Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Financial Statements

with Independent Auditor's Report

June 30, 2026

HINKLE & COMPANY PC

Strategic Business Advisors

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Directors
Pikes Peak School of Expeditionary Learning
Falcon, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pikes Peak School of Expeditionary Learning (the School), a component unit of El Paso County School District 49, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 budgetary comparison information listed 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hinkle & Company, P.C.

Englewood, Colorado
September 29, 2026

Pikes Peak School of Expeditionary Learning

Management's Discussion and Analysis
June 30, 2026

The purpose of management's discussion and analysis (MD&A) is to help the Pikes Peak School of Expeditionary Learning (PPSEL's) stakeholders understand what the financial statements and notes in this financial report say about PPSEL's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of PPSEL's finances.

If you have questions about this report or require further information, contact the Business Manager at accounting@ppsel.org or 719-522-2580.

OVERVIEW OF THE FINANCIAL STATEMENTS

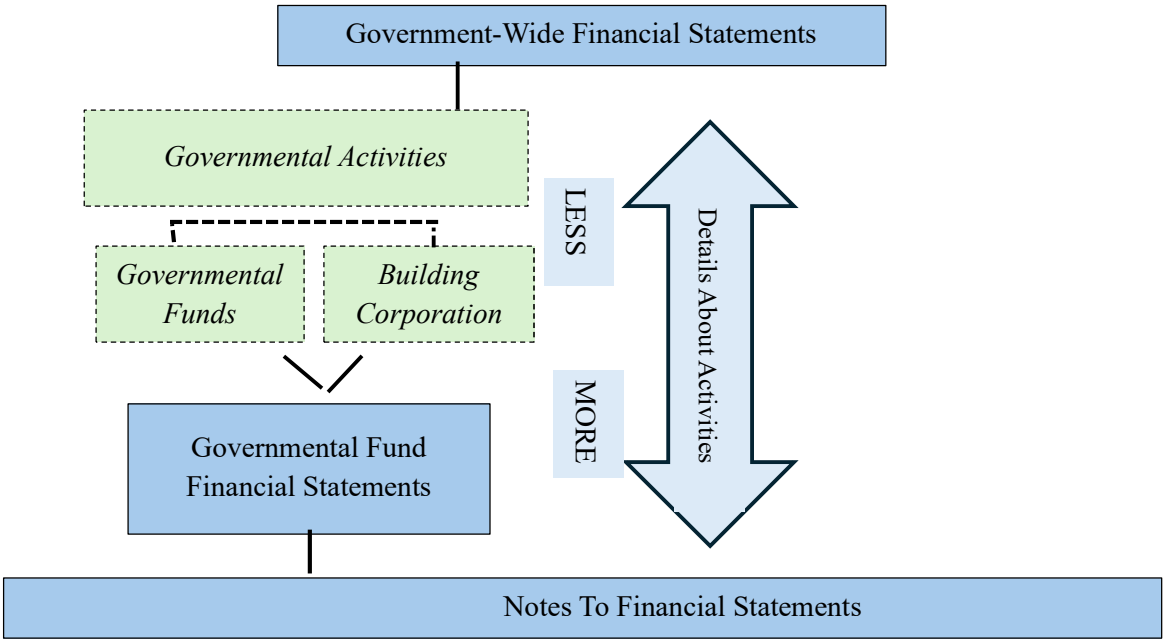
PPSEL's financial report contains basic financial statements. Those financial statements present PPSEL's finances at both an overall and a detailed level. The first two-the government-wide financial statements cover the School's governmental activities and business-type activities (together, the primary government) and discretely presented component units. (See the diagram in Figure A-1.)

> Governmental activities comprise PPSEL's primary functions, including instruction, supporting services, school or general administration, operations and maintenance, pupil transportation, food service, and other programs and services provided to students, staff, and the community. Governmental activities are financed primarily through state equalization, property taxes, specific ownership taxes, grants, and other revenues received from the State of Colorado, the federal government, and other local sources, as applicable to PPSEL.

The remaining basic financial statements present PPSEL's finances in greater detail and present fiduciary activities. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The School reports on one group of funds:

- *Governmental fund financial statements* report all of the governmental activities except those that involve providing services to School departments. In addition to PPSEL's main operating fund-the general fund, those financial statements may report special revenue funds for grants, food service, preschool, or other designated purposes; debt service funds to account for the repayment of bonds, certificates of participation, or other outstanding obligations; and capital projects funds to account for resources used for facility construction, improvements, and other capital outlay.

Figure A-1. Contents of PPSEL's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into PPSEL's finances as reported in the financial statements. The information in the notes is as important to understanding PPSEL's finances as the information in the financial statements. The School uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of PPSEL's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting*. (See Figure A-2). In other words, they comprehensively report all types of financial statement elements:

- *Assets*-resources the School controls, from short-term assets like cash to long-term assets like roads and bridges.
- *Liabilities*-amounts the School owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- *Deferred outflows of resources and deferred inflows of resources*-flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses*-inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing debt or selling equipment, as well as principal and interest payments on debt and spending on the construction of a building.

Figure A-2 Types of Information Reported in PPSEL's Financial Statements

	Financial Statements	
	Government-Wide	**Governmental Fund**
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term	Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues and additions	All types of revenues and additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses, deductions, and expenditures	All types of expenses, deductions, and expenditures that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focus and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

ANALYSIS OF PPSEL's FINANCES

Table A-1
Net Position

	Governmental Activities		Total Percentage Change
	2026	2025	2026-2025
Current and other assets	$ 3,898,423	$ 3,598,851	8.3%
Capital assets, net	5,006,689	5,099,525	-1.8%
Total assets	8,905,112	8,698,376	2.4%
Deferred outflows of resources	1,237,040	1,513,396	-18.3%
Long-term liabilities	4,497,236	4,678,817	-3.9%
Other liabilities	5,922,746	6,096,852	-2.9%
Total liabilities	10,419,982	10,775,669	-3.3%
Deferred inflows of resources	703,631	115,274	510.4%
Net position			
Net investment in capital assets	328,261	244,639	34.2%
Restricted TABOR	154,000	136,000	13.2%
Restricted for Debt Service	26,445	26,219	
Unrestricted	(1,490,167)	(1,086,029)	37.2%
Total net position	$ (981,461)	$ (679,171)	44.5%

Table A-1 shows that as of June 30, 2026, PPSEL's total net position assets and deferred outflows minus liabilities and deferred inflows was $(981,461), an increase of $302,290 or 44.5 percent compared with 2025. This increase is primarily due to a $282,639 or 37.2 percent increase in unrestricted net position and an increase of 34.2% increase in net investment in capital assets. Most of the increase in net position was the result of the financial performance of the governmental activities. The following sections of the MD&A analyze the finances of the governmental activities.

