

PEAK TO PEAK CHARTER SCHOOLS, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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PEAK TO PEAK CHARTER SCHOOLS, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Peak to Peak Charter Schools, Inc.
Lafayette, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Peak to Peak Charter Schools, Inc. (Peak to Peak), a component unit of Boulder Valley School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Peak to Peak's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Peak to Peak 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 Peak to Peak's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Peak to Peak'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 Peak to Peak's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules and the pension and OPEB schedules as 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Peak to Peak's basic financial statements. The budgetary comparison schedule for the food services fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the food services fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Denver, Colorado
October 14, 2025

PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

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

Financial Highlights

The year ended June 30, 2025 is the 24th year of operations for Peak to Peak.

- The fund balance in the general fund increased \$1,223,347 to \$9,486,380.
- Total unrestricted cash and investments increased \$983,870 to \$11,704,407.
- Peak to Peak's net position increased \$11,483,791 due to an increase in revenues over expenses. \$9,983,022 of the increase is due to capital contribution revenue from the District.

Overview of Financial Statements

This report follows the guidelines set forth by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This rule was intended to help make reports easier to understand for oversight bodies, in particular the Boulder Valley School District, which authorizes Peak to Peak, and the general public. The report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Supplementary Information. The Basic Financial Statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements which provide additional and more detailed information. Included as Required Supplementary Information and Supplementary Information is budget-to-actual information related to the Peak to Peak's General Fund, Friends of Peak to Peak, Inc. Fund, Operations and Maintenance Fund and Food Services Fund, and the pension and OPEB schedules as required under GASB Statement No. 68 and 75, further discussed in Notes 8 and 9.

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

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

The *statement of activities* presents information showing how Peak to Peak net position has changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year-end). The government-wide financial statements can be found on pages 10 and 11 of this report.

PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Peak to Peak uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Peak to Peak reports four major governmental funds: the general fund, Prairie View, Inc. fund (building corporation), the Friends of Peak to Peak, Inc. fund (fundraising organization), and the operations and maintenance fund; and one nonmajor fund, the food service fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating Peak to Peak's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 16 of this report.

**PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

**PEAK TO PEAK CHARTER SCHOOL
Comparative Summary Statement of Net Position**

	June 30,	
	2025	2024
ASSETS		
Current Assets	\$ 16,348,870	\$ 15,226,774
Capital Assets	37,043,779	27,427,797
Total Assets	<u>53,392,649</u>	<u>42,654,571</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Refunding	1,711,713	1,901,903
Related to Pension	5,598,542	8,487,198
Related to OPEB	108,012	149,534
Total Deferred Outflows of Resources	<u>7,418,267</u>	<u>10,538,635</u>
LIABILITIES		
Current Liabilities	1,472,516	1,508,437
Noncurrent Liabilities	12,823,493	13,945,494
Net Pension Liability	26,886,868	29,745,749
Net OPEB Liability	477,049	718,240
Total Liabilities	<u>41,659,926</u>	<u>45,917,920</u>
DEFERRED INFLOWS OF RESOURCES		
Related to Pension	1,628,300	1,272,143
Related to OPEB	270,966	235,210
Total Deferred Inflows of Resources	<u>1,899,266</u>	<u>1,507,353</u>
NET POSITION		
Net Investment in Capital Assets	26,322,674	15,781,728
Restricted	5,693,663	5,664,657
Unrestricted	<u>(14,764,613)</u>	<u>(15,678,452)</u>
Total Net Position	<u>\$ 17,251,724</u>	<u>\$ 5,767,933</u>

**PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

**PEAK TO PEAK CHARTER SCHOOL
Comparative Schedule of Revenues, Expenses, and Changes in Net Position**

	Year Ended June 30,	
	2025	2024
PROGRAM REVENUES		
Charges for Services	\$ 1,558,568	\$ 1,426,400
Operating Grants	1,741,041	1,564,927
Capital Grants	9,983,023	1,877,577
GENERAL REVENUES		
Per Pupil Funding	16,975,724	15,146,578
District Mill Levy	6,493,811	6,306,399
Investment Income (Loss)	695,243	702,652
Other Revenue	711,253	603,739
Total Revenues	38,158,663	27,628,272
EXPENSES		
Instruction	13,843,950	16,255,004
Support Services	12,114,175	9,184,000
Interest on Long-Term Debt	716,747	763,854
Total Expenses	26,674,872	26,202,858
CHANGE IN NET POSITION	11,483,791	1,425,414
Net Position - Beginning of Year, as Restated	5,767,933	4,342,519
NET POSITION - END OF YEAR	<u>\$ 17,251,724</u>	<u>\$ 5,767,933</u>

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of Peak to Peak's financial position. Per Pupil funding increased \$1,829,146 due to an increase in state funding per student. Overall, revenue increased by \$10,530,391, primarily due to a contribution of assets from Boulder Valley School District of \$9,983,022. The net pension liability and associated deferred outflows of resources and inflows of resources fluctuates based on the financial position of the Public Employee's Retirement Association of Colorado (PERA). Peak to Peak is required to report its proportionate share of PERA's unfunded pension liability. In fiscal year 2025 Peak to Peak reported a pension expense to instruction expense of \$100,158 compared to a pension expense of \$698,743 in fiscal year 2024. In fiscal year 2025 Peak to Peak reported a pension expense to support services expense of \$87,599 compared to a pension expense of \$396,559 in fiscal year 2024. For the year ended June 30, 2025, Peak to Peak's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,251,724 primarily due to increase in assets of \$10,738,078 to \$53,392,649 in fiscal year 2025. The overall net position in fiscal year 2025 increased by \$11,483,791 from the previous year primarily due to an increase in revenues as noted above.

PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

Financial Analysis of the School's Funds

The focus of Peak to Peak's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing Peak to Peak's financing requirements. For the year ended June 30, 2025, Peak to Peak's governmental funds reported a combined ending fund balance of \$15,080,635, an overall increase of \$1,141,142. The general fund increased \$1,223,347 to \$9,486,380. The Prairie View, Inc. fund decreased \$71,047 to \$2,781,804. The Friends of Peak to Peak, Inc. fund increased \$108,196 to \$1,868,347 as a result of an increase in current year donations. The operations and maintenance fund decreased \$68,676 to \$726,810 as a result of an increase in maintenance and operations expenditures. The nonmajor food services fund decreased \$50,678 to \$217,294 as a result of an increase in capital outlay expenditures of \$28,943 and food sales of \$19,603.

General Fund Budgetary Highlights

Peak to Peak's budgeted general fund revenue for 2024-25 was \$23,838,015, while actual revenue was \$24,348,641, resulting in a surplus of \$410,626 (not including transfers). Peak to Peak's 2024-25 budget for general fund expenditures was \$23,878,542, while actual expenditures were \$23,464,154, resulting in a surplus of \$414,388 (not including transfers). There was a net increase in fund balance of \$1,223,347 with a final fund balance of \$9,486,380.

Capital Asset and Debt Administration

Capital Assets. Peak to Peak's capital assets as of June 30, 2025, amounted to \$37,043,779 net of accumulated depreciation and accumulated amortization. Right-to-use lease assets and Subscription-Based Information Technology Arrangements (SBITAs) had an ending balance of \$910,564, net of amortization and included in the capital asset total above. Peak to Peak's capital assets include 35 acres of land and 180,000 square feet of building space located at 800 Merlin Drive, Lafayette, Colorado. Additional information on the School's capital assets can be found in Note 3 of this report.

Long-Term Liabilities. As of June 30, 2025, Peak to Peak had outstanding debt of \$10,895,000, which is a decrease of \$900,000 from the previous year. Long-term debt is detailed in Note 4 to the financial statements. The school currently holds an "A+" credit rating with Standard and Poor's. In addition, Peak to Peak maintained leases and SBITAs during fiscal year 2025 which had an ending balance of \$962,182. Leases and SBITAs are detailed in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

Peak to Peak's student enrollment for the 2024-25 school year was 1,445.0 full-time equivalent (FTE) students. The maximum enrollment allowed by Peak to Peak's contract with Boulder Valley School District is 1,445.0 FTE students. Peak to Peak's enrollment has been at or near the maximum allowable, per contract, for several years. State per pupil funding is expected to increase \$503,650 to \$16,709,980 for the 2025-26 school year. The School is anticipating stable enrollment, increased salary and benefit costs along with increased supplies and materials and other support service costs. All will impact 2025-26 fiscal plans and operations. The initial budget projects a surplus for the 2025-26 fiscal year.

**PEAK TO PEAK CHARTER SCHOOLS, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Requests for Information

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

Jennifer Douglas, Executive Director of Operations
Peak to Peak Charter School
800 Merlin Drive
Lafayette, CO 80026
jennifer.douglas@bvsd.org

PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 11,704,407
Restricted Cash and Investments	4,418,901
Prepaid Items	169,440
Accounts Receivable	56,122
Capital Assets	
Capital Assets, Not Being Depreciated	14,945,214
Capital Assets, Depreciated, Net of Accumulated Depreciation	21,188,001
Right-to-Use Lease Assets, Net of Accumulated Amortization	906,692
Subscription-Based IT Arrangement Assets, Net of Accumulated Amortization	<u>3,872</u>
Total Assets	53,392,649
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	1,711,713
Related to Pension	5,598,542
Related to OPEB	<u>108,012</u>
Total Deferred Outflows of Resources	7,418,267
LIABILITIES	
Accounts Payable	141,789
Accrued Salaries and Benefits	944,833
Unearned Revenues	181,613
Accrued Interest	204,281
Noncurrent Liabilities:	
Due Within One Year	1,191,101
Due in More Than One Year	11,632,392
Net Pension Liability	26,886,868
Net OPEB Liability	<u>477,049</u>
Total Liabilities	41,659,926
DEFERRED INFLOWS OF RESOURCES	
Related to Pension	1,628,300
Related to OPEB	<u>270,966</u>
Total Deferred Inflows of Resources	<u>1,899,266</u>
NET POSITION	
Net Investment in Capital Assets	26,322,674
Restricted:	
Advanced Placement Testing	9,385
Scholarships	1,627,712
Emergencies	817,527
Debt Service	2,323,894
Repair and Maintenance	915,145
Unrestricted	<u>(14,764,613)</u>
Total Net Position	<u><u>\$ 17,251,724</u></u>

