Peak to Peak Charter Schools, Inc.

Financial Report
with Supplementary Information
June 30, 2026

Peak to Peak Charter Schools, Inc.

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Independent Auditor's Report

To the Board of Directors
Peak to Peak Charter Schools, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major funds of Peak to Peak Charter Schools, Inc. (the "School") a component unit of Boulder Valley School District, as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Peak to Peak Charter Schools, Inc.'s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of Peak to Peak Charter Schools, Inc. as of June 30, 2026 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

The basic financial statements of Peak to Peak Charter Schools, Inc. as of and for the year ended June 30, 2025 were audited by other auditors, who expressed an unmodified opinion on the governmental activities and the major funds of Peak to Peak Charter Schools, Inc. and the related notes to the financial statements, which collectively comprise Peak to Peak Charter Schools, Inc.'s basic financial statements on June 30, 2025.

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 the School's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, 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, which 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.

To the Board of Directors
Peak to Peak Charter Schools, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peak to Peak Charter Schools, Inc.'s basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026 on our consideration of Peak to Peak Charter Schools, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Peak to Peak Charter Schools, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peak to Peak Charter Schools, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 14, 2026

This section of the annual financial report for Peak to Peak Charter Schools, Inc. (the "School") presents our discussion and analysis of the School's financial performance during the year ended June 30, 2026. Please read it in conjunction with the School's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Peak to Peak Charter Schools, Inc. financially as a whole. The government-wide financial statements provide information about the activities of the whole School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School's operations in more detail than the government-wide financial statements by providing information about the School's most significant funds, the General Fund; Prairie View, Inc. Fund; Friends of Peak to Peak, Inc. Fund; and Operations and Maintenance Fund, with all other funds presented in one column as the nonmajor fund. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Major Special Revenue Funds

Schedule of the School's Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of the School's Proportionate Share of the Net OPEB Liability

Schedule of OPEB Contributions

Other Supplementary Information

Reporting the School as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School is, "As a whole, what is the School's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School's financial statements, report information on the School as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School's financial health or financial position. Over time, increases or decreases in the School's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School's operating results. However, the School's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School.

The statement of net position and the statement of activities report the governmental activities for the School, which encompass all of the School's services, including instruction and support services. District mill levy, per pupil revenue, and other local revenue finance most of these activities.

Reporting the School's Fund Financial Statements

The School's fund financial statements provide detailed information about the most significant funds, not the School as a whole. Some funds are required to be established by state law and by bond covenants. However, the School establishes many other funds to help it control and manage money for particular purposes (the Food Services Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

The School's major governmental funds include the General Fund, which accounts for the School's primary educational operations, and three special revenue funds. The Prairie View, Inc. Fund accounts for the activities of a nonprofit finance organization established solely to acquire and lease facilities to the School. Because Prairie View, Inc. exclusively benefits the School, it is reported as a blended component unit within the School's governmental fund financial statements. The Friends of Peak to Peak, Inc. Fund accounts for donations received on behalf of the School, while the Operations and Maintenance Fund accounts for resources dedicated to operations and maintenance activities funded through a voter-approved mill levy override. Together, these funds provide information on financial resources that are restricted for specific purposes and not available for general operating expenditures.

Overall Financial Summary

Recall that the statement of net position provides the perspective of the School as a whole. The following table provides a summary of the School's net position as of June 30, 2026 and 2025:

	Governmental Activities	
	2026	2025
	(in millions)	
Assets		
Current and other assets	$ 17.9	$ 16.4
Capital assets	37.5	37.1
Total assets	55.4	53.5
Deferred Outflows of Resources	4.2	7.4
Liabilities		
Current liabilities	1.8	1.5
Noncurrent liabilities	36.1	40.2
Total liabilities	37.9	41.7
Deferred Inflows of Resources	4.7	1.9
Net Position		
Net investment in capital assets	28.1	26.3
Restricted	4.7	5.7
Unrestricted	(15.8)	(14.7)
Total net position	**$ 17.0**	**$ 17.3**

The above analysis focuses on net position. The change in net position of the School's governmental activities is discussed below. The School's net position was $17.0 million at June 30, 2026. Net investment in capital assets, totaling $28.1 million, compares the original cost, less depreciation of the School's capital assets, to long-term debt used to finance the acquisition of those assets. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School's ability to use that net position for day-to-day operations.

The $(15.8) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from GASB Statement Nos. 68 and 75 (recording the School's share of the net pension and OPEB liabilities from the state-managed retirement system). The unrestricted net position balance enables the School to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund and the change in the net pension and OPEB liabilities will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2026 and 2025.

	Governmental Activities	
	2026	2025
	(in millions)	
Revenue		
Program revenue:		
Charges for services	$ 2.4	$ 1.6
Operating grants	1.9	1.7
Capital grants	-	10.0
General revenue:		
Taxes	7.5	6.5
State aid not restricted to specific purposes	16.7	17.0
Other	0.7	1.4
Total revenue	29.2	38.2
Expenses		
Instruction	15.0	13.9
Support services	12.9	12.1
Food services	1.0	-
Interest on long-term debt	0.6	0.7
Total expenses	29.5	26.7
Change in Net Position	(0.3)	11.5
Net Position - Beginning of year	17.3	5.8
Net Position - End of year	**$ 17.0**	**$ 17.3**

As reported in the statement of activities, the cost of all of our governmental activities this year was $29.5 million. Certain activities were partially funded from those who benefited from the programs ($2.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($1.9 million). We paid for the remaining public benefit portion of our governmental activities with $7.5 million in taxes, $16.7 million in state per pupil funding, and other revenue.

The School experienced a decrease in net position of $0.3 million. While the School's regular operations resulted in an increase in net position, the allocation of the School's OPEB and net pension liability caused the observed decrease in net position.

As discussed above, the net cost shows the financial burden that was placed on the State and the School's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the board of directors and administration must annually evaluate the needs of the School and balance those needs with state-prescribed available unrestricted resources.

Financial Summary of Individual Funds

As we noted earlier, the School uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School's overall financial health.

As the School completed this year, the governmental funds reported a combined fund balance of $16.2 million, which is an increase of approximately $1.1 million from last year. This increase was driven primarily by positive operating results in the General Fund and the Friends of Peak to Peak, Inc. Fund, which more than offset the decrease in the Operations and Maintenance Fund. See additional information below:

In the General Fund, our principal operating fund, fund balance increased by approximately $1.2 million to $10.7 million. The increase was primarily attributable to state and local revenue exceeding expenditures, as well as transfers received during the year.

The Prairie View, Inc. Fund increased by approximately $9 thousand to $2.8 million. Current year rental and state revenue was sufficient to fund debt service requirements and transfers, resulting in a relatively stable fund balance position year over year.

The Friends of Peak to Peak, Inc. Fund increased by approximately $221 thousand to $2.09 million. The increase was primarily attributable to strong fundraising and donation activity exceeding current year support service expenditures and transfers to other funds.