Governmental activities

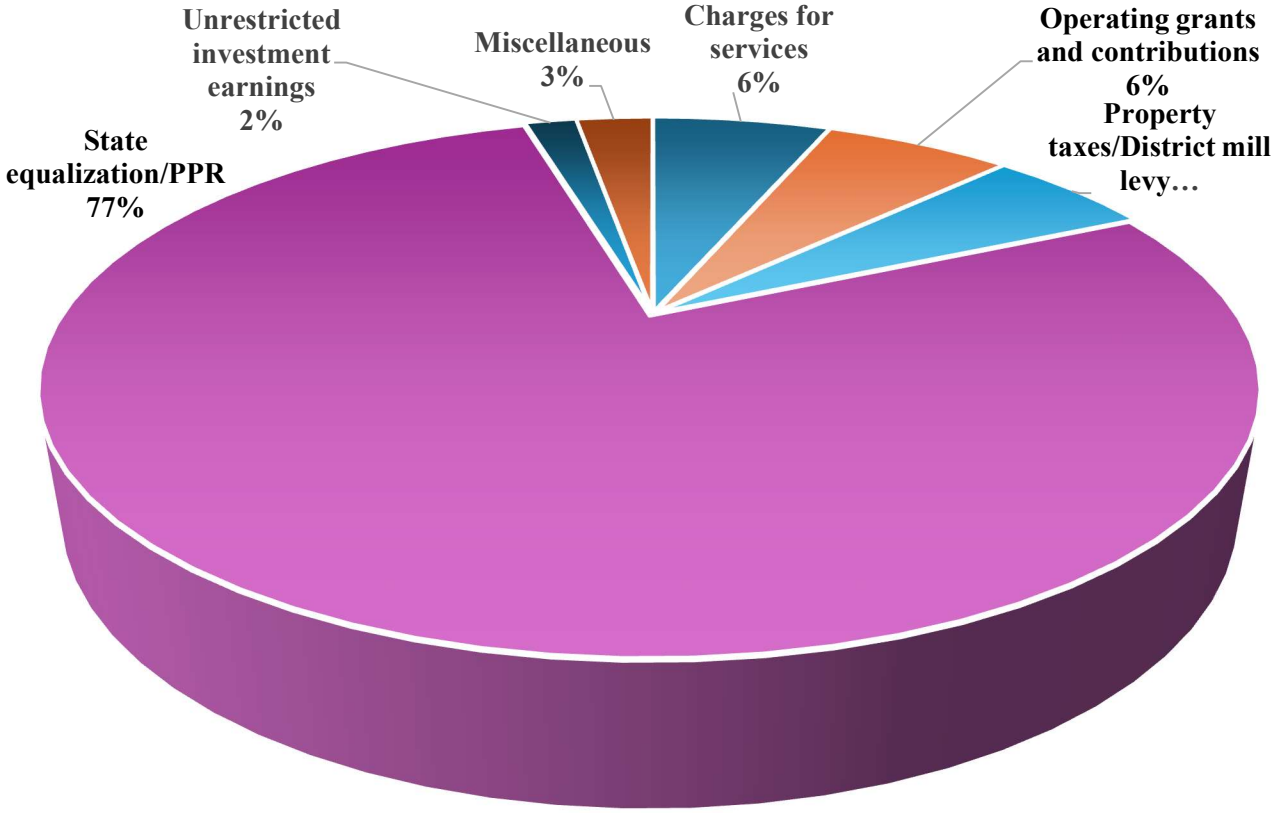
Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Figures A-3 and A-4 show a breakout of revenue by source and expenditure by function. The total net position of PPSEL's governmental activities was $(981,461), an increase of $302,290 or 44.5% from 2025. Various events contributed to this increase in net position; however, the three primary factors affecting the change in net position are as follows:

1) Growth in Operating Grants and miscellaneous revenue
2) State equalization/Per Pupil Revenue
3) Increases in expenses for certain programs and functions

Table A-2
Changes in Net Position

	Governmental Activities		Total Percentage Change
	2026	2025	2026-2025
Revenues			
Program Revenues:			
Charges for services	$ 356,401	$ 136,062	161.9%
Operating grants and contributions	372,428	369,378	0.8%
Capital grants and contributions	-	-	-
General revenues:			
Property taxes/District mill levy	329,349	296,389	11.1%
State equalization/PPR	4,525,270	4,368,618	3.6%
Grants and contributions not restricted to specific programs	-	-	-
Unrestricted investment earnings	102,535	99,281	3.3%
Miscellaneous	153,042	155,007	-1.3%
Special Item:			
ERTC Tax Credits	-	-	-
Total revenues	5,839,025	5,424,735	7.6%
Expenses			
Instruction	4,899,370	4,315,045	13.5%
Supporting services	1,116,230	1,128,059	-1.0%
Interest and fiscal charges	125,715	130,748	-3.8%
Total Expenses	6,141,315	5,573,852	10.2%
Change in net position	(302,290)	(149,117)	102.7%
Net position - beginning	(679,171)	(530,054)	28.1%
Net position - ending	$ (981,461)	$ (679,171)	44.5%

Figure A-3 Governmental Activities - Revenues by Source



Growth in operating grants and miscellaneous revenue

There were notable increases in miscellaneous revenue in fiscal year 2025-2026. PPSEL received retention credits from programs during COVID relief for $186,000.

Operating grants, which accounted for 6% of overall revenues for governmental activities, increased by .8% to $372,428 in 2026 from $369,378 in 2025. The increase was primarily attributable to Special Education state and federal grant revenue for Special Education instructional support.