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
Instructional	\$ 13,843,950	\$ 1,469,343	\$ 1,713,438	\$ -	\$ (10,661,169)
Support Services:					
General Administration	9,606,569	89,225	27,603	-	(9,489,741)
Maintenance and Operations	2,281,787	-	-	9,983,023	7,701,236
Other Supporting Services	225,819	-	-	-	(225,819)
Interest on Long-Term Debt	716,747	-	-	-	(716,747)
Total Governmental Activities	<u>\$ 26,674,872</u>	<u>\$ 1,558,568</u>	<u>\$ 1,741,041</u>	<u>\$ 9,983,023</u>	(13,392,240)
GENERAL REVENUES					
Per Pupil Revenue					16,975,724
District Mill Levy					6,493,811
Investment Income					695,243
Other					711,253
Total General Revenues					<u>24,876,031</u>
CHANGE IN NET POSITION					11,483,791
Net Position - Beginning of Year					<u>5,767,933</u>
NET POSITION - END OF YEAR					<u>\$ 17,251,724</u>

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Prairie View, Inc.	Friends of Peak to Peak, Inc.	Operations and Maintenance	Nonmajor Fund Food Services	Total
ASSETS						
Cash and Investments	\$ 10,494,268	\$ -	\$ 232,975	\$ 803,599	\$ 173,565	\$ 11,704,407
Restricted Cash and Investments	-	2,781,804	1,637,097	-	-	4,418,901
Prepaid Items	150,337	-	-	-	19,103	169,440
Accounts Receivable	9,449	-	-	-	46,673	56,122
Total Assets	<u>\$ 10,654,054</u>	<u>\$ 2,781,804</u>	<u>\$ 1,870,072</u>	<u>\$ 803,599</u>	<u>\$ 239,341</u>	<u>\$ 16,348,870</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 64,804	\$ -	1,725	\$ 69,293	\$ 5,967	\$ 141,789
Accrued Salaries and Benefits	921,257	-	-	7,496	16,080	944,833
Unearned Revenues	181,613	-	-	-	-	181,613
Total Liabilities	<u>1,167,674</u>	<u>-</u>	<u>1,725</u>	<u>76,789</u>	<u>22,047</u>	<u>1,268,235</u>
FUND BALANCES						
Nonspendable	150,337	-	-	-	19,103	169,440
Restricted	730,459	2,781,804	1,637,097	726,810	21,774	5,897,944
Committed	-	-	100,653	-	-	100,653
Assigned	-	-	130,597	-	176,417	307,014
Unassigned	8,605,584	-	-	-	-	8,605,584
Total Fund Balances	<u>9,486,380</u>	<u>2,781,804</u>	<u>1,868,347</u>	<u>726,810</u>	<u>217,294</u>	<u>15,080,635</u>
Total Liabilities and Fund Balances	<u>\$ 10,654,054</u>	<u>\$ 2,781,804</u>	<u>\$ 1,870,072</u>	<u>\$ 803,599</u>	<u>\$ 239,341</u>	<u>\$ 16,348,870</u>

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balance as Shown on Previous Page	\$ 15,080,635
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Net of Accumulated Depreciation and Amortization	37,043,779
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Accrued Interest	(204,281)
Bonds Payable	(10,895,000)
Bond Premium, Net of Accumulated Amortization	(575,636)
Compensated Absences	(390,675)
Lease Liabilities	(962,182)
Net Pension Liability	(26,886,868)
Net OPEB Liability	(477,049)

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Related to Pension	5,598,542
Related to OPEB	108,012
Deferred Loss on Refunding, Net of Accumulated Amortization	1,711,713

Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Related to Pension	(1,628,300)
Related to OPEB	(270,966)

