ADDENBROOKE CLASSICAL ACADEMY

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ADDENBROOKE CLASSICAL ACADEMY
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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Addenbrooke Classical Academy
Lakewood, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Addenbrooke Classical Academy (the Academy), a component unit of Jefferson County School District No. R-1, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Addenbrooke Classical Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Addenbrooke Classical Academy, as of June 30, 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Addenbrooke Classical Academy, 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 the 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 Addenbrooke Classical Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 Addenbrooke Classical Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Addenbrooke Classical Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and GASB required pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Report on Summarized Comparative Information

We have previously audited the Academy's 2023 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 1, 2023. In our opinion, the summarized comparative information presented herein as of June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Adams Group, LLC

Greenwood Village, Colorado
November 5, 2024

ADDENBROOKE CLASSICAL ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Addenbrooke Classical Academy (the Academy), we offer readers of Addenbrooke Classical Academy's financial statements our narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

Financial Highlights

The year ended June 30, 2024 is the tenth year of operations for the Academy. As of June 30, 2024, net position increased $175,474 to ($5,211,060). The negative net position is a result of the Academy recording a net pension liability and net OPEB liability as a result of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75. Further information about GASB Nos. 68 and 75 is provided in Notes 7 and 8 of the financial statements.

The operations of the Academy are funded primarily by tax revenue received under the Colorado School Finance Act in Per Pupil Revenue. Such revenue for the year was $9,264,575. At the close of the fiscal year, the Academy's governmental fund reported an ending fund balance of $4,952,368 an increase of $1,110,815 from the prior year. The increase is a result of an increase in per pupil revenue of $1,352,795 from 2023 to 2024.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Academy's basic financial statements. The Academy's basic financial statements are comprised of four components: 1) management's discussion and analysis; 2) government-wide financial statements; 3) fund financial statements; and 4) notes to the financial statements. Included as required supplementary information is budget-to-actual information related to the Academy's general fund and pension and OPEB schedules as required under GASB Statement Nos. 68 and 75, further discussed in Notes 7 and 8.

Government-Wide Financial Statements

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

The statement of net position presents information on all the Academy's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy'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.

Government-Wide Financial Statements (continued)

The government-wide financial statements and fund financial statements can be found on pages 1 through 6 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Academy uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements. 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 Academy'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 Academy'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 Academy reports a single governmental fund. The general fund also accounts for the activity of the Addenbrooke Classical Academy Building Corporation. The purpose of the Building Corporation is to provide a mechanism to issue debt on behalf of the Academy.

The Academy adopts an annual appropriated budget for the governmental fund. A budgetary comparison schedule for the Academy's governmental fund has been provided herein.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. This information is provided in pages 7 – 38.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the Academy's financial position. In the case of Addenbrooke Classical Academy, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources resulting in a deficit net position of ($5,211,060) for the year ended June 30, 2024.

Government-Wide Financial Analysis (continued)

Of the Academy's total net position, $319,283 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. Accordingly, these funds are not available to satisfy the Academy's general operating expenses.

Addenbrooke Classical Academy's Statement of Net Position
Governmental Activities

	2024	2023
Assets		
Current and other assets	$ 5,488,521	$ 4,330,219
Capital assets	24,000,321	24,458,792
Total Assets	29,488,842	28,789,011
Deferred outflows of resources	3,486,640	2,302,783
Liabilities		
Current and other liabilities	1,132,597	1,061,835
Noncurrent liabilities	36,184,701	33,730,889
Total Liabilities	37,317,298	34,792,724
Deferred inflows of resources	869,244	1,685,604
Net Position		
Net investment in capital assets	897,851	884,788
Restricted:		
Emergencies	319,283	286,148
Debt service	225,202	151,071
Capital projects	802,530	801,294
Unrestricted	(7,455,926)	(7,509,835)
Total Net Position	$ (5,211,060)	$ (5,386,534)

The largest portion of the Academy's assets is in capital assets, at 81.3% of total assets as of June 30, 2024.