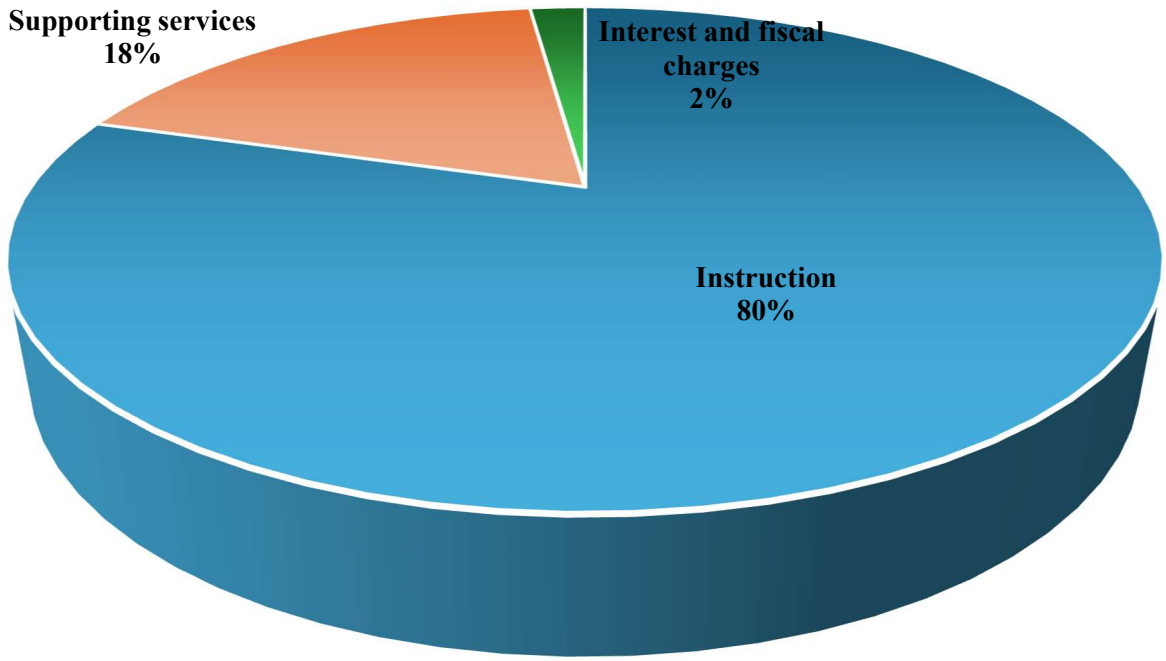
State equalization/Per pupil revenue

The largest single source of governmental activities revenue for PPSEL is state equalization/per pupil revenue, which amounted to $4,525,270 in 2026, or 77% of total governmental activities revenue. State equalization/per pupil revenue increased 3.6% in 2026 due to increases in funded pupil count, formula funding, and other factors affecting per pupil revenue.

State equalization/per pupil revenue is determined under the Colorado school finance formula and is funded through a combination of local and state sources. For entities funded under that formula, increases in local property tax and specific ownership tax collections may reduce the state share, while decreases in local collections may increase the state share, without necessarily changing the total amount of formula funding received.

In 2026, the unrestricted balance has grown from $3,286,114 to $3,568,979, which represents 5.13% of the 2027 adopted operating budget. Additions to the reserve of $282,865 in 2026 contributed to the change in unrestricted net position or general fund balance during the year.

Figure A-4 Governmental Activities - Expenses by Function



Increases in expenses for certain programs and functions

The increases in revenue were accompanied by a more rapid increase in PPSEL's, costs of providing services. Governmental activities expenses rose 3.12% percent overall. The overall increase in governmental activities expenses for most programs reflects, in part, salary and benefit increases to stay competitive in our area market. On average in 2025, raises were 2.75%, depending on position and health benefits increased by over 10%.

Interest on long-term debt for governmental activities, which approximates 2.16% percent of total expenses, was $126,137 in fiscal year 2026. This amount was paid on the bonds for the building corporation.

Net position and GASB 68 (pensions) and GASB 75 (OPEB)

PPSEL participates in the statewide PERA and OPEB program administered by the State of Colorado. Each year PPSEL records its proportional share of the State's unfunded pension and OPEB liability. PPSEL also records its proportional share of the related deferred inflows and outflows related to these items. These calculations are complex and can vary greatly from year to year and additional information can be found in notes 5 and 6 in the notes to the financial statements. Accordingly, Management believes it is important to disclose what net position would be if these items were excluded.

Table A-1.1
Net Position Excluding Pension and OPEB Related Items

	Governmental Activities		Total Percentage Change
	2026	2025	2026-2025
Total net position	$ (981,461)	$ (679,171)	44.5%
Add net pension liability	5,342,765	5,499,744	-2.9%
Add OPEB liability	59,046	97,581	-39.5%
Add deferred pension inflows	640,933	61,494	942.3%
Add deferred OPEB inflows	62,698	53,780	16.6%
Less deferred pension outflows	(1,196,481)	(1,470,943)	-18.7%
Less deferred OPEB outflows	(40,559)	(42,453)	-4.5%
Total net position excluding pension and OPEB related items	$ 3,886,941	$ 3,520,032	10.4%

GOVERNMENTAL FUNDS

PPSEL reports two major funds individually in the governmental fund financial statements. Those funds are the general fund and the building corporation fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to PPSEL's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. Those two major funds are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Building Corporation Fund	
	2026	2025	2026	2025
Revenues				
Local sources	$ 5,313,821	$ 4,902,115	$ 303,101	$ 302,943
State sources	436,362	436,305	-	-
Federal sources	68,096	78,959	-	-
Total revenues	5,818,279	5,417,379	303,101	302,943
Expenditures				
Instruction	4,209,930	4,080,345	-	-
Supporting services	1,325,710	1,288,028	280	76
Facilities Acquisition & Construction	-	-	-	-
Debt service	-	-	302,595	302,597
Total Expenditures	5,535,640	5,368,373	302,875	302,673
Excess (deficiency) of revenues over expenditures	282,639	49,006	226	270
Other financing sources (uses)				
Long-term debt proceeds	-	-	-	-
Transfers	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Special Items				
ERTC Tax Credits	-	-	-	-
Total Special Items	-	-	-	-
Net change in fund balances	282,639	49,006	226	270
Fund balance - beginning	3,259,895	3,210,889	26,219	25,949
Fund balance - ending	$ 3,542,534	$ 3,259,895	$ 26,445	$ 26,219

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General fund

The fund balance of PPSEL's general fund increased by 7.9%. The increase in fund balance was primarily attributable to revenue growth and continued reserve and capital planning.

Building corporation fund

The fund balance of PPSEL's Building Corporation Fund increased by .8%. This increase in fund balance is attributable to financing proceeds, transfers, or other resources set aside for capital-related purposes.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets, original cost minus accumulated depreciation decreased 1.8% over 2025.

PPSEL's governmental activities expensed $54,731 in building leasehold capital improvements therefore, reclassified the amount to other capital asset classifications such as buildings and improvements, site improvements, and equipment.

For capital financing, in May 2021 with approval from the Governing Board, PPSEL issued bonds by the Public Finance Authority for refinancing in the amount of $5,506,265. This transaction retired all previous bonds held by the Building Corporation. In fiscal year 2026, interest payment on the bonds paid was $126,137 while the principal payments on the bonds paid was $176,458.