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u><u>\$ 17,251,724</u></u>
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PEAK TO PEAK CHARTER SCHOOLS, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Prairie View, Inc.	Friends of Peak to Peak, Inc.	Operations and Maintenance	Nonmajor Fund Food Services	Total
REVENUES						
Per Pupil Funding	\$ 16,975,724	\$ -	\$ -	\$ -	\$ -	\$ 16,975,724
District Mill Levy	4,467,335	-	-	2,026,476	-	6,493,811
Rental Income	-	1,415,167	-	-	-	1,415,167
Intergovernmental:						
State and Local Sources	604,457	-	-	-	636,569	1,241,026
Federal Sources	-	-	-	-	313,871	313,871
Donations	-	-	525,151	-	-	525,151
Other Income	1,875,850	-	-	-	89,225	1,965,075
Investment Income	425,275	109,245	160,723	-	-	695,243
Total Revenues	<u>24,348,641</u>	<u>1,524,412</u>	<u>685,874</u>	<u>2,026,476</u>	<u>1,039,665</u>	<u>29,625,068</u>
EXPENDITURES						
Current:						
Instruction	13,085,806	-	-	122,540	-	13,208,346
Support Services:						
General Administration	8,121,111	-	-	-	1,039,870	9,160,981
Rent	1,415,167	-	-	-	-	1,415,167
Maintenance and Operations	265,823	-	-	1,910,125	-	2,175,948
Other Supporting Services	-	-	215,346	-	-	215,346
Capital Outlay	411,254	-	-	186,825	51,473	649,552
Debt Service:						
Principal	125,713	900,000	-	25,481	-	1,051,194
Interest	39,280	567,931	-	181	-	607,392
Total Expenditures	<u>23,464,154</u>	<u>1,467,931</u>	<u>215,346</u>	<u>2,245,152</u>	<u>1,091,343</u>	<u>28,483,926</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	884,487	56,481	470,528	(218,676)	(51,678)	1,141,142
OTHER FINANCING SOURCES (USES)						
Transfers In	491,795	-	1,935	150,000	1,000	644,730
Transfers Out	(152,935)	(127,528)	(364,267)	-	-	(644,730)
Total Other Financing Sources (Uses)	<u>338,860</u>	<u>(127,528)</u>	<u>(362,332)</u>	<u>150,000</u>	<u>1,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,223,347	(71,047)	108,196	(68,676)	(50,678)	1,141,142
Fund Balance - Beginning of Year	<u>8,263,033</u>	<u>2,852,851</u>	<u>1,760,151</u>	<u>795,486</u>	<u>267,972</u>	<u>13,939,493</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,486,380</u>	<u>\$ 2,781,804</u>	<u>\$ 1,868,347</u>	<u>\$ 726,810</u>	<u>\$ 217,294</u>	<u>\$ 15,080,635</u>

See accompanying Notes to Basic Financial Statements.

PEAK TO PEAK CHARTER SCHOOLS, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balance as Shown on Previous Page \$ 1,141,142

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

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of these assets are allocated over
their estimated useful lives and reported as depreciation and amortization expense.

Capital Outlay	649,553
Depreciation and Amortization Expense	(1,016,593)

Repayments of debt, leases, and SBITA principal are expenditures in the
governmental funds, but they reduce long-term liabilities in the statement of
net position and do not affect the statement of activities.

Principal Payments	1,051,194
--------------------	-----------

Interest is paid when due in the governmental funds but recorded
when payable in the statement of activities.

16,875

Governmental funds report the effect of premiums and loss on
refundings when the debt is first issued, whereas these amounts are
deferred and amortized in the statement of activities.

Premium Amortization	63,960
Loss on Refunding Amortization	(190,190)

Governmental funds do not report contributed assets. Instead these are only
reported on the Statement of Activities as Contribution Revenue and the Statement
of Net Position as Capital Assets.

9,983,022

Some items reported in the statement of activities do not require
the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds. The
(increases) decreases in these activities consist of:

Change in Accrued Compensated Absences	6,847
Pension Expense	(385,932)
OPEB Credit	163,913

Change in Net Position of Governmental Activities as Reported on the
Statement of Activities

\$ 11,483,791

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Peak to Peak Charter Schools, Inc. (the School) conform to accounting principles generally accepted in the United States of America. The following is a summary of the School's significant accounting policies:

Financial Reporting Entity

The School is a charter school organized under the Colorado Charter Schools Act (Colorado Revised Statutes §22-30.5-101). This Act permits school districts to contract with individuals and organizations for the operation of schools within Boulder Valley School District RE-2 (the District). The statutes define these contracted schools as "charter schools". Charter schools are financed from a portion of the school district's School Finance Act revenues and from revenues generated by the charter school within limits established by the Charter School Act. Charter schools have separate governing boards; however, the School District's Board of Education must approve all charter school applications and budgets.

Peak to Peak Charter Schools, Inc. was formed on May 12, 1998 and began operations as an incorporated school in 2000. The School has been granted 501(c)(3) status by the Internal Revenue Service (IRS). The School operates under a charter granted by the Boulder Valley School District RE-2 (the District) Board of Education and is reported as a discretely presented component unit of the District in the District's Annual Report.

Blended Component Units

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

Prairie View, Inc. was established for the purpose of financing and constructing the school facilities and to accumulate resources from the collection of rents from the School to make payments for Prairie View, Inc.'s capital and debt service costs. Prairie View, Inc. does not issue separate financial statements.

The Foundation was established to aid in development of the School and is responsible for raising funds to be used for the expansion of the School and its educational objectives. The Foundation does not issue separate financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the School. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported in a single column.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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 a given function or segment is 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 individuals 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. Other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

The major governmental funds presented in the accompanying basic financial statements are as follows:

General Fund

The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required legally or by sound financial management to be accounted for in another fund.

Special Revenue Fund – Prairie View, Inc.

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for Prairie View, Inc. Revenues are derived from the rental income provided by the General Fund to Prairie View, Inc.

Special Revenue Fund – Friends of Peak to Peak, Inc.

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School reports a special revenue fund for Friends of Peak to Peak, Inc. Revenues are derived from donations received for the School on behalf of Friends of Peak to Peak.

Special Revenue Fund – Operations and Maintenance Fund

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The nonmajor governmental fund presented in the accompanying basic financial statements is as follows:

Special Revenue Fund – Food Services Fund

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of the related cash flows. Revenue from per pupil operating revenue is recognized in the fiscal year for which the funding is provided. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Investments

Peak to Peak Charter Schools, Inc.'s investments are reported at fair value except for money market funds and CSAFE which are measured at amortized cost and investments in ColoTrust which are measured at net asset value (NAV).