Government-Wide Financial Analysis (continued)

Addenbrooke Classical Academy's Statement of Activities
Governmental Activities

	2024	2023
Program revenue:		
Charges for services	$ 604,951	$ 567,383
Operating grants and contributions	245,260	250,585
Capital grants and contributions	341,340	280,638
Total program revenue	1,191,551	1,098,606
General revenue:		
Per pupil revenue	9,264,575	8,181,031
Mill levy revenue	1,759,557	1,608,416
Other	241,413	160,871
Total general revenue	11,265,545	9,950,318
Total revenue	12,457,096	11,048,924
Expenses:		
Current:		
Instruction	6,888,196	3,513,789
Supporting services	4,297,826	4,133,848
Interest on long-term debt	1,095,600	1,164,610
Total expenses	12,281,622	8,812,247
Change in net position	175,474	2,236,677
Net Position, Beginning	(5,386,534)	(7,623,211)
Net Position, Ending	$ (5,211,060)	$ (5,386,534)

The largest portion of the Academy's revenues came from per pupil revenue – 74.4% for the year ended June 30, 2024.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Academy's governmental fund, which includes the Academy's general fund and the Addenbrooke Classical Academy Building Corporation, reported an ending fund balance of $4,952,368, an increase of $1,110,815 from prior year. As previously noted, this increase was a result of an increase in per pupil revenue when compared to the prior year.

General Fund Budgetary Highlights

The Academy approves a final general fund budget in May based on enrollment projections for the Academy's fiscal year. In October, after enrollment stabilizes, adjustments are made to the budget. At year-end, the Academy had variances between its final budgeted and actual activities. Overall, the Academy recognized $126,866 more revenue than expected and spending was within budget, when compared to the final budget.

Capital Assets & Long-Term Debt

Capital assets. The Academy has invested in capital assets in the form of land, construction, and building improvements for the Academy's educational facility, as well as equipment and vehicles purchased in support of the Academy's educational program. Depreciation expenses for capital assets are recorded within the supporting services function of the Academy's operations. As of June 30, 2024, the Academy's capital assets amounted to $24,000,321. Additional information on the Academy's capital assets can be found in Note 4 of the financial statements.

Long-term debt. The Academy has long-term debt obligations in the form of Series 2020 Charter School Revenue Bonds. Proceeds of the bonds were used to purchase the Academy's facility and are being used to make facility improvements. As of June 30, 2024, the Academy had outstanding debt of $23,905,000, which is a decrease of $480,000 from the previous year. Long-term debt is detailed in Note 5 of the financial statements.

Economic Factors and Next Year's Budget

The primary factor driving the budget for the Academy is student enrollment. Enrollment for the 2023-2024 school year was 898 funded students. This information was analyzed as part of the 2024-2025 budget which is projecting a funded student count of 890.

Requests for Information

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

Addenbrooke Classical Academy
3605 S Teller Street
Lakewood, CO 80235

BASIC FINANCIAL STATEMENTS

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	Governmental Activities	
	2024	2023
Assets		
Cash and investments	$ 4,020,150	$ 2,963,576
Restricted cash and investments	1,438,459	1,331,682
Accounts receivable	29,912	34,961
Capital assets, not depreciated	5,577,710	5,553,701
Capital assets, net of depreciation	18,422,611	18,905,091
Total Assets	29,488,842	28,789,011
Deferred Outflows of Resources		
Related to pension	3,446,455	2,250,617
Related to OPEB	40,185	52,166
Total Deferred Outflows of Resources	3,486,640	2,302,783
Liabilities		
Accounts payable	82,972	113,596
Accrued salaries and benefits	453,181	375,070
Accrued interest	91,444	93,169
Noncurrent liabilities:		
Due within one year	505,000	480,000
Due in more than one year	23,400,000	23,905,000
Pension liability	12,483,280	9,502,086
OPEB liability	301,421	323,803
Total Liabilities	37,317,298	34,792,724
Deferred Inflows of Resources		
Related to pension	754,137	1,562,875
Related to OPEB	115,107	122,729
Total Deferred Inflows of Resources	869,244	1,685,604
Net Position		
Net investment in capital assets	897,851	884,788
Restricted:		
Emergencies	319,283	286,148
Debt service	225,202	151,071
Capital projects	802,530	801,294
Unrestricted	(7,455,926)	(7,509,835)
Total Net Position	$ (5,211,060)	$ (5,386,534)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