The Operations and Maintenance Fund decreased by approximately $400 thousand to $357 thousand. The decrease was primarily attributable to capital improvements, property-related expenditures, and transfers out exceeding current year revenue generated from the mill levy override and related state funding sources.

Significant Capital Asset and Long-term Financing Activity

Capital Assets

As of June 30, 2026, and 2025, the School had $37.5 million and $37.0 million, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This represents a net increase (including additions, disposals, and depreciation) of approximately $0.5 million from 2025 to 2026. During 2026, the School added approximately $1.1 million to construction in progress, primarily related to the completion of Campus Build Out II and planning and preconstruction costs for Campus Expansion Phase 1. Upon completion, approximately $12.8 million of Campus Build Out II costs were transferred from construction in progress to buildings and improvements, leaving approximately $0.4 million in construction in progress at year end for Campus Expansion Phase 1.

Debt

At the end of this year, the School had $10.0 million in bonds outstanding versus $10.9 million in the previous year.

Currently Known Facts, Decisions, or Conditions

The primary aspect driving the School’s budget is the future of the Colorado state budget and related per pupil revenue for K-12 education. For fiscal year 2027, Colorado increased statewide base per pupil funding by $208.60 to $8,900.40, primarily to account for inflation. The School’s actual per pupil revenue for fiscal year 2027 is $11,091. Future per pupil funding will also be affected by enrollment, implementation of the State’s school finance formula, and amounts passed through by Boulder Valley School District. In 2026, the Colorado League of Charter Schools negotiated a hold harmless provision in the implementation of the State's school finance formula adoption, providing a 1 percent growth floor until the formula is fully adopted. Given the uncertainty surrounding future state funding, the School has prepared its five-year budget conservatively and continues to monitor state legislative activity and economic conditions. Management believes this conservative multiyear planning positions the School to address potential changes in enrollment, state funding, and operating costs in the years ahead.

Contacting the School's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office at 800 Merlin Drive, Lafayette, CO 80026.

Peak to Peak Charter Schools, Inc.

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets	
Cash and cash equivalents (Note 4)	$ 13,090,027
Receivables	7,444
Inventory	22,680
Prepaid expenses and other assets	145,924
Restricted assets (Note 4)	2,800,499
Investments (Notes 2 and 5)	1,778,546
Capital assets:	
Assets not subject to depreciation (Note 7)	3,594,387
Assets subject to depreciation - Net (Note 7)	33,919,739
Total assets	55,359,246
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	1,521,523
Deferred pension costs (Note 10)	2,629,610
Deferred OPEB costs (Note 11)	68,416
Total deferred outflows of resources	4,219,549
Liabilities	
Accounts payable	410,588
Accrued liabilities and other	1,180,518
Unearned revenue	238,286
Noncurrent liabilities:	
Due within one year (Note 8)	1,396,081
Due in more than one year:	
Compensated absences (Note 8)	212,641
Net pension liability (Note 10)	23,985,777
Net OPEB liability (Note 11)	265,076
Long-term debt - Net of current portion (Note 8)	10,223,743
Total liabilities	37,912,710
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 10)	4,391,979
Deferred OPEB cost reductions (Note 11)	314,058
Total deferred inflows of resources	4,706,037
Net Position	
Net investment in capital assets	28,063,663
Restricted	4,691,711
Unrestricted	(15,795,326)
Total net position	**$ 16,960,048**

See notes to financial statements.

Peak to Peak Charter Schools, Inc.

Statement of Activities

Year Ended June 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	$ 15,047,688	$ 2,040,596	$ 1,775,826	$ (11,231,266)
Support services	12,877,066	277,498	219,130	(12,380,438)
Food services	959,270	93,393	-	(865,877)
Interest	640,820	-	-	(640,820)
Total primary government	**$ 29,524,844**	**$ 2,411,487**	**$ 1,994,956**	(25,118,401)
General revenue:				
District mill levy				7,450,382
Per pupil revenue				16,660,991
Interest and investment earnings				715,352
Total general revenue				24,826,725
Change in Net Position				(291,676)
Net Position - Beginning of year				17,251,724
Net Position - End of year				**$ 16,960,048**

See notes to financial statements.

Peak to Peak Charter Schools, Inc.

Balance Sheet

June 30, 2026

	General Fund	Prairie View, Inc. Fund	Friends of Peak to Peak, Inc. Fund	Operations and Maintenance Fund	Nonmajor Fund	Total Governmental Funds
Assets						
Cash and cash equivalents (Note 4)	$ 11,834,948	$ -	$ 303,097	$ 680,322	$ 271,660	$ 13,090,027
Receivables	7,444	-	-	-	-	7,444
Inventory	-	-	-	-	22,680	22,680
Prepaid expenses and other assets	95,969	-	-	49,955	-	145,924
Restricted assets (Note 4)	-	2,790,556	9,943	-	-	2,800,499
Investments	-	-	1,778,546	-	-	1,778,546
Total assets	**$ 11,938,361**	**$ 2,790,556**	**$ 2,091,586**	**$ 730,277**	**$ 294,340**	**$ 17,845,120**
Liabilities						
Accounts payable	$ 39,429	$ -	$ 2,462	$ 366,841	$ 1,856	$ 410,588
Accrued liabilities and other	985,962	-	-	6,242	345	992,549
Unearned revenue	238,286	-	-	-	-	238,286
Total liabilities	1,263,677	-	2,462	373,083	2,201	1,641,423
Fund Balances						
Nonspendable	95,969	-	-	49,955	22,680	168,604
Restricted:						
Debt service	-	2,790,556	-	244,356	-	3,034,912
Scholarships (Notes 2 and 5)	-	-	1,778,546	-	-	1,778,546
Capital campaign	-	-	110,250	-	-	110,250
Friends of Peak to Peak, Inc.	-	-	39,828	-	-	39,828
Food service	-	-	-	-	246,360	246,360
TABOR (Note 14)	743,824	-	-	62,883	23,099	829,806
Committed:						
Friends of Peak to Peak, Inc. scholarships	-	-	160,500	-	-	160,500
Construction commitments (Note 7)	673,750	-	-	-	-	673,750
Unassigned	9,161,141	-	-	-	-	9,161,141
Total fund balances	10,674,684	2,790,556	2,089,124	357,194	292,139	16,203,697
Total liabilities and fund balances	**$ 11,938,361**	**$ 2,790,556**	**$ 2,091,586**	**$ 730,277**	**$ 294,340**	**$ 17,845,120**

See notes to financial statements.

Peak to Peak Charter Schools, Inc.