Capital Assets

Capital assets purchased by the School which include land, construction in progress, land improvements, buildings, building improvements, and equipment, are reported in the government-wide financial statements. All capital assets are valued at acquisition cost or estimated acquisition cost if actual acquisition cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. An annual capital asset inventory is performed in accordance with state law (Colorado Revised Statute §29-1-506).

All reported capital assets, except for land and construction in progress, are depreciated once placed in service. Depreciation on all assets is provided using the straight-line method over estimated useful lives of 10 to 50 years.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows of Resources

The School's governmental activities report a separate section for deferred outflows of resources. This separate financial statement element reflects a consumption of net assets that applies to a future period. Deferred outflows for the School as of June 30, 2025 consist of deferred losses on debt refunding, deferred outflows related to pension and deferred outflows related to OPEB.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Accrued Salaries and Benefits

Salaries of teachers and certain other employees are paid over a 12-month period ending July 31. However, most salaries are earned over the traditional school year of September through May. The difference between salary and related benefit amounts earned from July 1 through June 30 and the corresponding amounts paid during this period is shown as a liability for accrued salaries and benefits in the amount of \$944,833.

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Debt

Long-term debt is reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of debt using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Pension Liability

The School's governmental activities report a net pension liability as of June 30, 2025. Due to GASB Statement No. 68, the School is required to report its proportionate share of PERA's unfunded pension liability. See Note 8 for additional information.

Postemployment Benefits Other Than Pensions (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value. See Note 9 for additional information.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow or resources (revenue) until that time. See Notes 8 and 9 for the deferred pension inflows of resources and deferred OPEB inflows of resources, respectively.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution.

Net Position/Fund Balance

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. The unrestricted classification includes all net position not invested in capital assets or restricted.

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

- **Nonspendable fund balance.** This classification includes amounts that cannot be spent either a) due to form; for example, inventories and prepaid amounts or b) due to legal or contractual requirements to be maintained intact. For the General fund and the Food Services fund, nonspendable resources reported are \$150,337 and \$19,103, respectively.
- **Restricted fund balance.** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balances in the School's General

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Net Position/Fund Balance (Continued)

Fund and special revenue funds – Operations and Maintenance and Food Services Fund are described in Note 7. Restrictions for the Friends of Peak to Peak, Inc. fund balance are described in Note 7. Restrictions for Prairie View, Inc., are described in Note 7.

- **Committed fund balance.** This classification includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require an ordinance by the School's board to remove or change the constraints placed on the resources. This action must occur prior to year-end; however, the amount can be determined in the subsequent period. Friends of Peak to Peak, Inc. has a committed fund balance of \$100,653 for scholarships.
- **Assigned fund balance.** This classification includes amounts for governmental funds, other than the general fund, any remaining positive amounts not classified in the above categories. For the general fund, amounts constrained for the intent to be used for a specific purpose has been delegated to the Business Manager. For the Friends of Peak to Peak, Inc. fund and the Food Services fund, the remaining positive amounts not classified in the above categories are considered assigned, which total \$307,014.
- **Unassigned fund balance.** This classification includes the residual fund balance for the General Fund.

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 CASH AND INVESTMENTS

Cash and investments are reported in the financial statements at June 30, 2025 as follows:

Cash and Investments	\$ 11,704,407
Restricted Cash and Investments	4,418,901
Total	<u>\$ 16,123,308</u>

Colorado statutes govern the School's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. Colorado statutes govern the School's deposits of cash and investments. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a local government deposit cash in eligible public depositories; eligibility is determined by state regulators.

Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the School's bank deposits were \$2,259,593 and were covered by federal depository insurance and by collateral held by authorized escrow agents in the financial institution's name (PDPA).

The School bought a 12 month Certificate of Deposit (CD) in August 2024, totaling \$90,215 under Friends of Peak to Peak. The CD has an interest rate of 3.92% and matured in August 2025. As the CD is short term, it is included in Cash and Cash Equivalents in the Balance Sheet.

Investments

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

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado revised statutes, generally limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of U.S. local governments, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

Investments at June 30, 2025 consist of the following:

Investment	Maturity Less Than One Year	Maturity 1 - 5 Years	Maturity 6-10 Years	Total	Concentration	Standard & Poor's Rating
ColoTrust	\$ 9,283,033	\$ -	\$ -	\$ 9,283,033	76.9 %	AAAm
Colorado Surplus Asset Fund (CSAFE)	1,696,931	-	-	1,696,931	14.1	AAAm
First American Government Obligations Fund #3802	1,084,873	-	-	1,084,873	9.0	AAAm
Total	<u>\$ 12,064,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,064,837</u>	<u>100.0 %</u>	

Friends of Peak to Peak, Inc.'s investments consisted of a restricted endowment for \$1,627,712 held with the Community First Foundation, which does not have a credit rating and \$49,493 held in restricted bond and money market funds that do not have a credit rating.

Fair Value Measurements

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School has the following recurring fair value measurements as of June 30, 2025:

Endowment held within the Community First Foundation is valued based on unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3). As of June 30, 2025, Peak to Peak Charter School has a total of \$1,627,712 within Level 3 investments.