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: 2024	Net (Expense) Revenue and Changes in Net Position: 2023
Governmental Activities:						
Instruction	$ 6,888,196	$ 604,951	$ 245,260	$ -	$ (6,037,985)	$ (2,695,821)
Supporting services	4,297,826	-	-	341,340	(3,956,486)	(3,853,210)
Interest on long-term debt	1,095,600	-	-	-	(1,095,600)	(1,164,610)
Total Governmental Activities	$ 12,281,622	$ 604,951	$ 245,260	$ 341,340	(11,090,071)	(7,713,641)

	2024	2023
GENERAL REVENUES:		
Per pupil revenue	9,264,575	8,181,031
Mill levy override	1,759,557	1,608,416
Other	241,413	160,871
Total General revenues	11,265,545	9,950,318
Change in net position	175,474	2,236,677
Net Position, Beginning	(5,386,534)	(7,623,211)
Net Position, Ending	$ (5,211,060)	$ (5,386,534)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and investments	$ 4,020,150	$ 2,963,576
Restricted cash and investments	1,438,459	1,331,682
Accounts receivable	29,912	34,961
Total Assets	$ 5,488,521	$ 4,330,219
Liabilities and fund balances		
Liabilities:		
Accounts payable	$ 82,972	$ 113,596
Accrued salaries and benefits	453,181	375,070
Total Liabilities	536,153	488,666
Fund balances:		
Restricted:		
Emergencies	319,283	286,148
Debt service	316,646	244,240
Capital projects	802,530	801,294
Unassigned	3,513,909	2,509,871
Total Fund Balances	4,952,368	3,841,553
Total Liabilities and Fund Balances	$ 5,488,521	$ 4,330,219

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balance, governmental fund	$	4,952,368
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.		24,000,321
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental funds.		
Bonds payable		(23,905,000)
Accrued interest payable		(91,444)
Net OPEB liability		(301,421)
Net pension liability		(12,483,280)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		3,446,455
Related to OPEB		40,185
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		(754,137)
Related to OPEB		(115,107)
Total net position of governmental activities	$	(5,211,060)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUND
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Revenues		
Local sources	$ 11,870,496	$ 10,517,701
Federal and state sources	521,131	620,716
Total revenues	12,391,627	11,138,417
Expenditures		
Current		
Instruction	5,924,834	5,161,210
Supporting services	3,246,258	3,072,172
Capital outlay	532,395	8,169
Debt Service:		
Principal	480,000	460,000
Interest and other charges	1,097,325	1,118,025
Total expenditures	11,280,812	9,819,576
Net change in fund balances	1,110,815	1,318,841
Fund Balances - Beginning	3,841,553	2,522,712
Fund Balances - Ending	$ 4,952,368	$ 3,841,553

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balance - total governmental fund:	$ 1,110,815
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.	
Capital outlay	532,395
Contributed capital	60,702
Depreciation expense	(1,051,568)
The issuance of long-term debt provides current financial resources to funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments	480,000
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:	
OPEB income	18,023
Pension expense	(976,618)
Change in net position of governmental activities	$ 175,474

See accompanying Notes to Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Addenbrooke Classical Academy (the Academy) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Jefferson County School District No. R-1 (the District) and the State of Colorado.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles applicable to governmental entities. A summary of the Academy's significant accounting policies consistently applied in the preparation of these financial statements follows.

Financial Reporting Entity

The Academy is a component unit of the District which grants the charter and provides the majority of the funding to the Academy. The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity.

The Academy follows the GASB accounting pronouncements, which provide guidance for determining the governmental activities, organizations, and functions that should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. Based upon the application of these criteria, the following organization is included in the Academy's reporting entity and the activity is blended within the General Fund.