The School will continue to make lease payments for the use of the facility, which the Building Corporation applies to principal and interest payments on the debt. These transactions are processed through the Colorado State Intercept Program. The State of Colorado withholds a portion of the Per Pupil funding and directs the funds to a designated trustee who then makes the principal and interest payments as scheduled. Additional information about long-term debt is included in Note 4 to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

PPSEL is aware of three developments that will have an impact on the School's finances in the future and were therefore incorporated into next year's budget:

1) Amendments to PPSEL's budget
2) Recent economic reports
3) Adoption of the State budget and Elections

Amendments to PPSEL's budget

PPSEL's operating budget addresses budgetary variances identified in the actual results for the first quarter ending September 30, 2026. Key elements of the revised budget include updates for enrollment and state equalization/per pupil revenue, revisions to grant and program budgets, and adjustments to staffing and other operating expenditures. The Governing Board adopted the original budget in February 2026. School leadership will continue monitoring revenues and expenditures for the remainder of the year and has begun developing the revised budget. PPSEL will maintain the required TABOR emergency reserve.

Recent economic reports

Being a small Charter School, State & Federal unemployment rates do not significantly impact the school. PPSEL's current unemployment rate is 1.15%.

Enrollment projections and related assumptions in the adopted budget for fiscal year 2027 anticipated level growth compared with recent historical trends.

Adoption of the State budget

In May 2026, the State adopted its operating budget for the fiscal year ending June 30, 2027. PPSEL's finances are affected by many parts of the State budget, though two provisions may have a negative impact on PPSEL's finances. First, the adopted State budget includes changes to state school finance appropriations and related factors that determine state equalization/per pupil revenue for local education providers beginning in fiscal year 2027. The effective changes are not yet known.

PPSEL's capital improvement plan anticipates upcoming roof repairs and HVAC repairs on an aging building now 25 years old. In total, PPSEL has budgeted $200,000 from reserves for the capital projects.

Pension plan changes

PPSEL participates in the statewide Public Employees' Retirement Association (PERA)–type cost-sharing defined benefit pension plan (the "Plan"), which provides pension benefits to eligible employees in accordance with state statute. The Plan is administered by a state-level retirement system.

In April 2025, the Plan's administrator approved changes to certain actuarial assumptions used to measure the total pension liability for all participating employers, including PPSEL. These changes include a reduction in the long-term expected rate of return on plan investments (and, therefore, the discount rate) from 6.50 percent to 6.25 percent and the use of updated mortality tables that reflect longer life expectancies. The revised assumptions will be effective for the State's fiscal year 2026 and will be incorporated into the actuarial valuation and related reporting for that year.

It is expected that the lower discount rate and other updated assumptions will increase PPSEL's proportionate share of the Plan's net pension liability and will result in higher contractually required contribution rates beginning with the fiscal year starting July 1, 2026. The exact amount of PPSEL's future contributions required under these revised assumptions is not yet determinable and will depend on the results of forthcoming actuarial valuations and future plan experience.

Basic Financial Statements

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets	
Cash and Investments	$ 3,801,011
Restricted Cash and Investments	26,445
Accounts Receivable	9,600
Prepaid Expenses	61,367
Capital Assets, *Not Being Depreciated*	548,380
Capital Assets, *Net of Accumulated Depreciation*	4,458,309
Total Assets	8,905,112
Deferred Outflows of Resources	
Pensions, *Net of Accumulated Amortization*	1,196,481
OPEB, *Net of Accumulated Amortization*	40,559
Total Deferred Outflows of Resources	1,237,040
Liabilities	
Accounts Payable	26,930
Accrued Liabilities	103,019
Accrued Salaries and Benefits	184,219
Accrued Interest Payable	10,299
Unearned Revenue	15,276
Noncurrent Liabilities	
Due Within One Year	181,192
Due in More Than One Year	4,497,236
Net Pension Liability	5,342,765
OPEB Liability	59,046
Total Liabilities	10,419,982
Deferred Inflows of Resources	
Pensions, *Net of Accumulated Amortization*	640,933
OPEB, *Net of Accumulated Amortization*	62,698
Total Deferred Inflows of Resources	703,631
Net Position	
Net Investment in Capital Assets	328,261
Restricted for:	
Debt Service	26,445
Emergencies - TABOR Reserve	154,000
Unrestricted	(1,490,167)
Total Net Position	$ (981,461)

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Activities

For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Primary Government				
Governmental Activities				
Instruction	$ 4,899,370	$ 356,401	$ 358,477	$ (4,184,492)
Supporting Services	1,116,230	-	13,951	(1,102,279)
Interest on Long-Term Debt	125,715	-	-	(125,715)
Total Governmental Activities	$ 6,141,315	$ 356,401	$ 372,428	(5,412,486)
	General Revenues			
	Per Pupil Revenue			4,525,270
	District Mill Levy			329,349
	Capital Construction			153,042
	Investment Income			102,535
	Total General Revenues			5,110,196
	Change in Net Position			(302,290)
	Net Position, *Beginning of Year*			(679,171)
	Net Position, *End of Year*			$ (981,461)

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Balance Sheet

Governmental Fund

June 30, 2026

	General	Building	Total
Assets			
Cash and Investments	$ 3,801,011	$ -	$ 3,801,011
Restricted Cash and Investments	-	26,445	26,445
Accounts Receivable	9,600	-	9,600
Prepaid Expenses	61,367	-	61,367
Total Assets	$ 3,871,978	$ 26,445	$ 3,898,423
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	$ 26,930	$ -	$ 26,930
Accrued Liabilities	103,019	-	103,019
Accrued Salaries and Benefits	184,219	-	184,219
Unearned Revenue	15,276	-	15,276
Total Liabilities	329,444	-	329,444
Fund Balance			
Unspendable	61,367	-	61,367
Restricted for:			
Emergencies - TABOR Reserve	154,000	-	154,000
Debt Service	-	26,445	26,445
Unrestricted, Unassigned	3,327,167	-	3,327,167
Total Fund Balance	3,542,534	26,445	3,568,979
Total Liabilities and Fund Balance	$ 3,871,978	$ 26,445	$ 3,898,423

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Total Fund Balance of the Governmental Funds	$ 3,568,979
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	5,006,689
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Accrued Interest Payable	(10,299)
Bonds Payable	(4,678,428)
Net Pension Liability	(5,342,765)
Pension-Related Deferred Outflows of Resources	1,196,481
Pension-Related Deferred Inflows of Resources	(640,933)
Net OPEB Liability	(59,046)
OPEB-Related Deferred Outflows of Resources	40,559
OPEB-Related Deferred Inflows of Resources	(62,698)
Total Net Position of Governmental Activities	$ (981,461)