Reconciliation of the Balance Sheet to the Statement of Net Position

	June 30, 2026
Fund Balances Reported in Governmental Funds	$ 16,203,697
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (including right-to-use assets) are not financial resources and are not reported in the funds:	
Cost of capital assets (including right-to-use assets)	53,020,808
Accumulated depreciation	(15,506,682)
Net capital assets (including right-to-use assets) used in governmental activities	37,514,126
Deferred inflows and outflows related to bond refundings are not reported in the funds	1,521,523
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(11,329,180)
Accrued interest is not due and payable in the current period and is not reported in the funds	(187,969)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(503,285)
Net pension liability and related deferred inflows and outflows	(25,748,146)
Retiree health care benefits	(510,718)
Net Position of Governmental Activities	**$ 16,960,048**

See notes to financial statements.

Peak to Peak Charter Schools, Inc.

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2026

	General Fund	Prairie View, Inc. Fund	Friends of Peak to Peak, Inc. Fund	Operations and Maintenance Fund	Nonmajor Fund	Total Governmental Funds
Revenue						
Local sources	$ 7,533,532	$ 89,308	$ 888,129	$ 2,070,261	$ 93,617	$ 10,674,847
State sources	17,499,368	1,416,125	-	25,825	676,322	19,617,640
Federal sources	-	-	-	-	265,935	265,935
Total revenue	25,032,900	1,505,433	888,129	2,096,086	1,035,874	30,558,422
Expenditures						
Current:						
Instruction	13,362,174	-	-	87,810	-	13,449,984
Support services	10,514,545	-	264,053	1,597,886	-	12,376,484
Food services	-	-	-	-	959,270	959,270
Debt service:						
Principal (Note 8)	169,680	870,000	-	-	-	1,039,680
Interest	7,902	523,000	-	-	-	530,902
Capital outlay	491,273	-	1,002	580,006	6,759	1,079,040
Total expenditures	24,545,574	1,393,000	265,055	2,265,702	966,029	29,435,360
Excess of Revenue Over (Under) Expenditures	487,326	112,433	623,074	(169,616)	69,845	1,123,062
Other Financing Sources (Uses)						
Transfers in	705,978	-	-	-	5,000	710,978
Transfers out	(5,000)	(103,681)	(402,297)	(200,000)	-	(710,978)
Total other financing sources (uses)	700,978	(103,681)	(402,297)	(200,000)	5,000	-
Net Change in Fund Balances	1,188,304	8,752	220,777	(369,616)	74,845	1,123,062
Fund Balances - Beginning of year	9,486,380	2,781,804	1,868,347	726,810	217,294	15,080,635
Fund Balances - End of year	**$ 10,674,684**	**$ 2,790,556**	**$ 2,089,124**	**$ 357,194**	**$ 292,139**	**$ 16,203,697**

See notes to financial statements.

Peak to Peak Charter Schools, Inc.

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2026

Net Change in Fund Balances Reported in Governmental Funds	$	1,123,062
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capitalized capital outlay		1,832,674
Depreciation expense		(1,362,327)
Repayment of bond principal and lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt and lease); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds		913,448
Interest expense is recognized in the government-wide statements as it accrues		16,312
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		(2,814,845)
Change in Net Position of Governmental Activities	**$**	**(291,676)**

Note 1 - Nature of Business

The accounting policies of Peak to Peak Charter Schools, Inc. (the "School") is a charter school in the state of Colorado that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School:

Reporting Entity

The School was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Boulder Valley School District RE-2 (the "District"). The School began operations in 2000.

The School operates under a charter granted by the District, which is scheduled to be renegotiated in June 2030. Per pupil revenue is received through the District. The School has been determined to be a component unit of the District.

Blended Component Units

The financial statements present the School and two nonprofit organizations considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the School's operations. Prairie View, Inc. and Friends of Peak to Peak, Inc. (the "Foundation") meet the requirements for blending.

Prairie View, Inc. was established for the purpose of financing and constructing the school facilities and to accumulate resources from the collection of rents from the School to make payments for Prairie View, Inc.'s capital and debt service costs.

The Foundation was established to aid in development of the School and is responsible for raising funds to be used for the expansion of the School and its educational objectives.

The blended component units do not issue separate financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

Note 2 - Significant Accounting Policies (Continued)

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Accounting

The School accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School to show the particular expenditures for which specific revenue is used. The various funds are aggregated into one broad fund type:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The School reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- Prairie View, Inc. Fund is used for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for Prairie View, Inc. Revenue is derived from the rental income provided by the General Fund to the Prairie View, Inc. Fund.
- The Friends of Peak to Peak, Inc. Fund is reported as a special revenue fund and accounts for donations and related expenditures supporting the School's programs and operations. Certain donations designated for scholarships are transferred to Colorado Gives Foundation for pooled investment. The School establishes scholarship eligibility criteria, approves recipients, and records the related activity in the fund.

  The Colorado Gives investment is reported at fair value based on the year-end assigned-unit valuation. Related investment earnings, changes in fair value, fees, donations, distributions, and scholarship expenditures are recognized in the fund. Fund balance is classified based on the designated purposes and applicable constraints of the donations.

- Operations and Maintenance Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School reports a special revenue fund for the School's operations and maintenance activities related to a mill levy override, as allowed by Colorado House Bill 16-1354 (HB-1354).

Additionally, the School reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School reports a special revenue fund for the School's food service activity.

Note 2 - Significant Accounting Policies (Continued)

Interfund Activity

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

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value, amortized cost, or net asset value (NAV), as applicable. Short-term investments are reported at cost, which approximates fair value.

Restricted Assets

The following amounts are reported as restricted assets:

- Resources that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments
- Resources that are imposed by law through constitutional provisions or enabling legislation

Capital Assets

Capital assets, which include land, buildings, building improvements, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 2 - Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Land improvements	10 to 20
Buildings and improvements	8 to 50
Furniture and equipment	5 to 20
Leases	Life of lease

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and Operations and Maintenance Fund are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

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

The School reports deferred outflows related to deferred pension, OPEB costs, and loss on bond refunding.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School reports deferred inflows related to deferred pension and OPEB cost reductions.

Net Position

Net position of the School is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 2 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The School will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School has, by resolution, authorized the executive director to assign fund balance. The board of directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Endowments

Endowments are provided to the School on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or corpus of the endowment be retained in perpetuity. If a donor has not provided specific instructions, Colorado state law permits the School's board of directors to authorize for expenditure the net appreciation of the investments of endowment funds, as discussed in Note 5.

Grants and Contributions

The School receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as noncapital subsidies revenue. Amounts restricted to capital acquisitions are reported as other nonoperating revenue.

Pension

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

Note 2 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Changes

Adoption of New Accounting Pronouncements

During the current year, the School adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The implementation of this standard established new accounting and financial reporting requirements or modified existing requirements related to management's discussion and analysis, the classification/presentation of unusual or infrequent items, major component unit presentation, and the budgetary comparison schedules reported as required supplementary information.

During the current year, the School adopted GASB Standard No. 104, *Disclosure of Certain Capital Assets*, which requires expanded disclosures of certain types of capital assets by major category and assets held for sale by the School.

