	$ 175,423	$ 102,414
Contributions in Relation to the Contractually Required Contributions	1,111,442	943,250	752,463	604,576	530,932	428,211	364,834	245,323	175,423	102,414
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 10,162,551	$ 9,405,207	$ 8,304,904	$ 7,341,740	$ 7,071,209	$ 6,611,200	$ 5,703,354	$ 4,833,752	$ 4,004,968	$ 3,400,665
Contributions as a Percentage of Covered Payroll	10.94%	10.03%	9.06%	8.23%	7.51%	6.48%	6.40%	5.08%	4.38%	3.01%

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
SCHEDULE OF THE NETWORK'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the Net OPEB Liability (Asset)	0.97610%	0.96064%	0.91650%	0.85997%	0.86453%	0.81787%	0.72220%	0.65340%	0.55500%
Proportionate Share of the Net OPEB Liability (Asset)	$ (226,078)	$ (42,057)	$ 80,549	$ 90,460	$ 197,907	$ 301,280	$ 326,219	$ 332,979	$ 302,507
Covered payroll	$9,748,089	$ 8,878,745	$7,849,633	$7,265,163	$6,807,970	$6,130,656	$5,703,354	$4,440,870	$3,667,074
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-2.3%	-0.5%	1.0%	1.2%	2.9%	4.9%	5.7%	7.5%	8.2%
Plan Fiduciary Net position as a Percentage of the total OPEB Liability	142.39%	107.26%	85.60%	83.93%	65.43%	46.98%	34.72%	30.45%	33.64%

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

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
SCHEDULE OF THE NETWORK'S CONTRIBUTIONS
DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contributions	$ 103,658	$ 95,933	$ 84,710	$ 74,886	$ 72,126	$ 67,434	$ 58,175	$ 49,304	$ 40,851
Contributions in Relation to the Contractually Required Contributions	103,658	95,933	84,710	74,886	72,126	67,434	58,175	49,304	40,851
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$10,162,551	$9,405,207	$8,304,904	$7,341,740	$7,071,209	$6,611,200	$5,703,354	$4,833,752	$4,004,968
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

See the accompanying independent auditor's report.

NOTE 1 : BUDGETS AND BUDGETARY ACCOUNTING

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

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

NOTE 2: SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA DENVER PUPLIC SCHOOLS DIVISION TRUST FUND PLAN

2024 Changes in Plan Provisions Since 2023

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

2023 Changes in Plan Provisions Since 2022:

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.561 million.

- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the pension certificates of participation (PCOPs) issued in 1997 and 2008 and refinanced thereafter.

NOTE 3: ***SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA DENVER PUBLIC SCHOOLS DIVISION TRUST FUND PLAN***

2024 Changes in Assumptions or Other Inputs Since 2023

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

2023 Changes in Assumptions or Other Inputs Since 2022:

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

NOTE 4: ***SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA DENVER PUPLIC SCHOOLS HEALTH CARE TRUST FUND PLAN***

2024 Changes in Plan Provisions Since 2023:

- There were no changes made to plan provisions.

NOTE 4: ***SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA DENVER PUPLIC SCHOOLS HEALTH CARE TRUST FUND PLAN*** (Continued)

2023 Changes in Plan Provisions Since 2022:

- There were no changes made to plan provisions.

NOTE 5: ***SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION – PERA DENVER PUBLIC SCHOOLS HEALTH TRUST FUND PLAN***

2024 Changes in Assumptions or Other Inputs Since 2023

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

2023 Changes in Assumptions or Other Inputs Since 2022:

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

HIGHLINE ACADEMY NETWORK
COMBINING BALANCE SHEET
June 30, 2025

	NORTH EAST CAMPUS	SOUTH EAST CAMPUS	BUILDING CORPORATION	TOTAL
ASSETS				
Cash and Investments	$ 4,426,972	$ 3,826,712	$ -	$ 8,253,684
Restricted Cash and Investments	-	-	1,729,409	1,729,409
Due From North East Campus	-	2,286	-	2,286
Accounts Receivable	22,091	72,792	-	94,883
Inventory	29,373	-	-	29,373
Prepaid Expenses	21,849	35,673	2,680	60,202
Deposits	10,000	94,280	-	104,280
TOTAL ASSETS	$ 4,510,285	$ 4,031,743	$ 1,732,089	$ 10,274,117
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	18,187	30,057	322,005	370,249
Due to South East Campus	2,286	-	-	2,286
Accrued Salaries	414,716	213,349	-	628,065
Unearned Revenue	29,445		-	29,445
TOTAL LIABILITIES	464,634	243,406	322,005	1,030,045
FUND BALANCES				
Nonspendable	61,222	129,953	2,680	193,855
Restricted for Emergencies	325,616	290,131	-	615,747
Restricted for Debt Service	-	-	1,407,404	1,407,404
Restricted for Capital Construction	131,266	-	-	131,266
Unassigned	3,527,547	3,368,253	-	6,895,800
TOTAL FUND BALANCES	4,045,651	3,788,337	1,410,084	9,244,072
TOTAL LIABILITIES AND FUND BALANCES	$ 4,510,285	$ 4,031,743	$ 1,732,089	$ 10,274,117