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

For the Year Ended June 30, 2026

	General	Building	Total
Revenues			
Local Sources	$ 5,313,821	$ 303,101	$ 5,616,922
State Sources	436,362	-	436,362
Federal Sources	68,096	-	68,096
Total Revenues	5,818,279	303,101	6,121,380
Expenditures			
Instruction	4,209,930	-	4,209,930
Supporting Services	1,325,710	280	1,325,990
Debt Service - Bonds			
Principal	-	176,458	176,458
Interest	-	126,137	126,137
Total Expenditures	5,535,640	302,875	5,838,515
Net Change in Fund Balance	282,639	226	282,865
Fund Balance, *Beginning of Year*	3,259,895	26,219	3,286,114
Fund Balance, *End of Year*	$ 3,542,534	$ 26,445	$ 3,568,979

See Notes to the Financial Statements.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities

For the Year Ended June 30, 2026

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of the Governmental Funds	$	282,865
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Depreciation Expense		(147,567)
Capital Outlays		54,731
Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities:		
Loan Payments		176,458
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes changes in the following:		
Change in Accrued Interest		422
Net Pension Liability		156,979
Pension-Related Deferred Outflows of Resources		(274,462)
Pension-Related Deferred Inflows of Resources		(1,894)
Net OPEB Liability		38,535
OPEB-Related Deferred Outflows of Resources		(579,439)
OPEB-Related Deferred Inflows of Resources		(8,918)
Change in Net Position of Governmental Activities	$	(302,290)

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Pikes Peak School of Expeditionary Learning (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the El Paso County School District 49 (the District). The School began operations in the Fall of 1999.

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the School. Legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the School.

The School includes the PPSEL Building Corporation (the Building Corporation) within its reporting entity. The Building Corporation was formed in November 2007, exclusively for charitable or educational purposes, and for the purpose of holding title to property and otherwise act to facilitate the operations of the School, and to promote public and charter school education. The Building Corporation is blended into the School's financial statements as a Special Revenue Fund. Separate audited financial statements are not available for the Building Corporation.

The School is a component unit of the District. The District authorized the School's charter and the majority of the School's funding is provided by the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (*Continued)*

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. Intergovernmental revenues, grants and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

The School reports the following major governmental funds:

General Fund - This fund is the general operating fund of the School. It is currently used to account for all financial activities of the School.

Special Revenue Fund - This fund is used to account for the financial activities of the Building Corporation, primarily related to capital assets and the related debt service.

Assets, Liabilities and Net Position/Fund Balance

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less.

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

Capital Assets - Capital assets, are reported in the governmental and business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of $5,000 or more 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 the acquisition value on the date of donation.

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

Land Improvements	10 years
Buildings	50 years
Equipment and Furniture	5 years

Accrued Salaries and Benefits - Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, are reported as a liability of the General Fund.

Compensated Absences - The School's policy allows employees to accumulate unused vacation and sick leave. Accumulated unused leave is paid to employees annually at 60% of the daily substitute rate. Therefore, no liability is reported in the financial statements for these compensated absences.

Note 1: Summary of Significant Accounting Policies (Continued)

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

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

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

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

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution and may assign fund balances to a specific purpose through an informal action.

The School has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the School uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Note 1: Summary of Significant Accounting Policies (Continued)

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 carries commercial insurance for these risks of loss.

Subsequent Events

The School has evaluated subsequent events through September 29, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments at June 30, 2026, consisted of the following.

Deposits	$	1,851,573
Investments		1,975,883
Total	$	3,827,456

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

Cash and Investments	$	3,801,011
Restricted Cash and Investments		26,445
Total	$	3,827,456

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2026, the School had bank deposits of $1,601,951 collateralized with securities held by the financial institutions' agents but not in the School's name.

Note 2: Cash and Investments (Continued)

Investments

The School is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Fair Value Measurements - At June 30, 2026, the Building Corporation's investment in a money market fund was reported at the net asset value per share. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments or other observable inputs; and Level 3 inputs are unobservable inputs. At June 30, 2026, the School's investment securities were measured utilizing quoted prices in active markets for similar investments (Level 2 inputs). The external investment pool was reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in municipal securities to those with at least two credit ratings at or above A or its equivalent by nationally recognized statistical rating organizations (NRSROs). Corporate securities must have at least two credit ratings from any of the NRSROs at or above AA - or its equivalent.

Concentration of Credit Risk - State statutes do not limit the amount the School may invest in a single issuer, except for corporate securities, which are limited to 50% of total investments or 5% for a single issuer.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Local Government Investment Pool - At June 30, 2026, the School had $1,949,438 and $26,445 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

Cash and investments of $26,445 have been restricted for debt service in accordance with the Building Corporation's loan agreements.

Note 3: Capital Assets

Changes in capital assets for the year ended June 30, 2026, are summarized below.

	Balance 6/30/25	Additions	Transfers	Deletions	Balance 6/30/26
Governmental Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 397,875	$ -	$ -	$ -	$ 397,875
Land Improvements	108,505	-	-	-	108,505
Water Rights	42,000	-	-	-	42,000
Total Capital Assets, *Not Being Depreciated*	548,380	-	-	-	548,380
Capital Assets, *Being Depreciated*					
Site Improvements	163,849	-	-	-	163,849
Buildings	6,284,504	54,731	-	-	6,339,235
Equipment and Furniture	111,748	-	-	-	111,748
Total Capital Assets, *Being Depreciated*	6,560,101	54,731	-	-	6,614,832
Less Accumulated Depreciation					
Site Improvements	(122,472)	(16,385)	-	-	(138,857)
Buildings	(1,774,736)	(131,182)	-	-	(1,905,918)
Equipment and Furniture	(111,748)	-	-	-	(111,748)
Total Accumulated Depreciation	(2,008,956)	(147,567)	-	-	(2,156,523)
Total Capital Assets, *Being Depreciated, Net*	4,551,145	(92,836)	-	-	4,458,309
Governmental Activities Capital Assets, N*et*	$ 5,099,525	$ (92,836)	$ -	$ -	$ 5,006,689

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2026:

	Balance 6/30/25	Additions	Payments	Balance 6/30/26	Due Within One Year
Governmental Activities					
2021 Building Loan	$ 4,854,886	$ -	$ (176,458)	$ 4,678,428	$ 181,192

On May 11, 2021, the Public Finance Authority issued $5,506,265 Charter School Refunding Revenue Bonds, Series 2021. Bond proceeds were used to refund the outstanding Charter School Revenue Bonds, Series 2015. Proceeds of the Series 2015 Bonds were loaned to the Building Corporation under a loan agreement to construct the School's educational facilities. The Building Corporation is required to make equal loan payments to the trustee for payment of the bonds. Interest accrues at 2.65% per annum and is payable monthly. Principal payments are due annually on May 1, beginning in 2022 through 2031, with a balloon payment of $3,733,266 due on July 1, 2031.

Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Total
2027	$ 181,192	$ 121,404	$ 302,596
2028	186,052	116,544	302,596
2029	191,043	111,553	302,596
2030	196,167	106,428	302,595
2031	3,923,974	101,166	4,025,140
Total	$ 4,678,428	$ 557,095	$ 5,235,523

Note 5: 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.

Note 5: Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan *(Continued)*

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Note 5: Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan *(Continued)*

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

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

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 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 01, 2025 through June 30, 2026. Employer contribution requirements are summarized in the following table:

	07/01/2025 Through 06/30/2026
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%
Contributions subsequent to the measurement date	**20.38%**

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

Note 5: Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan *(Continued)*

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were $561,587 for the year ended June 30, 2026.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million direct distribution each year to PERA starting on July 1, 2018. For 2025, 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 DPS Division Trust Fund. 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.

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

At June 30, 2026, the School reported a liability of $5,342,765 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

School proportionate share of net pension liability	$	5,342,765
The State's proportionate share of net pension liability as a nonemployer contributing entity associated with the School		502,097
Net proportionate share of the net pension liability	$	5,844,862

At December 31, 2025, the School's proportion was 0.0342574449% which was an increase of 0.0023839228% from its proportion measured at December 31, 2024.

Note 5: Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2026, the School recognized pension expense of $1,267,828 and benefit of $73,427 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
Differences between expected and actual experience	$ 321,552	$ -
Changes of assumptions and other inputs	26,228	-
Net difference between projected and actual earnings on plan investments	-	640,933
Changes in proportion	569,332	-
Contributions subsequent to the measurement date	279,369	-
Total	$ 1,196,481	$ 640,933

$279,369 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2027	$ 675,207
2028	(76,186)
2029	(160,945)
2030	(161,897)
Total	$ 276,179

Note 5: Defined Benefit Pension Plan (Continued)

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

Actuarial Assumptions - The December 31, 2024, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	4.00% - 13.40%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-employment benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the AIR

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
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	**Males**: 106% of the the rates for all ages **Females**: 85% of the rates prior to age 85/105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

Note 5: Defined Benefit Pension Plan (Continued)

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

The actuarial assumptions used in the December 31, 2024, valuation were based on the 2024 experience analysis, dated January 3, 2025, for the period 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 experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

The PERA Board first adopted the7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%. For projections, geometric long-term returns are converted to arithmetic returns, which reflect the expected one-year annual performance.

Note 5: Defined Benefit Pension Plan (Continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, reflecting the prior increases as required by SB 18-200 and 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 the current fixed statutory rates specified in law for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employer contributions also include current and future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. 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.

Note 5: Defined Benefit Pension Plan (Continued)

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

- 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 were not projected to reach a depletion date. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 7,558,500	$ 5,342,765	$ 3,487,364

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 6: Postemployment Healthcare Benefits (OPEB)

General Information about the OPEB Plan

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information about the OPEB Plan *(Continued)*

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

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

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

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

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

General Information about the OPEB Plan *(Continued)*

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

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

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

Contributions - Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% 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 the School were $28,107, for the year ended June 30, 2026.

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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 $59,046 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, 2024. 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 the 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 0.0219133655%, which was an increase of 0.0015060906% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the School recognized OPEB benefit of $2,812. 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
Differences between expected and actual experience	$ -	$ 23,889
Changes of assumptions and other inputs	648	28,663
Net difference between projected and actual earnings on plan investments	-	9,427
Changes in proportion	25,929	719
Contributions subsequent to the measurement date	13,982	-
Total	$ 40,559	$ 62,698

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

$13,982 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended of subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,		
2027	$	(7,194)
2028		(12,514)
2029		(7,694)
2030		(5,316)
2031		(2,210)
Thereafter		(1,193)
Total	$	(36,121)

Actuarial Assumptions - The December 31, 2024 actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.90% - 16.80%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans: 8.00% for 2025, gradually decreasing to 4.50% in 2035	
Medicare Part A premiums: 3.50% for 2025, gradually increasing to 4.50% in 2033	

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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 the 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.

Plan	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 per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. 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.

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2025	8.00%	3.50%
2026	7.65%	3.75%
2027	7.30%	3.75%
2028	6.95%	4.00%
2029	6.60%	4.00%
2030	6.25%	4.25%
2031	5.90%	4.25%
2032	5.55%	4.25%
2033	5.20%	4.50%
2034	4.85%	4.50%
2035+	4.50%	4.50%

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

Mortality assumptions used in the December 31, 2024, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 scale. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

- Per capita health care costs in effect as of the December 31, 2024, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2025 plan year.
- The health care cost trend rates applicable to health plan premiums were revised to reflect the current expectation of future increases in those premiums.

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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 actuarial assumptions used in the December 31, 2024, valuations were based on the 2024 experience analysis, dated January 3, 2025, for the period 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, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

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

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

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 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

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

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

	1% Decrease Trend Rates (6.25%)	Current Trend Rate (7.25%)	1% Increase Trend Rates (8.25%)
Proportionate share of the net OPEB liability	$ 56,591	$ 59,046	$ 61,824

Discount Rate - The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 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%.
- 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% of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

Note 6: Postemployment Healthcare Benefits (OPEB) (Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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 were not projected to reach a depletion date. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 81,294	$ 59,046	$ 39,857

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 7: Commitments and Contingencies

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2026, significant amounts of related expenditures have not been audited but the School believes that no expenditures will be disallowed.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established an emergency reserve representing 3% of qualifying expenditures. At June 30, 2026, the reserve was reported as restricted fund balance in the General Fund, in the amount of $154,000.

Required Supplementary Information

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability and Contributions

Public Employees' Retirement Association of Colorado School Division Trust Fund

June 30, 2026

Measurement Date	12/31/25	12/31/24	12/31/23	12/31/22	12/31/21
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0342574449%	0.0318735221%	0.0287663232%	0.0222661799%	0.0262760036%
Net Pension Liability					
School's Proportionate Share	$ 5,342,765	$ 5,499,744	$ 5,086,870	$ 4,054,552	$ 3,057,835
State's Proportionate Share	502,097	493,964	111,539	1,181,539	350,541
Net Proportionate Share	$ 5,844,862	$ 5,993,708	$ 5,198,409	$ 5,236,091	$ 3,408,376
School's Covered-Employee Payroll	$ 2,776,988	$ 2,463,010	$ 1,901,710	$ 1,717,423	$ 1,605,813
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	192%	223%	267%	236%	190%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72%	67%	65%	62%	75%

Reporting Date	6/30/26	6/30/25	6/30/24	6/30/23	6/30/22
School Contributions					
Statutorily Required Contribution	$ 561,587	$ 541,184	$ 439,762	$ 357,154	$ 346,501
Contributions in Relation to the Statutorily Required Contribution	(561,587)	(541,184)	(439,762)	(357,154)	(346,501)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 2,755,575	$ 2,655,461	$ 2,157,804	$ 1,752,827	$ 1,652,703
Contributions as a Percentage of Covered-Employee Payroll	20.38%	20.38%	20.38%	20.38%	20.97%

This schedule is presented to show information for 10 years.