As of June 30, 2025, the School invested \$9,283,033 in the Colorado Local Government Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, ColoTrust PRIME and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank services as custodian for the Trust's portfolios pursuant to a custodian agreement.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. ColoTrust is rated AAAM by Standard & Poor's. ColoTrust records investment at fair value and the School records investments in ColoTrust at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

As of June 30, 2025, the School invested \$1,696,931 in the Colorado Surplus Asset Fund (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72. 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 participating governments. The redemption frequency is daily, and there is no redemption notice period.

As of June 30, 2025, the School invested \$1,084,873 in the First American Government Obligations Fund #3802, a money market fund which complied with the Rule 2a-7 definition of a government money market fund. The Fund is rated AAAM by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

Credit Risk

The School does not have an investment policy for credit risk. State law does not limit investment to U.S. Treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligation, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years.

Investments in these funds require that the institutions have assets in excess of \$1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

Interest Rate Risk

The Trustee is required to maintain liquidity of the investment funds held so as to meet cash requirements of the principal and interest requirements of the bonds on a semiannual basis. The money market funds held in investments have maturities of less than one year.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital Assets, Not Depreciated:					
Land	\$ 2,787,984	\$ -	\$ -	\$ -	\$ 2,787,984
Construction in Progress	1,739,247	10,417,983	-	-	12,157,230
Total Capital Assets, Not Depreciated	4,527,231	10,417,983	-	-	14,945,214
Capital Assets, Being Depreciated:					
Land Improvements	4,728,775	-	-	-	4,728,775
Buildings and Building Improvements	29,069,197	-	-	-	29,069,197
Equipment	944,354	214,592	-	-	1,158,946
Total Capital Assets, Being Depreciated	34,742,326	214,592	-	-	34,956,918
Accumulated Depreciation:					
Land Improvements	(2,606,854)	(194,822)	-	-	(2,801,676)
Buildings and Building Improvements	(9,907,497)	(591,547)	-	-	(10,499,044)
Equipment	(399,587)	(68,610)	-	-	(468,197)
Total Accumulated Depreciation	(12,913,938)	(854,979)	-	-	(13,768,917)
Total Capital Assets, Being Depreciated, Net	21,828,388	(640,387)	-	-	21,188,001
Right-to-Use Lease Assets:					
Vehicles	1,220,837	-	-	-	1,220,837
Equipment	65,165	-	-	-	65,165
Total Right-to-Use Lease Assets	1,286,002	-	-	-	1,286,002
Accumulated Amortization:					
Vehicles	(212,290)	(122,084)	-	-	(334,374)
Equipment	(28,645)	(16,291)	-	-	(44,936)
Total Accumulated Amortization	(240,935)	(138,375)	-	-	(379,310)
Total Right-to-Use Assets Being Amortized, Net	1,045,067	(138,375)	-	-	906,692
Subscription-Based IT Arrangement Assets:					
SBITA Assets	69,716	-	-	-	69,716
Total SBITA Assets	69,716	-	-	-	69,716
Accumulated Amortization:					
SBITA Assets	(42,605)	(23,239)	-	-	(65,844)
Total Accumulated Amortization	(42,605)	(23,239)	-	-	(65,844)
Total Subscription-Based IT Arrangement Assets Being Amortized, Net	27,111	(23,239)	-	-	3,872
Total Capital Assets	\$ 27,427,797	\$ 9,615,982	\$ -	\$ -	\$ 37,043,779

Total depreciation and amortization expense of \$1,016,593 was charged to the instructional (\$542,293) and support services (\$474,300) functions of the School for the year ended June 30, 2025.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 LONG-TERM LIABILITIES

On July 15, 2014, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$17,880,000 Charter School Refunding Revenue Bonds, Series 2014. Proceeds were used to refund the outstanding Series 2004 Charter School Revenue and Refunding Bonds. Interest accrues at rates ranging from 2% to 5% per annum, and is payable semi-annually on August 15 and February 15. Principal payments are due annually on August 15, through 2034.

Prairie View, Inc. has granted the Authority a mortgage lien on the real estate and a security interest in the lease revenues from the School. The Authority's rights under the agreement have been assigned to the Trustee.

The lease revenues which are the basis of the pledged revenues are described in Note 5. The lease revenue over the term of the agreement is equal to the expected principal and interest payments to be made over the life of the bonds, approximately \$26,600,000. One hundred percent of lease revenues have been pledged under the agreement. Lease revenue of \$1,415,167 was approximately equal to the debt service requirements of the bond for the year ended June 30, 2025.