The implementation of these standards did not result in a change to the School’s total net position or fund balances.

Upcoming Accounting Pronouncement

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the School's financial statements for the year ending June 30, 2027.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 14, 2026, which is the date the financial statements were available to be issued.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for funds. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Colorado law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School increased budgeted amounts during the year to pursue the development of a new middle school in fiscal year 2027. The School's board of directors authorized preliminary work to be completed on this project to evaluate if it is in the best interest of the School. The work includes, but is not limited to, architectural plans, demographic analysis, and fundraising feasibility studies.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures Over Appropriations in Budgeted Funds

The General Fund final budget compared to actual had changes for the following line item. Support services expenditures exceeded budget by approximately $1.35 million, primarily due to costs that were either not anticipated during budget development or were reclassified into other functions during the year. The biggest impact of this was $1.2 million in budgeted debt payments being reclassified to lease payments under support services. As a result, debt service expenditures were approximately $1.25 million below budget as well.

Note 4 - Cash and Investments

Deposits and investments are reported in the financial statements as follows:

Cash and cash equivalents	$ 13,090,027
Restricted cash and investments	2,790,556
Total deposits and investments	$ 15,880,583

Colorado state statutes govern the School’s deposits of cash. The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. The PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligation of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102 percent of the uninsured deposits.

Note 4 - Cash and Investments (Continued)

Investment policies are governed by Colorado state statutes and the School's own investment policies and procedures. Investments of the School may include the following:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The School holds shares or interests in government pooled investment funds where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment fund as a practical expedient. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy established by generally accepted accounting principles.

At June 30, 2026, the School had investments of approximately $10.5 million in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission 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. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard & Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2026, the School invested approximately $1.7 million in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado CORE, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all state statutes governing CSAFE. CSAFE operates similarly to a money market fund, and each share is equal in value to $2.00. CSAFE is rated AAAf/S1 by Fitch and is valued at fair value basis. CSAFE records investments at fair value, and the School records investments in CSAFE at net asset value. There are no unfunded commitments, the redemption frequency is daily, and there is a one-day redemption notice period.

At June 30, 2026, the School held investments in the First American Government Obligations Fund D Class totaling approximately $1.1 million. The Fund is a government money market mutual fund that invests primarily in direct obligations of the U.S. Treasury, obligations issued or guaranteed by U.S. government agencies and instrumentalities, and repurchase agreements collateralized by such obligations. The fund is rated AAAm by S&P Global Ratings, which is the highest rating assigned to money market funds.

Note 4 - Cash and Investments (Continued)

The School's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned to it. At June 30, 2026, the School's cash held by the District includes equity in pooled cash maintained by the District, all of which was covered by federal depository insurance or collateralized under PDPA.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment policies are governed by Colorado state statutes and the School's own investment policies and procedures. The School does not have a policy for custodial credit risk. At June 30, 2026, the School does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Colorado Revised Statutes generally limit maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increased interest rates. At June 30, 2026, the School does not have investments subject to significant interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. State law has various restrictions on a majority of allowable investments and money markets related to ratings by a nationally recognized statistical rating organization. The School's investment policy does not further limit its investment choices. As of June 30, 2026, the School's investments were rated AAAm by Standards & Poor's and AAfmmf by Fitch.

Concentration of Credit Risk

The School places no limit on the amount it may invest in any one issuer. The School does not have any investments subject to concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School's investment policy prohibit investments in foreign currency.

Note 5 - Fair Value Measurements

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 5 - Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The School has an investment account administered by Colorado Gives Foundation for the benefit of the School. Colorado Gives Foundation pools the underlying investments with other funds and separately tracks the School's investment through assigned units. The investment and related activity are reported in the Friends of Peak to Peak, Inc. special revenue fund.

At June 30, 2026, the investment totaled $1,778,546. The investment is measured at net asset value per share, or its equivalent, as a practical expedient to estimate fair value. Accordingly, the investment is not classified within Level 1, Level 2, or Level 3 of the fair value hierarchy.

Colorado Gives Foundation's spending policy provides for an annual distribution equal to 4% of the total fund value. During the year, the School received distributions of $58,688, which were reported in the Friends of Peak to Peak, Inc. special revenue fund. The School may also request a one-time extraordinary distribution that supports the School's mission, subject to approval by both the School's Board of Directors and Colorado Gives Foundation's Board of Directors. No extraordinary distributions were received during the year, and the School had no unfunded commitments related to the investment at June 30, 2026.

Note 6 - Transfers

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor fund	$ 5,000
Prairie View, Inc. Fund	General Fund	103,681
Operations and Maintenance Fund	General Fund	200,000
Friends of Peak to Peak, Inc. Fund	General Fund	402,297
	Total	$ 710,978

Transfers for the current year include lunch duty transfers (General Fund to Food Services Fund), excess interest from bond holdings (Prairie View, Inc. Fund to General Fund), information technology cost sharing between the Operations and Maintenance Fund and the General Fund, and donations received by Friends of Peak to Peak, Inc. Fund that have been released to the General Fund.

Note 7 - Capital Assets

Capital asset activity of the School's governmental activities was as follows:

Governmental Activities

	Balance July 1, 2025	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2026
Capital assets not being depreciated:					
Land	$ 2,787,984	$ -	$ 377,342	$ -	$ 3,165,326
Construction in progress	12,157,230	(12,828,147)	1,099,978	-	429,061
Total capital assets not being depreciated	14,945,214	(12,828,147)	1,477,320	-	3,594,387
Capital assets being depreciated:					
Buildings and improvements	29,069,197	12,828,147	-	-	41,897,344
Furniture and equipment	1,158,946	-	355,354	-	1,514,300
Land improvements	4,728,775	-	-	-	4,728,775
Lease assets	1,286,002	-	-	-	1,286,002
Subscription assets	69,716	-	-	(69,716)	-
Total capital assets being depreciated	36,312,636	12,828,147	355,354	(69,716)	49,426,421
Accumulated depreciation:					
Buildings and improvements	10,499,044	-	443,809	-	10,942,853
Furniture and equipment	468,197	-	101,046	-	569,243
Land improvements	2,801,676	-	675,876	-	3,477,552
Accumulated amortization - Lease assets	379,310	-	137,724	-	517,034
Accumulated amortortization - Subscription assets	65,844	-	3,872	(69,716)	-
Total accumulated depreciation	14,214,071	-	1,362,327	(69,716)	15,506,682
Net capital assets being depreciated	22,098,565	12,828,147	(1,006,973)	-	33,919,739
Net governmental activities capital assets	$ 37,043,779	$ -	$ 470,347	$ -	$ 37,514,126

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	$ 722,033
Support services	640,294
Total governmental activities	$ 1,362,327

During the year, the School received approximately $900 thousand of contributed capital assets from the District, related to the renovation of the School's building, included in capital assets being depreciated as of June 30, 2026.