(Continued)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability and Contributions

Public Employees' Retirement Association of Colorado School Division Trust Fund

June 30, 2026

(Continued)

Measurement Date	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Proportionate Share of the Net Pension Liability					
School's Proportion of the Net Pension Liability	0.0287478948%	0.0241146245%	0.0245103211%	0.0281658409%	0.0262265675%
Net Pension Liability					
School's Proportionate Share	$ 4,346,102	$ 3,602,673	$ 4,340,056	$ 9,107,832	$ 7,808,663
State's Proportionate Share	-	456,954	593,445	-	-
Net Proportionate Share	$ 4,346,102	$ 4,059,627	$ 4,933,501	$ 9,107,832	$ 7,808,663
School's Covered-Employee Payroll	$ 1,418,524	$ 1,418,524	$ 1,347,461	$ 1,299,255	$ 1,177,095
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	306%	254%	322%	701%	663%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	57%	44%	43%

Reporting Date	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17
School Contributions					
Statutorily Required Contribution	$ 322,732	$ 280,900	$ 265,787	$ 248,057	$ 230,669
Contributions in Relation to the Statutorily Required Contribution	(322,732)	(280,900)	(265,787)	(248,057)	(230,669)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered-Employee Payroll	$ 1,566,266	$ 1,450,849	$ 1,389,371	$ 1,313,765	$ 1,254,556
Contributions as a Percentage of Covered-Employee Payroll	20.61%	19.36%	19.13%	18.88%	18.39%

This schedule is presented to show information for 10 years.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Notes to Schedule of Proportionate Share of the Net Pension Liability and Contributions

June 30, 2026

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2025 Changes in Plan Provisions Since 2024

- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500,000 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 Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an automatic adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.

2024 Changes in Plan Provisions Since 2023

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

2023 Changes in Plan Provisions Since 2022

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

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

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

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2022 Changes in Plan Provisions Since 2021

- HB 22-1029, effective upon enactment in 2022, required the State Treasurer to issue, in addition to the regularly scheduled $225,000,000 direct distribution, a warrant to PERA in the amount of $380,000,000 with reductions to future direct distributions. The July 1, 2023, direct distribution will be reduced by $190,000 to $35,000,000. The July 1, 2024, direct distribution will not be reduced from $225,000 due to a negative investment return in 2022.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2021 Changes in Plan Provisions Since 2020

- The following changes reflect the anticipated adjustments resulting from the 2020 automatic adjustment provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - Annual increase (AI) cap is lowered from 1.25% per year to 1.00% per year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2020 Changes in Plan Provisions Since 2019

- HB 20-1379, enacted on June 29, 2020, suspended the $225,000,000 direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2019 Changes in Plan Provisions Since 2018

- SB 18-200 was enacted on June 4, 2018, which included the adoption of the AAP. The following changes reflect the anticipated adjustments resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020:
    - Member contribution rates increase by 0.50%.
    - Employer contribution rates increase by 0.50%.
    - AI cap is lowered from 1.50% per year to 1.25%.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.

2018 Changes in Plan Provisions Since 2017

- The following changes were made to the plan provisions as part of SB 18-200:
    - Member contribution rates increase by 0.75% effective July 1, 2019, an additional 0.75% effective July 1, 2020, and an additional 0.50% effective July 1, 2021.
    - Employer contribution rates increase by 0.25% effective July 1, 2019 for State, School, Judicial, and DPS Divisions.
    - An annual direct distribution of $225,000,000 from the State of Colorado, recognized as a nonemployer contributing entity, is distributed between the State, School, Judicial, and DPS Divisions proportionally based on payroll.
    - AI cap is lowered from 2.00% per year to 1.50% per year.
    - Initial AI waiting period is extended from one year after retirement to three years after retirement.
    - AI payments are suspended for 2018 and 2019.
    - The number of years used in the Highest Average Salary calculation for non-vested members as of January 1, 2020, increases from three to five years for the State, School, Local Government, and DPS Divisions and increase from one to three years for the Judicial Division.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2017 Changes in Plan Provisions Since 2016

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

2016 Changes in Plan Provisions Since 2015

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

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2025 Changes in Assumptions or Other Inputs Since 2024

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

2024 Changes in Assumptions or Other Inputs Since 2023

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

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions of Other Inputs Since 2021

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

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2021 Changes in Assumptions of Other Inputs Since 2020

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

2020 Changes in Assumptions of Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Salary scale assumptions were revised to align with 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 pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a benefit-weighted basis.

2019 Changes in Assumptions of Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50% to 1.25%.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2018 Changes in Assumptions of Other Inputs Since 2017

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

2017 Changes in Assumptions of Other Inputs Since 2016

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

2016 Changes in Assumptions of Other Inputs Since 2015

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The post-retirement mortality assumption for healthy lives for the School, Judicial, and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, for males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from .35% to .40%.
- Actual employer contributions to the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter.
- The SEIR for the DPS Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

Subsequent Events

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%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Public Employees' Retirement Association of Colorado Health Care Trust Fund

June 30, 2026

Measurement Date	12/31/25	12/31/24	12/31/23	12/31/22	12/31/21
Proportionate Share of the Net OPEB Liability					
School's Proportion of the Net OPEB Liability	0.0219133655%	0.0204072749%	0.0172093019%	0.0169243464%	0.0171562023%
School's Proportionate Share of the Net OPEB Liability	$ 59,046	$ 97,581	$ 122,827	$ 138,184	$ 147,939
School's Covered Payroll	$ 2,776,988	$ 2,463,010	$ 1,901,710	$ 1,717,423	$ 1,605,813
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	2%	4%	6%	8%	9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	76%	60%	46%	39%	39%

Reporting Date	6/30/26	6/30/25	6/30/24	6/30/23	6/30/22
School Contributions					
Statutorily Required Contribution	$ 28,107	$ 27,086	$ 22,010	$ 17,879	$ 16,750
Contributions in Relation to the Statutorily Required Contribution	(28,107)	(27,086)	(22,010)	(17,879)	(16,750)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 2,755,575	$ 2,655,461	$ 2,157,804	$ 1,752,827	$ 1,652,703
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.01%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

(Continued)

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Required Supplementary Information