Addenbrooke Classical Academy Building Corporation

The Academy includes the Addenbrooke Classical Academy Building Corporation (the Building Corporation) within its reporting entity. The Building Corporation was formed to support and assist the Academy to perform its function and to carry out its purpose, specifically to assist in the financing of the Academy's facilities. The Building Corporation is blended into the Academy's General Fund. Separate financial statements are not available for this entity. The Academy is a component unit of Jefferson County School District No. R-1.

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 activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

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

Fund Financial Statements

The accounts of the Academy are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major fund presented in the accompanying basic financial statements are as follows:

Major Governmental Fund

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period, or soon thereafter, to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures are recorded only when payment is made.

Charges for services are considered revenue once the service is rendered, and as such are considered susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

On-Behalf Payments – Generally Accepted Accounting Principles (GAAP) requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division. This payment is required on July 1st of each year until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the Academy by the State of Colorado has been recorded in the fund and government wide financial statements.

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

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

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

Cash & Investments – Cash consists of demand deposits. Investments are reported at amortized cost.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)

Receivables – Receivables consist primarily of amounts owed from state and local governments and other local entities. They are reported at their gross value, and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Items – Certain payments to vendors reflect costs applicable to future years and are reported as prepaid items. Prepayments are recorded using the consumption method where services are allocated over appropriate service periods.

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

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Capital assets of the Academy are depreciated using the straight-line method. The Academy depreciates the capital assets over estimated useful lives ranging from 5 to 50 years.

Deferred Outflows of Resources – The Academy's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Academy reports deferred outflows of resources related to GASB Statement Nos. 68 and 75. See Notes 7 and 8 for additional information.

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

Net Pension Liability – The Academy's governmental activities report a net pension liability as of June 30, 2024. The Academy is required to report their proportionate share of PERA's unfunded pension liability. See Note 7 for additional information.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB) – The Academy participates in the Health care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees; Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. Investments are reported at fair value. See Note 8 for additional information.

Deferred Inflows of Resources – The Academy's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The Academy reports deferred inflows of resources related to GASB Statement Nos. 68 and 75. See Notes 7 and 8 for additional information.

Net Position – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Classifications used in the government-wide financial statements are as follows:

Net Investment in Capital Assets – Reflects the portion of net position which is associated with capital assets, less outstanding capital asset related debt.

Restricted Net Position – Net position which is restricted externally by creditors, grantors, or laws or regulations or imposed by law through constitutional provision or enabling legislation.

Unrestricted Net Position – Represents net position which does not have any third-party limitation on their use.

The Academy has a deficit net position of $5,211,060 at June 30, 2024, which is a result of the Academy's participation in PERA.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued)

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. As of June 30, 2024, the Academy had no items classified 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 Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. Restricted balance related to Emergency Reserves as of June 30, 2024 is $319,283. The General Fund also has debt service restrictions totaling $316,646 and capital project restrictions of $802,530 as of June 30, 2024 due to the Series 2020 Bonds.

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 (i.e. resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy has no items reported as committed as of June 30, 2024.

Assigned – This classification includes amounts that are subject to a purpose constraint that represents an intended use but does not meet the criteria to be classified as restricted or committed. Only the Board may assign fund balances for specific purposes. The purpose of this assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The Academy had no items reported as assigned fund balance as of June 30, 2024.

Unassigned – This classification includes the residual fund balance for the General Fund.

When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Academy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for the general fund for fiscal year 2023, on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1st. The budget is adopted by the Board of Directors prior to June 30th. The budget and supplemental appropriations are submitted to the District.

Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year-end.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments at June 30, 2024, consisted of the following:

Petty cash	$	1,500
Pooled cash with District		4,337,933
Investments		1,119,176
Total	$	5,458,609
Cash and investments	$	4,020,150
Restricted cash and investments		1,438,459
Total	$	5,458,609

Cash Deposits

The Academy's deposits are governed by Colorado Statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds.