Construction Commitments

The School has active construction projects at year end. The projects had capital commitments of $673,750.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2026 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Direct borrowings and direct placements	$ 10,895,000	$ -	$ (870,000)	$ 10,025,000	$ 915,000
Unamortized bond premiums	575,638	-	(63,960)	511,678	63,960
Total bonds payable	11,470,638	-	(933,960)	10,536,678	978,960
Leases	962,182	-	(169,682)	792,500	126,475
Compensated absences	390,675	315,410	(202,798)	503,287	290,646
Total governmental activities long-term debt	$ 12,823,495	$ 315,410	$ (1,306,440)	$ 11,832,465	$ 1,396,081

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds obligations are as follows:

	Governmental Activities		
	Direct Borrowings and Direct Placements		
Years Ending June 30	Principal	Interest	Total
2027	$ 915,000	$ 478,375	$ 1,393,375
2028	960,000	431,500	1,391,500
2029	1,010,000	382,250	1,392,250
2030	1,060,000	330,500	1,390,500
2031	1,115,000	276,125	1,391,125
2032-2034	4,965,000	506,375	5,471,375
Total	$ 10,025,000	$ 2,405,125	$ 12,430,125

Note 9 - Intraentity Lease

The School leases its building from Prairie View, Inc. The lease requires monthly payments, which approximate Prairie View, Inc's required payments on the long-term debt. Rent expenditure was $1,415,167 for the year ended June 30, 2026 and is included in the support services expenditures.

The future minimum lease payment schedule is as follows:

Years Ending	Principal
2027	$ 1,415,167
2028	1,415,167
2029	1,415,167
2030	1,415,167
2031	1,415,167
2032-2034	5,660,668
Total	$ 12,736,503

Note 10 - Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

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

Benefits Provided as of December 31, 2025

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

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

- Highest average salary multiplied by 2.5 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 annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

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

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by the 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 5 years of service credit has been obtained, and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive postretirement 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 percent unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of the 1.00 percent 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 percent of PERA's annual increase reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Note 10 - Defined Benefit Pension Plan (Continued)

Disability benefits are available for eligible employees once they reach 5 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 formulas 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, 2026

Eligible employees of the School are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00 percent of their PERA-includable salary during the period of July 1, 2025 through June 30, 2026. Employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $2,138,444 for the year ended June 30, 2026.

For the purpose of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute $225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. Effective July 1, 2025, and prior to July 1, 2030, HB-25-1105 excludes the Denver Public Schools (DPS) Division from receiving a portion of the annual direct distribution.

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

The net pension liability for the SCHDTF was measured as of December 31, 2025, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll forward the TPL to December 31, 2025.

The School's proportion of the net pension liability was based on the School's contributions to the SCHDTF for the calendar year 2025 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Note 10 - Defined Benefit Pension Plan (Continued)

At June 30, 2026, the School reported a liability of $23,985,777 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 School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	$ 23,985,777
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	2,254,111
Total	$ 26,239,888

At December 31, 2025, the School's proportion was 0.15380 percent, which was a decrease of 0.00202 percent (1.3 percent change) from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the School recognized pension expense of $4,152,382 and revenue of $238,774 for support from the State as a nonemployer contributing entity. At June 30, 2026, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,443,575	$ 2,877,398
Changes in assumptions or other inputs	117,747	-
Net difference between projected and actual earnings on pension plan investments	-	1,514,581
Changes in proportion and differences between contributions recognized and proportionate share of contributions	535,599	-
Contributions subsequent to the measurement date	532,689	-
Total	$ 2,629,610	$ 4,391,979

The $532,689 reported at the School 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 ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2027	$ 1,467,612
2028	(1,560,506)
2029	(1,432,709)
2030	(769,454)

Note 10 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The December 31, 2024 actuarial valuation was determined using the following actuarial cost method, key actuarial assumptions, and other inputs:

Actuarial cost method	
Price inflation	2.3%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases - Including wage inflation	4.00%-13.40%
Long-term investment rate of return - Net of pension plan investment expenses - Including price inflation	7.25%
Discount rate	7.25%
Postretirement 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*	Financed by AIR

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

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 scale:

	Mortality Table	Adjustments, as Applicable
Preretirement	PubT-2010 Employee	N/A
Postretirement (retiree) - Nondisabled	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/115% of the rates age 85 and older
Postretirement (beneficiary) - Nondisabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions used in the December 31, 2024 valuation were based on the 2024 experience analysis, dated January 3, 2025, for the period from January 1, 2020 through December 31, 2023. Revised economic and demographic assumptions were adopted by the PERA board on January 17, 2025.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the 2024 experience study report dated January 3, 2025.

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

Note 10 - 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 PERA board reaffirmed the assumed rate of return at its November 15, 2019 meeting and again at its September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, reflecting the prior increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at current fixed statutory rates specified in law for each year, reflecting the prior increases in SB 18-200, 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 percent, at which point the AED and SAED will each drop by 0.50 percent 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.

Note 10 - Defined Benefit Pension Plan (Continued)

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing on July 1, 2018, that is proportioned between the State, School, Judicial, and Denver Public Schools Division Trust Funds based upon the covered payroll of each division. Effective July 1, 2025, and prior to July 1, 2030, HB-25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, because, per statute, AIR amounts cannot be used to pay benefits until they are transferred out of the AIR to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the AIR and the related benefit payments were included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current plan members and was not projected to reach a depletion date. 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 TPL. 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.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, 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 percent) or one percentage point higher (8.25 percent) than the current rate:

	1 Percent Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percent Increase (8.25%)
Proportionate share of the net pension liability	$ 33,933,082	$ 23,985,777	$ 15,656,152

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's FNP is available in PERA's ACFR, which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Note 11 - Defined Benefit Other Postemployment Benefits Plan

General Information about the OPEB Plan

Plan Description

Eligible employees of the School are provided with OPEB through the HCTF, a cost-sharing, multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes, as amended, and sets forth a framework that grants authority to the PERA board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado state law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools 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. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B, and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

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

Contributions

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF by 0.50 percent, from 1.2 percent to 0.52 percent of member salaries for the State, School, Local Government, and Judicial Divisions.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from School were $107,027 for the year ended June 30, 2026.