Schedule of Proportionate Share of the Net OPEB Liability and Contributions

Public Employees' Retirement Association of Colorado Health Care Trust Fund

June 30, 2026

(Continued)

Measurement Date	12/31/20	12/31/19	12/31/18	12/31/17
Proportionate Share of the Net OPEB Liability				
School's Proportion of the Net OPEB Liability	0.0166177152%	0.0157761385%	0.0159318047%	0.0160036982%
School's Proportionate Share of the Net OPEB Liability	$ 157,906	$ 177,323	$ 216,759	$ 207,984
School's Covered Payroll	$ 1,418,524	$ 1,418,524	$ 1,347,461	$ 1,299,255
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	11%	13%	16%	16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	33%	24%	17%	18%

Reporting Date	6/30/21	6/30/20	6/30/19	6/30/18
School Contributions				
Statutorily Required Contribution	$ 16,559	$ 14,799	$ 14,172	$ 13,400
Contributions in Relation to the Statutorily Required Contribution	(16,559)	(14,799)	(14,172)	(13,400)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,566,266	$ 1,450,849	$ 1,389,371	$ 1,313,765
Contributions as a Percentage of Covered Payroll	1.06%	1.02%	1.02%	1.02%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Notes to Schedule of Proportionate Share of the Net OPEB Liability and Contributions

June 30, 2026

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

2025 Changes in Plan Provisions Since 2024

- There were no changes made to plan provisions.

2024 Changes in Plan Provisions Since 2023

- There were no changes made to plan provisions.

2023 Changes in Plan Provisions Since 2022

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

2022 Changes in Plan Provisions Since 2021

- The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. 24-51-313, of Tri-County Health, effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

2021 Changes in Plan Provisions Since 2020

- There were no changes made to plan provisions.

2020 Changes in Plan Provisions Since 2019

- There were no changes made to plan provisions.

2019 Changes in Plan Provisions Since 2018

- There were no changes made to plan provisions.

Note 1: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information (Continued)

2018 Changes in Plan Provisions Since 2017

- There were no changes made to plan provisions.

2017 Changes in Plan Provisions Since 2016

- There were no changes made to plan provisions.

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information

2025 Changes in Assumptions or Other Inputs Since 2024

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

2024 Changes in Assumptions or Other Inputs Since 2023

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

2023 Changes in Assumptions or Other Inputs Since 2022

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

2022 Changes in Assumptions or Other Inputs Since 2021

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

2021 Changes in Assumptions or Other Inputs Since 2020

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

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40% to 2.30%.
- The wage inflation assumption was lowered from 3.50% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
    - Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
    - Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
    - Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables are generational mortality tables developed on a head-count weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

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

Note 2: Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information (Continued)

2018 Changes in Assumptions or Other Inputs Since 2017

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

2017 Changes in Assumptions or Other Inputs Since 2016

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

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget *over (under) Final Budget*	Actual	Final Budget to Actual Variance *Positive (Negative)*
Revenues					
Local Sources					
Per Pupil Revenue	$ 4,389,600	$ 4,525,270	$ 135,670	$ 4,525,270	$ -
District Mill Levy	200,000	329,349	129,349	329,349	-
Student Fees and Activities	91,935	352,653	260,718	356,401	3,748
Contributions	-	71	71	771	700
Investment Income	100,500	92,000	(8,500)	102,030	10,030
Total Local Sources	4,782,035	5,299,343	517,308	5,313,821	14,478
State Sources					
Capital Construction	140,000	153,042	13,042	153,042	-
Grants	346,400	280,128	(66,272)	283,320	3,192
Total State Sources	486,400	433,170	(53,230)	436,362	3,192
Federal Sources					
Grants	68,000	67,479	(521)	68,096	617
Total Revenues	5,336,435	5,799,992	463,557	5,818,279	18,287
Expenditures					
Salaries	2,867,299	3,091,180	223,881	3,087,773	3,407
Employee Benefits	960,442	1,021,910	61,468	1,012,296	9,614
Purchased Professional Services	195,000	204,755	9,755	198,042	6,713
Purchased Property Services	423,349	458,971	35,622	447,185	11,786
Other Purchased Services	427,895	455,750	27,855	446,433	9,317
Supplies	204,598	221,553	16,955	202,181	19,372
Property	117,000	165,000	48,000	129,565	35,435
Other	15,000	162,500	147,500	12,165	150,335
Total Expenditures	5,210,583	5,781,619	571,036	5,535,640	245,979
Net Change in Fund Balance	125,852	18,373	(107,479)	282,639	264,266
Fund Balance, *Beginning of Year*	3,428,324	3,285,926	(142,398)	3,259,895	(26,031)
Fund Balance, *End of Year*	$ 3,554,176	$ 3,304,299	$ (249,877)	$ 3,542,534	$ 238,235

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Budgetary Comparison Schedule

Building Corp

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget *over (under) Final Budget*	Actual	Final Budget to Actual Variance *Positive (Negative)*
Revenues					
Local Sources					
Lease Revenue	$ 302,595	$ 302,595	$ -	$ 302,596	$ 1
Investment Income	300	230	(70)	505	275
Total Local Sources	302,895	302,825	(70)	303,101	276
Total Revenues	302,895	302,825	(70)	303,101	276
Expenditures					
Purchased Professional Services	10	280	270	280	-
Debt Service					
Principal	166,435	176,069	9,634	176,458	(389)
Interest	136,161	126,526	(9,635)	126,137	389
Total Expenditures	302,606	302,875	269	302,875	-
Net Change in Fund Balance	289	(50)	(339)	226	276
Fund Balance, *Beginning of Year*	25,949	26,219	270	26,219	-
Fund Balance, *End of Year*	$ 26,238	$ 26,169	$ (69)	$ 26,445	$ 276

Pikes Peak School of Expeditionary Learning

(A Component Unit of El Paso County School District 49)

Notes to Budgetary Comparison Schedules - General Fund and Building Corp

June 30, 2026

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

An annual budget is adopted for the School on a basis consistent with generally accepted accounting principles.

Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1, for their approval. The budget includes proposed expenditures and the means of financing them.

Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

All appropriations lapse at fiscal year-end.

Note 2: Explanation of Significant Variances Between Final Budget and Actual

Below is the discussion of reasons for significant variances between final budget and actual amounts. Management has defined significant variances as differences for which the variance between final and actual amount exceeds both a variance of 5% of final budget and 2% of total actual revenues or expenditures.

Other Expenditures - General Fund final budgeted expenditures were $162,500 and actual expenditures were $12,165. The $150,335 variance is 92.51% of final budget and 2.72% of total expenditures. The reason for the variance is a budget contingency line of $150,000 that was not needed.