The pool for all uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Pooled Cash with the District

Cash deposits are pooled with the District cash and investments which were held by several banking institutions. At June 30, 2024, the Academy's balance in equity for unrestricted pooled cash of the District totaled $4,020,150.

Investments

The Academy has not adopted a formal investment policy; however, the Academy follows the investment policy of the District, which follows state statutes regarding investments.

The Academy generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Academy is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

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

* Local government investment pools

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Credit Risk

State law limits investments for school districts to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institutions have assets in excess of $1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

Local Government Investment Pool

As of June 30, 2024, the Academy had invested $1,119,176 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust is rated AAAm by Fitch and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Restricted Cash and Investments

Investments in the amount of $1,119,176 are restricted in the general fund for debt service and capital project requirements, as a result of the Series 2020 Bonds. This balance is made up of accounts set up for the payment of principal and interest as of June 30, 2024 as well as a capital project account. Pooled cash is restricted in the amount of $319,283 for purposes of TABOR.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, is summarized below:

	Balances June 30, 2023	Additions	Deletions	Balances June 30, 2024
Governmental Activities:				
Capital Assets, not Depreciated				
Land	$ 5,553,000	$ -	$ -	$ 5,553,000
Construction in progress	701	24,710	701	24,710
Total capital assets, not depreciated	5,553,701	24,710	701	5,577,710
Capital Assets, Being Depreciated				
Equipment	75,505	-	-	75,505
Vehicles	108,091	-	-	108,091
Building improvements	22,329,909	569,088	-	22,898,997
Total capital assets, depreciated	22,513,505	569,088	-	23,082,593
Accumulated depreciation				
Equipment	26,481	7,246	-	33,727
Vehicles	21,618	10,809	-	32,427
Building improvements	3,560,315	1,033,513	-	4,593,828
Total accumulated depreciation	3,608,414	1,051,568	-	4,659,982
Net capital assets, depreciated	18,905,091	(482,480)	-	18,422,611
Total Capital Assets	$ 24,458,792	$ (457,770)	$ 701	$ 24,000,321

Depreciation expense of $1,051,568 has been charged to the Supporting Services function of the Academy.

NOTE 5 – ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August - July but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2024, were $453,181 in the general fund.

NOTE 6 – LONG-TERM DEBT

Following is a summary of the Academy's long-term debt transactions for the year ended June 30, 2024:

	Balances June 30, 2023	Additions	Deletions	Balances June 30, 2024	Due In One Year
CECFA 2020 Bonds	$ 24,385,000	$ -	$ 480,000	$ 23,905,000	$ 505,000
Total	$ 24,385,000	$ -	$ 480,000	$ 23,905,000	$ 505,000

NOTE 6 – LONG-TERM DEBT (CONTINUED)

CECFA Series 2020 Bonds

In May 2020, the Colorado Education and Cultural Facilities Authority (CECFA) issued $25,285,000 of Charter School Revenue Bonds, Series 2020. Proceeds from the bonds were loaned to the Academy under a lease agreement to provide funding for the purchase of the Academy's facility, capital projects, and costs of issuance. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrues at a rate of 4.50% and the bonds mature on February 19, 2027.

The balance outstanding on the notes at June 30, 2024 was $23,905,000. Future debt service requirements to maturity for the long-term debt transactions are as follows:

Year ended June 30,	Principal	Interest	Total
2025	$ 505,000	$ 1,075,725	$ 1,580,725
2026	525,000	1,053,000	1,578,000
2027	22,875,000	1,029,375	23,904,375
	$ 23,905,000	$ 3,158,100	$ 27,063,100

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description: Eligible employees of the Academy are provided with pensions through the School Division Trust Fund (SCHDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S), administrative rules are set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

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/investments/pera-financial-reports.

Benefits Provided as of December 31, 2023: 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 (HAS) multiplied by 2.5 percent and then multiplied by years of service credit.