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

At June 30, 2026, the School reported a liability of $265,076 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2025, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2025. Standard update procedures were used to roll forward the TOL to December 31, 2025. The School's proportion of the net OPEB liability was based on School's contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

At December 31, 2025, the School's proportion was 0.09838 percent, which was a decrease of 0.00139 percent (1.39 percent change) from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the School recognized OPEB revenue of $129,284. At June 30, 2026, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 107,255
Changes in assumptions or other inputs	2,910	128,669
Net difference between projected and actual earnings on pension plan investments	-	42,336
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,994	35,798
Contributions subsequent to the measurement date	59,512	-
Total	$ 68,416	$ 314,058

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

The $59,512 within the School reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2027	$ (62,703)
2028	(84,636)
2029	(66,713)
2030	(50,744)
2031	(27,097)
Thereafter	(13,261)

Actuarial Assumptions

The TOL in the December 31, 2024 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Government Division
Actuarial cost method	
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases - Including wage inflation - Members other than safety officers	3.20%-11.30%
Long-term investment rate of return - Net of OPEB investment expenses - Including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates PERA benefit structure:	
Service-based premium subsidy	0.00
PERACare Medicare plans (1)	8.00% in 2025, then gradually decreasing to 4.50% in 2035
Medicare Part A premiums	3.50% in 2025, then gradually increasing to 4.50% in 2033

Each year, the per capita health care costs are developed by plan option. As of the December 31, 2024 actuarial valuation, costs are based on 2025 premium rates for UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. MAPD premium costs are not age graded, an allowed exception under Section 3.7.7 (c) of Actuarial Standard of Practice No. 6.

	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	$ 4,188	$ 8,928
MAPD PPO #2	2,028	5,508
MAPD HMO (Kaiser)	2,040	7,596

The 2025 Medicare Part A premium is $518 (actual dollars) per month.

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

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

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

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

PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

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

Years	PERACare Medicare Plans	Medicare Part A Premiums
2025	8.00 %	3.75 %
2026	7.65	3.75
2027	7.30	4.00
2028	6.95	4.00
2029	6.60	4.25
2030	6.25	4.25
2031	5.90	4.25
2032	5.55	4.25
2033	5.20	4.25
2034	4.85	4.50
2035+	4.50	4.50

Mortality assumptions used in the December 31, 2024 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 scale.

Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Preretirement	Mortality Table	Adjustments, as Applicable
State and local government divisions (members other than safety officers)	PubG-2010 Employee	N/A
Safety officers	PubS-2010 Employee	N/A
School division	PubT-2010 Employee	N/A
Judicial division	PubG-2010(A) Above-Median Employee	N/A

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Postretirement (Retiree) - Nondisabled	Mortality Table	Adjustments, as Applicable
State and local government divisions (members other than safety officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates prior to age 80/85% of the rates age 80 and older Females: 85% of the rates prior to age 80/105% of the rates age 80 and older
Safety officers	PubS-2010 Healthy Retiree	N/A
School division	PubT-2010 Healthy Retiree	Males: 106% of the rates prior to age 80/86% of the rates age 80 and older Females: 83% of the rates prior to age 80/115% of the rates age 80 and older
Judicial division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Postretirement (Beneficiary) - Nondisabled	Mortality Table	Adjustments, as Applicable
All beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than safety officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety officers	PubS-2010 Disabled Retiree	N/A

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

- Per capita health care costs in effect as of the December 31, 2024 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2025 plan year.
- 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.

The actuarial assumptions used in the December 31, 2024 valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period from January 1, 2020 through December 31, 2023. Revised economic and demographic assumptions were adopted by the board on January 17, 2025.

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

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

Note 11 - Defined Benefit Other Postemployment Benefits 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 its November 15, 2019 meeting and again at the board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

The PERA board first adopted the 7.25 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	51.00 %	5.00 %
Fixed income	23.00	2.60
Private equity	10.00	7.60
Real estate	10.00	4.10
Alternatives	6.00	5.20
Total	100.00 %	

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

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Sensitivity of the School'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 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease in Trend Rates	Current Trend Rates	1 Percentage Point Increase in Trend Rates
Initial PERACare Medicare trend rate	6.65%	7.65%	8.65%
Ultimate PERACare Medicare trend rate	3.50	4.50	5.50
Initial Medicare Part A trend rate	2.75	3.75	4.75
Ultimate Medicare Part A trend rate	3.50	4.50	5.50
Net OPEB liability	$254,057	$265,076	$277,549

(1) For the January 1, 2026 plan year

Discount Rate

The discount rate used to measure the TOL was 7.25 percent. The projection of cash flows used to determine the discount rate was a valuation performed as of December 31, 2024 and the financial status of the HCTF as of the current measurement date (December 31, 2025). 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, 2025 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. The current employer contribution rate for the HCTF is 1.02 percent of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF by 0.50 percent, from 1.02 percent to 0.52 percent of member salaries for the State, School, Local Government, and Judicial Divisions.
- 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.

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

Note 11 - Defined Benefit Other Postemployment Benefits Plan (Continued)

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1 Percentage Point Decrease (6.25 percent)	Current Discount Rate (7.25 percent)	1 Percentage Point Increase (8.25 percent)
Proportionate share of the net OPEB liability	$ 364,956	$ 265,076	$ 178,391

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's FNP is available in PERA's ACFR, which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Note 12 - Contingent Liabilities

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government.

Note 13 - Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School participates in risk management programs for workers' compensation claims, liability, and property coverage. Settled claims have not exceeded coverage for the past three years.

Note 14 - Constitutional TABOR Amendment

In November 1992, Colorado voters passed an amendment (the "Amendment" or TABOR) to the State Constitution (Article X, Section 20), which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balance). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multiyear debt.

Revenue earned in excess of the spending limit must be refunded or approved to be retained by the School under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. An emergency, as defined by the Amendment, excludes economic conditions, revenue shortfalls, or salary and fringe benefit increases. These reserves are required to be 3 percent or more of fiscal year spending (excluding bonded debt service). The School has restricted $829,806 for this purpose. The TABOR amendment is subject to many interpretations, but the School believes it is in compliance.

Required Supplementary Information

Peak to Peak Charter Schools, Inc.