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2025

	NORTH EAST CAMPUS	SOUTH EAST CAMPUS	BUILDING CORPORATION	TOTAL
REVENUES				
Local Sources	$ 9,918,459	$ 9,416,741	$ 1,077,622	$ 20,412,822
State Sources	567,461	551,223	-	1,118,684
Federal Sources	324,818	42,472	-	367,290
TOTAL REVENUES	10,810,738	10,010,436	1,077,622	21,898,796
EXPENDITURES				
Current				
Instruction	7,494,855	5,794,015	-	13,288,870
Supporting Services	3,021,832	3,893,491	1,532,521	8,447,844
Debt Service				
Principal	22,270	20,059	125,000	167,329
Interest	4,082	2,996	831,050	838,128
TOTAL EXPENDITURES	10,543,039	9,710,561	2,488,571	22,742,171
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	267,699	299,875	(1,410,949)	(843,375)
OTHER FINANCING SOURCES (USES)				
Transfers	-	(25,111)	25,111	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(25,111)	25,111	-
NET CHANGE IN FUND BALANCES	267,699	274,764	(1,385,838)	(843,375)
FUND BALANCES, Beginning	3,777,952	3,513,573	2,795,922	10,087,447
FUND BALANCES, Ending	$ 4,045,651	$ 3,788,337	$ 1,410,084	$ 9,244,072

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
HIGHLINE ACADEMY NORTHEAST CAMPUS
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 6,089,749	$ 6,050,201	$ 6,031,698	$ (18,503)	$ 5,789,755
Mill Levy Override	1,857,457	2,160,785	2,160,785	-	1,907,954
Tuition and Fees	53,970	52,710	49,350	(3,360)	47,011
Contributions	85,000	86,500	45,279	(41,221)	126,923
Interest	110,000	135,000	142,241	7,241	114,938
Other	1,315,765	1,505,731	1,489,106	(16,625)	1,385,550
State Sources					
Capital Construction	98,688	96,384	99,842	3,458	107,669
PERA - On Behalf Contribution	118,293	57,623	97,907	40,284	21,090
Grants and Donations	401,953	388,348	369,712	(18,636)	474,165
Federal Sources					
Grants and Donations	298,740	335,194	324,818	(10,376)	763,006
TOTAL REVENUES	10,429,615	10,868,476	10,810,738	(57,738)	10,738,061
EXPENDITURES					
Instruction					
Salaries	4,928,944	5,569,513	5,465,215	104,298	4,922,938
Employee Benefits	1,284,400	1,385,226	1,332,132	53,094	1,067,547
Purchased Services	369,257	345,575	336,621	8,954	187,847
Supplies and Materials	251,302	227,950	236,075	(8,125)	259,144
Property	79,925	88,000	110,416	(22,416)	150,481
Other	46,709	47,665	14,396	33,269	14,117
Total Instruction	6,960,537	7,663,929	7,494,855	169,074	6,602,074
Supporting Services					
Salaries	1,040,701	979,426	882,497	96,929	899,432
Employee Benefits	445,533	410,552	437,308	(26,756)	374,067
Purchased Services	1,758,562	1,726,921	1,637,270	89,651	2,009,886
Supplies and Materials	31,530	46,530	44,854	1,676	47,101
Property	-	-	-	-	-
Other	27,500	26,500	19,903	6,597	13,908
Debt Service					
Principal	-	-	22,270	(22,270)	21,186
Interest	-	-	4,082	(4,082)	5,166
Total Supporting Services	3,303,826	3,189,929	3,048,184	141,745	3,370,746
TOTAL EXPENDITURES	10,264,363	10,853,858	10,543,039	310,819	9,972,820
NET CHANGE IN FUND BALANCE	165,252	14,618	267,699	253,081	765,241
FUND BALANCE, Beginning	3,560,452	3,777,952	3,777,952	-	3,012,711
FUND BALANCE, Ending	$ 3,725,704	$ 3,792,570	$ 4,045,651	$ 253,081	$ 3,777,952