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of the highest average salary and also 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 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the 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.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

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

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

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

Contributions provisions as of June 30, 2024: Eligible employees of the Academy and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq and § 24-51-413. Eligible employees are required to contribute 11.4 percent of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer Contribution Rate[1]	11.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	10.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50 %
Total Employer Contribution Rate to the SCHDTF	20.38 %

[1]Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42). Includes 1.00% automatic adjustment.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the Academy were $1,032,979 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of $225,000,000. Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust fund as would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the local government division.

The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. § 24-51-414 (6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of $225,000,000 plus an additional amount. Due to the advanced payment in 2022, the State reduced the distribution in 2023 to $35,000,000.

Additionally, the newly added C.R.S. § 24-51-414(9) provided compensatory payment of $14,561,000 for 2023 only. The allocation for 2023 to the School Division was $28,908,000.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard updated procedures were used to roll-forward the total pension liability to December 31, 2023. The Academy's proportion of the net pension liability was based on the Academy's contributions to the SCHDTF for the calendar year 2023 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 (continued)

At June 30, 2024, the Academy reported a liability of $12,483,280 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Academy as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the Academy were as follows:

Addenbrooke Classical Academy's Proportionate Share of the Net Pension Liability	$	12,483,280
State's Proportionate Share of the Net Pension Liability as a as a nonemployer contributing entity associated with Addenbrooke Classical Academy		273,721
Total	$	12,757,001

At December 31, 2023, the Academy's proportion of the net pension liability was 0.0706%, which was an increase of 0.0184% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Academy recognized pension expense of $982,178 and revenue of $25,622 for support from the State as a nonemployer contributing entity. At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between Expected and Actual Experience	$	591,944	$	-
Changes of Assumptions or other Inputs		-		-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		894,857		-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions		1,502,485		754,137
Contributions Subsequent to the Measurement Date		457,169		-
Total	$	3,446,455	$	754,137

$457,169 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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,	Amount
2025	$ 316,833
2026	1,119,236
2027	1,048,581
2028	(249,501)
Total	$ 2,235,149

Actuarial Assumptions: The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Actuarial Assumptions
Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.00%
PERA Benefit Structure hired after December 31, 2006[1]	Financed by the AIR

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

The actuarial assumptions used in the December 31, 2022, valuations 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 PERA's Board on November 20, 2020.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

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

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

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

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

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

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

- **Females:** 105 percent of the rates for all ages, with generational project using scale MP-2019.

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

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

Several factors were 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 by the investment consultant 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 percentage and then adding expected inflation.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Discount Rate: The discount rate used to measure the total pension liability was 7.25 percent. 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, 2022, and the financial status of the Division Trust Fund as of the current measurement date (December 31, 2023). In addition, the following methods and assumptions were used in the project 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 percent.

- 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.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 project test.

- 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 (actual dollars), 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.

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one 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 Liability	$ 16,692,223	$ 12,483,280	$ 8,973,532

Pension Plan Fiduciary Net Position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's annual comprehensive financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan Description: Eligible employees of the Academy are provided with OPEB through the Health Care Trust Fund (HCTF) - a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the Public Employees' Retirement Association of Colorado (PERA). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provision may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (continued)

For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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 percent 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.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

General Information about the OPEB Plan (continued)

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 Trust Fund or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were $51,700 for the year ended June 30, 2024.

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

At June 30, 2024, the Academy reported a liability of $301,421 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023.

The Academy's proportion of the net OPEB liability was based on the Academy's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Academy's proportion was 0.0422%, which was an increase of 0.0025% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Academy recognized OPEB income of $23,337. At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ -	$ 61,779
Changes of Assumptions or other Inputs	3,545	37,714
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,322	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	2,531	15,614
Contributions Subsequent to the Measurement Date	24,787	-
Total	$ 40,185	$ 115,107

$24,787 reported as deferred outflows of resources related to OPEB resulting from the Academy's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2025	$ (43,677)
2026	(22,893)
2027	(9,171)
2028	(15,534)
2029	(5,212)
Thereafter	(3,222)
Total	$ (99,709)

Actuarial Assumptions: The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial cost, actuarial assumptions, and other inputs:

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation[1]	3.40 - 11.00%
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
PERA Benefit Structure:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans[2]	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A Premiums	3.50% in 2023, gradually increasing to 4.50% in 20235

[1] See Note 1 of the Notes to the Financial Statements in PERA's 2023 ACFR for the definition of "Safety Officers".
[2] UnitedHealthcare MAPD PPO plans are 0% for 2023.