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Local sources	$ 2,041,759	$ 2,041,759	$ -	$ 7,533,532	$ 5,491,773
State sources	22,767,301	22,847,976	80,675	17,499,368	(5,348,608)
Total revenue	24,809,060	24,889,735	80,675	25,032,900	143,165
Expenditures					
Current:					
Instruction	13,709,292	13,559,179	(150,113)	13,362,174	(197,005)
Support services	9,397,981	9,168,769	(229,212)	10,514,545	1,345,776
Debt service	1,427,626	1,427,626	-	177,582	(1,250,044)
Capital outlay	-	370,000	370,000	491,273	121,273
Total expenditures	24,534,899	24,525,574	(9,325)	24,545,574	20,000
Excess of Revenue Over Expenditures	274,161	364,161	90,000	487,326	123,165
Other Financing Sources (Uses)					
Transfers in	-	349,850	349,850	705,978	356,128
Transfers out	-	-	-	(5,000)	(5,000)
Total	-	349,850	349,850	700,978	351,128
Net Change in Fund Balance	274,161	714,011	439,850	1,188,304	474,293
Fund Balance - Beginning of year	9,486,380	9,486,380	-	9,486,380	-
Fund Balance - End of year	**$ 9,760,541**	**$ 10,200,391**	**$ 439,850**	**$ 10,674,684**	**$ 474,293**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds
Friends of Peak to Peak, Inc. Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over Final Budget	Actual	Variance with Final Budget - Under Actual Amounts
Revenue - Local sources	$ 605,900	$ 1,105,900	$ 500,000	$ 888,129	$ (217,771)
Expenditures - Other support services	199,952	289,952	90,000	265,055	(24,897)
Excess of Revenue Over Expenditures	405,948	815,948	410,000	623,074	(192,874)
Other Financing Uses - Transfer out	(362,850)	(349,850)	13,000	(402,297)	(52,447)
Net Change in Fund Balance	43,098	466,098	423,000	220,777	(245,321)
Fund Balance - Beginning of year	1,868,347	1,868,347	-	1,868,347	-
Fund Balance - End of year	**$ 1,911,445**	**$ 2,334,445**	**$ 423,000**	**$ 2,089,124**	**$ (245,321)**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Operations and Maintenance Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over (Under) Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Intermediate sources	$ 1,947,817	$ 2,057,400	$ 109,583	$ 2,070,261	$ 12,861
State sources	-	25,825	25,825	25,825	-
Total revenue	1,947,817	2,083,225	135,408	2,096,086	12,861
Expenditures					
Instruction	183,298	184,992	1,694	87,810	(97,182)
Operations and technology	1,439,970	1,601,998	162,028	1,483,044	(118,954)
Property	91,450	692,717	601,267	694,848	2,131
Total expenditures	1,714,718	2,479,707	764,989	2,265,702	(214,005)
Excess of Revenue Over (Under) Expenditures	233,099	(396,482)	(629,581)	(169,616)	226,866
Other Financing Uses - Transfer out	(200,000)	(200,000)	-	(200,000)	-
Net Change in Fund Balance	33,099	(596,482)	(629,581)	(369,616)	226,866
Fund Balance - Beginning of year	726,810	726,810	-	726,810	-
Fund Balance - End of year	**$ 759,909**	**$ 130,328**	**$ (629,581)**	**$ 357,194**	**$ 226,866**

See notes to required supplementary information.

Peak to Peak Charter Schools, Inc.

Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association

Last Ten Plan Years
For the Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability	0.15380 %	0.15582 %	0.16821 %	0.13352 %	0.15031 %	0.16577 %	0.14133 %	0.14476 %	0.16146 %	0.15692 %
School's proportionate share of the net pension liability	$ 23,985,777	$ 26,886,868	$ 29,745,749	$ 24,312,673	$ 17,492,526	$ 25,060,598	$ 21,114,738	$ 25,632,127	$ 52,210,331	$ 46,721,084
State's proportionate share of the net pension liability associated with the School**	2,254,111	2,414,867	652,236	7,084,957	2,005,295	-	2,678,135	3,504,838	-	-
Total	**$ 26,239,888**	**$ 29,301,735**	**$ 30,397,985**	**$ 31,397,630**	**$ 19,497,821**	**$ 25,060,598**	**$ 23,792,873**	**$ 29,136,995**	**$ 52,210,331**	**$ 46,721,084**
School's covered payroll	$ 10,492,856	$ 12,043,086	$ 11,120,371	$ 10,301,512	$ 9,394,116	$ 8,863,499	$ 8,304,758	$ 7,958,049	$ 7,523,556	$ 7,042,730
School's proportionate share of the net pension liability as a percentage of its covered payroll	228.64 %	223.26 %	267.49 %	236.01 %	186.21 %	282.74 %	254.25 %	322.09 %	693.96 %	663.39 %
Plan fiduciary net position as a percentage of total pension liability	71.71 %	67.17 %	64.74 %	61.79 %	74.86 %	66.99 %	64.52 %	57.01 %	43.96 %	43.10 %

**A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

See notes to required supplementary information.

Peak to Peak Charter Schools, Inc.

Required Supplementary Information
Schedule of Pension Contributions
Colorado Public Employees' Retirement Association

Last Ten Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 2,138,444	$ 2,467,971	$ 2,406,960	$ 2,129,323	$ 1,997,627	$ 1,807,640	$ 1,661,191	$ 1,556,140	$ 1,465,859	$ 1,343,137
Contributions in relation to the statutorily required contribution	2,138,444	2,467,971	2,406,960	2,129,323	1,997,627	1,807,640	1,661,191	1,556,140	1,465,859	1,343,137
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School's Covered Payroll	$ 10,492,856	$ 12,109,768	$ 11,810,402	$ 10,448,103	$ 10,048,427	$ 9,092,756	$ 8,571,676	$ 8,134,555	$ 7,763,266	$ 7,294,252
Contributions as a Percentage of Covered Payroll	20.38 %	20.38 %	20.38 %	20.38 %	19.88 %	19.88 %	19.38 %	19.13 %	18.88 %	18.41 %

See notes to required supplementary information.

Peak to Peak Charter Schools, Inc.

Required Supplementary Information
Schedule of the School's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association

Last Nine Plan Years
For the Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School's proportion of the net OPEB liability	0.09838 %	0.09977 %	0.10063 %	0.10152 %	0.09814 %	0.09585 %	0.09236 %	0.09409 %	0.09155 %
School's proportionate share of the net OPEB liability	$ 265,076	$ 477,049	$ 718,240	$ 828,859	$ 846,295	$ 910,771	$ 1,038,141	$ 1,280,169	$ 1,189,758
School's covered-employee payroll	$ 10,492,856	$ 12,043,086	$ 11,120,371	$ 10,301,512	$ 9,394,116	$ 8,863,499	$ 8,304,758	$ 7,958,049	$ 7,523,556
School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	2.53 %	3.96 %	6.46 %	8.05 %	9.01 %	10.28 %	12.50 %	16.09 %	15.81 %
Plan fiduciary net position as a percentage of total OPEB liability	76.07 %	59.83 %	46.16 %	38.57 %	39.40 %	32.78 %	24.49 %	17.03 %	17.53 %

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

Peak to Peak Charter Schools, Inc.

Required Supplementary Information
Schedule of OPEB Contributions
Colorado Public Employees' Retirement Association

Last Ten Fiscal Years
Years Ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 107,027	$ 123,520	$ 120,466	$ 106,571	$ 102,494	$ 92,746	$ 87,431	$ 82,972	$ 79,185	$ 74,401	$ 70,180
Contributions in relation to the statutorily required contribution	107,027	123,520	120,466	106,571	102,494	92,746	87,431	82,972	79,185	74,401	70,180
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School's Covered-employee Payroll	$ 10,492,856	$ 12,109,768	$ 11,810,402	$ 10,448,103	$ 10,048,427	$ 9,092,756	$ 8,571,676	$ 8,134,555	$ 7,763,266	$ 7,294,252	$ 6,872,086
Contributions as a Percentage of Covered-employee Payroll	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %	1.02 %

See notes to required supplementary information.