Bonds payable consisted of the following at June 30, 2025:

<u>Description</u>	<u>Amount</u>
Charter School Refunding Revenue Bonds dated July 15, 2014, due in annual installments ranging from \$470,000 to \$1,350,000 through August 2034; interest (rate ranging from 2.00% to 5.00%) payable semi-annually on August 15 and February 15. Revenue from the rental of the building (Note 5) has been pledged to pay principal and interest.	\$ 10,895,000
Plus: Bond Premium	<u>575,636</u>
Subtotal	11,470,636
Less: Current Portion	<u>(870,000)</u>
Total	<u><u>\$ 10,600,636</u></u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

Changes in long-term liabilities for the year ended June 30, 2025 were as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Bonds Payable - Series 2014	\$ 11,795,000	\$ -	\$ (900,000)	\$ 10,895,000	\$ 870,000
Premium - Series 2014	639,596	-	(63,960)	575,636	-
Compensated Absences	397,522	-	(6,847)	390,675	190,744
Lease Liabilities:					
Vehicles	1,050,159	-	(109,984)	940,175	113,966
Equipment	37,736	-	(15,729)	22,007	16,391
SBITA Liability	25,481	-	(25,481)	-	-
Total	<u>\$ 13,945,494</u>	<u>\$ -</u>	<u>\$ (1,122,001)</u>	<u>\$ 12,823,493</u>	<u>\$ 1,191,101</u>

The change in the compensated absence liability is presented as a net change.

The following schedule represents the School's debt service requirements to maturity for outstanding revenue bonds at June 30, 2025:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 870,000	\$ 523,000	\$ 1,393,000
2027	915,000	478,375	1,393,375
2028	960,000	431,500	1,391,500
2029	1,010,000	382,500	1,392,500
2030	1,060,000	330,500	1,390,500
2031-2035	6,080,000	782,500	6,862,500
Total	<u>\$ 10,895,000</u>	<u>\$ 2,928,375</u>	<u>\$ 13,823,375</u>

NOTE 5 LEASE LIABILITIES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS LIABILITY

Leases

Intra-Entity Lease

The School leases its building from Prairie View, Inc. The lease requires monthly payments, which approximate Prairie View, Inc.'s required payments on the bonds (see Note 4) and may be terminated in any year by nonappropriation of funds. Prairie View, Inc. has pledged the lease payments to pay bond principal and interest.

Rent expense was \$1,415,167 for the year ended June 30, 2025, and is included in support services expenditures. The lease between the School (lessee) and Prairie View, Inc. (lessor) includes certain restrictive covenants related to expenditures and unrestricted cash balances. The School believes it is in compliance with the covenants.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 LEASE LIABILITIES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS LIABILITY (CONTINUED)

Leases (Continued)

Intra-Entity Lease (Continued)

The School leases equipment (copiers) as well as vehicles (school buses) for various terms under long-term, noncancellable lease agreements. The equipment leases expire in 2027 and the vehicle leases expire in 2033. The equipment leases are calculated using a 4.21% interest rate and the vehicle leases are calculated using a 3.62% interest rate.

The right-to-use lease assets and the related accumulated amortization are detailed in Note 3.

The equipment leases have the following principal and interest requirements to maturity:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 16,391	\$ 602	\$ 16,993
2027	5,616	49	5,665
Total	<u>\$ 22,007</u>	<u>\$ 651</u>	<u>\$ 22,658</u>

The vehicle leases have the following principal and interest requirements to maturity:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 113,966	\$ 34,034	\$ 148,000
2027	118,091	29,909	148,000
2028	122,295	25,705	148,000
2029	126,793	21,207	148,000
2030-2034	459,030	35,904	494,934
Total	<u>\$ 940,175</u>	<u>\$ 146,759</u>	<u>\$ 1,086,934</u>

Subscription-Based Information Technology Arrangements

The School has entered into subscription based-information technology arrangements (SBITAs) for accounting and finance software. The SBITAs expired in 2025. The SBITAs were calculated using a 4.25% interest rate.

The SBITAs and the related accumulated amortization are detailed in Note 3.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The School carries commercial insurance for these and other risks of loss. Settled claims have not exceeded this coverage in the past 10 years.

NOTE 7 RESTRICTION OF NET POSITION / FUND BALANCE

On November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR limits the ability of the state and local governments such as the School to increase revenues, debt, and spending and restricts property, income and other taxes. In addition, the amendment requires government entities to create an emergency "reserve" of 3% of annual spending excluding bonded debt service. At June 30, 2025, management believes the School has complied with the requirements to include emergency reserves in its budgetary basis fund balance in the amount of \$817,527 split between the General Fund (\$730,459), Operations and Maintenance Fund (\$65,294), and the Food Services Fund (\$21,774).

Prairie View, Inc. is required to hold funds in escrow accounts related to its bond obligations, fund balance is restricted attributable to the restrictions on its cash and investments in the amount of \$2,528,175 and \$253,629 restricted for repairs and maintenance.

Friends of Peak to Peak, Inc. has \$1,627,712 of fund balance restricted for scholarship funds and \$9,385 restricted for advanced placement testing.

\$661,516 of the special revenue fund – Operations and Maintenance Fund balance has been restricted for the School's repairs and maintenance activities related to a mill levy override as required by HB-1354.

NOTE 8 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description

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

Benefits Provided as of December 31, 2024

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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 service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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, 2025

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 1, 2024 through June 30, 2025.