As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable.

Each year the per capita health care costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

AGE-RELATED MORBIDITY ASSUMPTIONS

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

	MAPD PPO #1 with Medicare Part A Retire/Spouse		MAPD PPO #1 without Medicare Part A Retire/Spouse	
Sample Age	Male	Female	Male	Female
65	$ 1,692	$ 1,406	$ 6,469	$ 5,373
70	1,901	1,573	7,266	6,011
75	2,100	1,653	8,026	6,319

	MAPD PPO #2 with Medicare Part A Retire/Spouse		MAPD PPO #2 without Medicare Part A Retire/Spouse	
Sample Age	Male	Female	Male	Female
65	$ 579	$ 481	$ 4,198	$ 3,487
70	650	538	4,715	3,900
75	718	566	5,208	4,101

	MAPD HMO (Kaiser) with Medicare Part A Retire/Spouse		MAPD HMO (Kaiser) without Medicare Part A Retire/Spouse	
Sample Age	Male	Female	Male	Female
65	$ 1,913	$ 1,589	$ 6,719	$ 5,581
70	2,149	1,778	7,546	6,243
75	2,374	1,869	8,336	6,563

The 2023 Medicare Part A premium is $506 per month. All costs are subject to the health care cost trend rates, as discussed below.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022 valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds, reflect the generational mortality and were applied, as applicable, in the December 31, 2022 valuation for the HCTF Fund, but developed on a headcount-weighted basis. Affiliated employers of the four Division Trust Funds participate in the HCTF.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2022 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retire) from actuary's claims data warehouse.

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

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

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

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

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	$ 292,770	$ 301,421	$ 310,832

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate: The discount rate used to measure the total OPEB liability was 7.25 percent. 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, 2022, and the financial status of each of the Health Care Trust Funds as of the current measurement date (December 31, 2023). 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, 2023, 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 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

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

- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection cost.

Based on the above assumptions and methods, the 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 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate of 7.25 percent. There was no change in the discount rate from the prior measurement period.

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Academy's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the HCTF collective net OPEB liability calculated using the discount rate of 7.25 percent as of the measurement date, as well as if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage point higher (8.25 percent):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 356,016	$ 301,421	$ 254,715

OPEB Plan Fiduciary Net Position: Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Tabor

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations, which apply to the state of Colorado and all local governments. TABOR required local governments to establish Emergency Reserves. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service).

Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year spending limits will require judicial interpretation.

The Academy believes it has complied with the Amendment. As required, the Academy has established a reserve for emergencies. At June 30, 2024, the reserve of $319,283 was recorded as a restricted net position/fund balance for TABOR.

Claims and Judgments

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government.

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Claims and Judgments (continued)

If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited, but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