Budgetary Information

In the General Fund, support services expenditures exceeded the final budget by approximately $1.35 million, primarily due to costs that were either not anticipated during budget development or were reclassified into other functions during the year. Debt service expenditures were approximately $1.25 million below the final budget, as certain debt-related payments budgeted for the year were either reduced or reported in other expenditure classifications. General Fund revenue also varied significantly from the final budget by source. Local source revenue was higher than budget primarily because the current year presentation separately reported district mill levy override revenue, and the District saw an increase in special education act revenue, while state source revenue was lower than budget primarily because certain amounts expected to be reported as state per pupil revenue were instead reported as local revenue (mill revenue). These revenue source variances were largely offsetting and did not represent a comparable unfavorable variance in total General Fund resources.

The Friends of Peak to Peak, Inc. Fund had a variance in revenue of approximately $218 thousand due to overestimating received donations vs. pledged donations for the first phase of the School's capital campaign that began in fiscal year 2026. As a result, the Friends of Peak to Peak, Inc. Fund was required to maintain less restricted funds, allowing for a larger transfer to the General Fund at the end of the year. The net impact resulted in the net change in fund balance being approximately $245 thousand below budget.

The Operations and Maintenance Fund had variances in the instructional expenditures of approximately $97 thousand below budget, while overall expenditures were lower than anticipated, resulting in a decrease in fund balance that was significantly less than budgeted.

Pension Information

Actuarial valuation information relative to the determination of contributions:

Changes in Plan Provisions

There were no changes made to plan provisions.

Benefit Changes

There were no changes of benefit terms in 2025.

Changes in Assumptions

The salary scale assumptions were altered to better reflect actual experience.

Changes in assumptions or other inputs effective subsequent to December 31, 2025:

- HB 26-1400, enacted June 1, 2026 and effective July 1, 2026, modifies the allocation of the direct distribution. Beginning with the direct distribution on July 1, 2026, and annually thereafter, PERA is required to allocate the direct distribution to the Division Trust Funds on an actuarial basis. HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF by 0.50 percent, from 1.02 percent to 0.52 percent of member salaries for the State, School, Local Government, and Judicial Divisions.

Changes in assumptions or other inputs effective for the December 31, 2025 measurement period are as follows:

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

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

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

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

Changes in assumptions or other inputs effective for the December 31, 2021 measurement period are as follows:

- The projected benefit payments reflect the lowered annual increase cap from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, effective July 1, 2022.
- Assumptions on employer and employee contributions were updated to include the additional 0.50 percent resulting from the 2020 AAP assessment, effective July 1, 2022.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses, from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The preretirement mortality assumption for the State Division (members other than state troopers) was changed to the PubG-2010 Employee Table, with generational projection using scale MP-2019.
- The preretirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table, with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the State Division (members other than state troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
- The postretirement nondisabled mortality assumption for state troopers was changed to the unadjusted PubS- 2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumptions for the Division Trust Funds (members other than state troopers) was changed to the PubNS-2010 Disabled Retiree Table, with generational projection using scale MP-2019.

- The disability mortality assumption for state troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table, with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other inputs effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50 percent to 1.25 percent.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25 percent was used as the discount rate, rather than using the blended rate of 4.72 percent.

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26 percent to 4.72 percent.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP-2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scales for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50 percent to 5.26 percent.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes in terms or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

OPEB Information

Changes in Plan Provisions

There were no changes made to plan provisions.

Benefit Changes

There were no changes of benefit terms in 2025.

Changes in Assumptions

There were no changes in assumptions or other inputs effective for the December 31, 2025 measurement period for OPEB compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

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

There were no changes in assumptions or other inputs effective for the December 31, 2023 measurement period for OPEB compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2022 measurement period are as follows:

- The timing of the retirement decrement was adjusted to the middle of year.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses, from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The preretirement mortality assumption for the State Division (members other than state troopers) was changed to the PubG-2010 Employee Table, with generational projection using scale MP-2019.
- The preretirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table, with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the State Division (members other than state troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019

- The postretirement nondisabled mortality assumption for the state troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The postretirement nondisabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table, with generational projection using scale MP-2019.
- The postretirement nondisability beneficiary mortality assumption for the Division Trust Funds was changed to 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 projection using scale MP-2019
- The disabled mortality assumption for the Division Trust Funds (members other than state troopers) was changed to the PubNS-2010 Disabled Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for state troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table, with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB compared to the prior year.

Other Supplementary Information

Peak to Peak Charter Schools, Inc.

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Fund

June 30, 2026

	Food Services Fund
Assets	
Cash and cash equivalents	$ 271,660
Inventory	22,680
Total assets	**$ 294,340**
Liabilities	
Accounts payable	$ 1,856
Accrued liabilities and other	345
Total liabilities	2,201
Fund Balance	
Nonspendable	22,680
Restricted:	
Food service	246,360
TABOR	23,099
Total fund balance	292,139
Total liabilities and fund balance	**$ 294,340**

Peak to Peak Charter Schools, Inc.

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Fund

Year Ended June 30, 2026

	Food Services Fund
Revenue	
Food sales	$ 93,617
State sources	676,322
Federal sources	265,935
Total revenue	1,035,874
Expenditures	
Food services	959,270
Capital outlay	6,759
Total expenditures	966,029
Excess of Revenue Over Expenditures	69,845
Other Financing Sources - Transfer in	5,000
Net Change in Fund Balance	74,845
Fund Balance - Beginning of year	217,294
Fund Balance - End of year	**$ 292,139**

Other Supplementary Information
Budgetary Comparison Schedule - Nonmajor Governmental Fund
Food Services Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Under Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Food sales	$ 101,000	$ 90,105	$ (10,895)	$ 93,617	$ 3,512
State sources	914,050	914,050	-	676,322	(237,728)
Federal sources	-	-	-	265,935	265,935
Total revenue	1,015,050	1,004,155	(10,895)	1,035,874	31,719
Expenditures - Food service	1,119,503	1,117,165	(2,338)	966,029	(151,136)
Excess of Revenue (Under) Over Expenditures	(104,453)	(113,010)	(8,557)	69,845	182,855
Other Financing Sources - Transfer in	-	-	-	5,000	5,000
Net Change in Fund Balance	(104,453)	(113,010)	(8,557)	74,845	187,855
Fund Balance - Beginning of year	217,294	217,294	-	217,294	-
Fund Balance - End of year	**$ 112,841**	**$ 104,284**	**$ (8,557)**	**$ 292,139**	**$ 187,855**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Directors
Peak to Peak Charter Schools, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements of the governmental activities and each major fund of Peak to Peak Charter Schools, Inc. (the "School") as of and for the year ended June 30, 2026 and the related notes to the basic financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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To Management and the Board of Directors
Peak to Peak Charter Schools, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 14, 2026