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
HIGHLINE ACADEMY SOUTHEAST CAMPUS
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES					
Local Sources					
Per Pupil Revenue	$ 6,646,560	$ 6,943,038	$ 6,955,373	$ 12,335	$ 5,851,775
Mill Levy Override	1,538,122	1,875,285	1,875,285	-	1,476,115
Tuition and Fees	54,563	55,780	50,682	(5,098)	38,696
Contributions	115,000	203,000	292,481	89,481	219,189
Interest	123,000	124,000	128,595	4,595	124,128
Other	243,576	160,915	114,325	(46,590)	359,351
State Sources					
Capital Construction	228,096	234,036	207,065	(26,971)	209,196
PERA - On Behalf Contribution	143,479	50,943	85,503	34,560	18,599
Grants and Donations	182,172	292,051	258,655	(33,396)	187,249
Federal Sources					
Grants and Donations	43,676	44,586	42,472	(2,114)	396,357
TOTAL REVENUES	9,318,244	9,983,634	10,010,436	26,802	8,880,655
EXPENDITURES					
Instruction					
Salaries	3,857,440	4,129,962	4,093,971	35,991	3,781,163
Employee Benefits	971,996	1,043,817	968,618	75,199	865,380
Purchased Services	369,479	355,542	356,003	(461)	194,791
Supplies and Materials	180,710	198,650	181,429	17,221	144,736
Property	100,000	145,000	142,608	2,392	159,513
Other	50,995	71,321	51,386	19,935	15,589
Total Instruction	5,530,620	5,944,292	5,794,015	150,277	5,161,172
Supporting Services					
Salaries	950,696	1,016,293	894,879	121,414	859,846
Employee Benefits	457,204	387,848	398,137	(10,289)	334,383
Purchased Services	2,066,998	2,323,446	2,434,848	(111,402)	2,188,627
Supplies and Materials	111,560	121,560	102,054	19,506	75,391
Property	-	19,761	26,408	(6,647)	87,402
Other	55,500	49,500	37,165	12,335	36,392
Debt Service					
Principal	-	-	20,059	(20,059)	19,083
Interest	-	-	2,996	(2,996)	3,972
Total Supporting Services	3,641,958	3,918,408	3,916,546	1,862	3,605,096
TOTAL EXPENDITURES	9,172,578	9,862,700	9,710,561	152,139	8,766,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	145,666	120,934	299,875	178,941	114,387
OTHER FINANCING USES					
Transfer Out	-	(1,200)	(25,111)	(23,911)	(212,424)
TOTAL OTHER FINANCING USES	-	(1,200)	(25,111)	(23,911)	(212,424)
NET CHANGE IN FUND BALANCE	145,666	119,734	274,764	155,030	(98,037)
FUND BALANCE, Beginning	3,596,549	3,513,571	3,513,573	2	3,611,610
FUND BALANCE, Ending	$ 3,742,215	$ 3,633,305	$ 3,788,337	$ 155,032	$ 3,513,573

See the accompanying independent auditor's report.

HIGHLINE ACADEMY NETWORK
HIGHLINE ACADEMY SOUTHEAST BUILDING CORPORATION
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2025

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2024 ACTUAL
REVENUES				
Local Sources				
Rental Income	$ 958,446	$ 958,446	$ -	$ 907,092
Interest	119,000	119,176	176	322,727
TOTAL REVENUES	1,077,446	1,077,622	176	1,229,819
EXPENDITURES				
Current				
Purchased Services	6,000	5,076	924	9,308
Property	1,550,000	1,527,445	22,555	4,556,923
Debt Service				
Principal	125,000	125,000	-	-
Interest	832,000	831,050	950	834,175
TOTAL EXPENDITURES	2,513,000	2,488,571	24,429	5,400,406
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,435,554)	(1,410,949)	24,605	(4,170,587)
OTHER FINANCING SOURCES				
Transfer In	24,000	25,111	1,111	212,424
TOTAL OTHER FINANCING SOURCES	24,000	25,111	1,111	212,424
NET CHANGE IN FUND BALANCE	(1,411,554)	(1,385,838)	25,716	(3,958,163)
FUND BALANCE, Beginning	2,795,922	2,795,922	-	6,754,085
FUND BALANCE, Ending	$ 1,384,368	$1,410,084	$ 25,716	$ 2,795,922

See the accompanying independent auditor's report.