NOTE 10 – RISK MANAGEMENT

The Academy is exposed to various risks of loss related to tors; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss, and bills the Academy for its portion of coverage. Settlement claims have not exceeded this coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE
ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	2024				2023
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Local sources					
Per pupil revenue	$ 8,967,000	$ 9,264,575	$ 9,264,575	$ -	$ 8,181,031
Mill levy override	1,609,717	1,747,860	1,759,557	11,697	1,608,416
Charges for services	615,000	620,000	604,951	(15,049)	567,383
Donations	13,500	13,500	12,851	(649)	15,401
Earnings on investments	-	-	77,186	77,186	53,812
Other	72,000	122,000	151,376	29,376	91,658
Federal and state sources					
Grants and capital contributions	384,592	496,826	521,131	24,305	620,716
Total revenues	11,661,809	12,264,761	12,391,627	126,866	11,138,417
Expenditures					
Current:					
Salaries	5,364,000	5,591,600	5,317,652	273,948	4,369,327
Employee benefits	1,528,990	1,546,290	1,558,178	(11,888)	1,496,832
Purchased services	2,029,125	2,025,195	1,918,833	106,362	1,962,921
Supplies and materials	496,000	526,000	376,429	149,571	404,302
Capital outlay	400,000	533,000	532,395	605	8,169
Contingency	100,000	100,000	-	100,000	-
Debt service:					
Principal	480,000	480,000	480,000	-	460,000
Interest	1,097,325	1,097,325	1,097,325	-	1,118,025
Total expenditures	11,495,440	11,899,410	11,280,812	618,598	9,819,576
Net change in fund balances	$ 166,369	$ 365,351	1,110,815	$ 745,464	1,318,841
Fund Balances - Beginning			3,841,553		2,522,712
Fund Balances - Ending			$ 4,952,368		$ 3,841,553

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
School's Proportion of the Net Pension Liability	0.0706%	0.0522%	0.0704%	0.0740%	0.0610%	0.0580%	0.0500%	0.0310%	0.0260%	0.0150%
School's Proportionate Share of the Net Pension Liability	$ 12,483,280	$ 9,502,086	$ 8,188,814	$ 11,194,595	$ 9,088,650	$ 9,807,250	$ 15,897,645	$ 9,376,549	$ 4,037,582	$ 1,984,566
State's Proportionate Share of the Net Pension Liability associated with the School **	273,721	2,769,003	843,448	-	1,152,780	1,341,005	-	-	-	-
Total	$ 12,757,001	$ 12,271,089	$ 9,032,262	$ 11,194,595	$ 10,241,430	$ 11,148,255	$ 15,897,645	$ 9,376,549	$ 4,037,582	$ 1,984,566
School's Covered Payroll	$ 4,831,412	$ 4,384,578	$ 2,113,805	$ 3,064,869	$ 3,552,002	$ 1,785,364	$ 1,288,906	$ 1,026,036	$ 973,201	$ 632,472
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	258.4%	216.7%	387.4%	365.3%	255.9%	549.3%	1,233.4%	913.9%	414.9%	313.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2013 was not available.
** A direct distribution provision to allocate funds from the State of Colorado to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,032,979	$ 940,978	$ 345,534	$ 472,857	$ 734,861	$ 369,665	$ 289,335	$ 201,538	$ 177,604	$ 145,466
Contributions in Relation to the Contractually Required Contribution	1,032,979	940,978	345,534	472,857	734,861	369,665	289,335	201,538	177,604	145,466
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 5,068,590	$ 4,617,164	$ 1,738,099	$ 2,378,553	$ 3,791,854	$ 1,932,385	$ 1,532,496	$ 1,096,509	$ 1,001,715	$ 861,766
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0422%	0.0397%	0.0459%	0.0430%	0.0400%	0.0360%	0.0330%	0.0450%
School's Proportionate Share of the Collective Net OPEB Liability	$ 301,421	$ 323,803	$ 396,179	$ 406,991	$ 446,886	$ 489,814	$ 270,453	$ 363,035
School's Covered Payroll	$ 4,831,412	$ 4,384,578	$ 2,113,805	$ 3,064,869	$ 3,552,002	$ 1,785,364	$ 1,288,906	$ 1,026,036
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll Covered Payroll	6.24%	7.39%	18.74%	13.28%	12.58%	27.43%	20.98%	35.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Information earlier than 2017 was not available.

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 51,700	$ 47,095	$ 17,729	$ 24,261	$ 38,677	$ 19,710	$ 15,631	$ 11,184
Contributions in Relation to the Contractually Required Contribution	51,700	47,095	17,729	24,261	38,677	19,710	15,631	11,184
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 5,068,590	$ 4,617,164	$ 1,738,099	$ 2,378,553	$ 3,791,854	$ 1,932,385	$ 1,532,496	$ 1,096,509
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30 based on the fiscal year end of Addenbrooke Classical Academy. Information earlier than 2017 was not available.