Employer contribution requirements are summarized in the table below:

	July 1, 2024 Through <u>June 30, 2025</u>
Employer Contribution Rate	11.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)
Amount Apportioned to the SCHDTF	10.38
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50
Total Employer Contribution Rate to the SCHDTF	<u><u>20.38 %</u></u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions Provisions as of June 30, 2025 (Continued)

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the School were \$2,467,971 for the year ended June 30, 2025.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

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

At June 30, 2025, the School reported a liability of \$26,886,868 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the School were as follows:

The School's Proportionate Share of the Net Pension Liability	\$ 26,886,868
State's Proportionate Share of the Net Pension Liability Associated with the School	2,414,867
Total	<u><u>\$ 29,301,735</u></u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2024, the School's proportion was 0.15582%, which was a decrease of 0.01239% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized pension expense of \$1,637,235 and revenue of \$220,405 for support from the State as a nonemployer contributing entity. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,522,563	\$ -
Changes of Assumptions or Other Inputs	201,574	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	507,280	-
Changes in Proportion and Differences Between		
Contributions Recognized and Proportionate Share		
of Contributions	2,115,822	1,628,300
Contributions Subsequent to the Measurement Date	1,251,303	-
Total	<u>\$ 5,598,542</u>	<u>\$ 1,628,300</u>

\$1,251,303 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 2,206,377
2027	1,855,519
2028	(981,165)
2029	(361,792)
Total	<u>\$ 2,718,939</u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

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

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

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

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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 (Continued)

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation: 4.00%-13.40%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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

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

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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 (Continued)

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:

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 Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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 (Continued)

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

Discount Rate

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

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 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 (Continued)

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

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

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	\$ 36,452,361	\$ 26,886,868	\$ 18,874,430

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.

Events Subsequent to Measurement Date

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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.

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.

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.

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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

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

PERA Benefit Structure

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

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

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.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

General Information about the OPEB Plan (Continued)

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the School were \$123,520 for the year ended June 30, 2025.

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

At June 30, 2025, the School reported a liability of \$477,049 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the TOL to December 31, 2024. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF .

At December 31, 2024, the School's proportion was 0.09977%, which was a decrease of 0.00087% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the School recognized an OPEB credit of \$101,286. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 105,227
Changes of Assumptions or Other Inputs	5,470	152,489
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,617	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	38,298	13,250
Contributions Subsequent to the Measurement Date	62,627	-
Total	<u>\$ 108,012</u>	<u>\$ 270,966</u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

\$62,627 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (57,712)
2027	(34,444)
2028	(54,561)
2029	(37,544)
2030	(27,034)
Thereafter	(14,286)
Total	<u>\$ (225,581)</u>

Actuarial Assumptions

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

	<u>Trust Fund</u>			
	<u>State Division</u>	<u>School Division</u>	<u>Local Government</u>	<u>Judicial Division</u>
Actuarial Cost Method			Entry Age	
Price Inflation			2.30%	
Real Wage Growth			0.70%	
Wage Inflation			3.00%	
Salary Increases, Including Wage Inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation			7.25%	
Discount rate			7.25%	
Health Care Cost Trend Rates				
Service-based Premium Subsidy			0.00%	
PERACare Medicare Plans			16.00% in 2024, then 6.75% in 2025, 105.00% in 2024, then 8.55% in 2025,	
MAPD PPO #2				

As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Actuarial Assumptions (Continued)

Age-Related Morbidity Assumptions						
Participant	Annual Increase		Annual Increase			
Age	(Male)		(Female)			
65-68	2.20%		2.30%			
69	2.80%		2.20%			
70	2.70%		1.60%			
71	3.10%		0.50%			
72	2.30%		0.70%			
73	1.20%		0.80%			
74	0.90%		1.50%			
75-85	0.90%		1.30%			
86 and older	0.00%		0.00%			

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

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

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

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

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

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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial Assumptions (Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2024	16.00%	3.50%
2025	6.75%	3.75%
2026	6.50%	3.75%
2027	6.25%	4.00%
2028	6.00%	4.00%
2029	5.75%	4.25%
2030	5.50%	4.25%
2031	5.25%	4.25%
2032	5.00%	4.25%
2033	4.75%	4.50%
2034+	4.50%	4.50%

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

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023 valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial Assumptions (Continued)

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

**PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial Assumptions (Continued)

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

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020 to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024.

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

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

- Salary scale assumptions were altered to better reflect actual experience.

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NOTES TO BASIC FINANCIAL STATEMENTS
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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial Assumptions (Continued)

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded

	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$ 1,824	\$ 6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 80 / 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85 / 115% of the rates age 85 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Actuarial Assumptions (Continued)

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages

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

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

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

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 Gemoetric 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	

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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare Trend Rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 Trend Rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Proportionate Share of the Net OPEB Liability	\$ 464,196	\$ 477,049	\$ 491,595

¹ For the January 1, 2025 plan year.

Discount Rate

The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023 and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- 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.

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**NOTE 9 DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(CONTINUED)**

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

Discount Rate (Continued)

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 584,631	\$ 477,049	\$ 384,301

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.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 INTERFUND TRANSFERS PLAN

During the fiscal year ended June 30, 2025, the School's General Fund received a transfer of \$364,267 from the Friends of Peak to Peak, Inc. special revenue fund. These funds were donated and raised by Friends of Peak to Peak, Inc. to support the School's operating expenditures. Additionally, Prairie View, Inc. contributed \$127,528 to the General Fund, representing excess bond reserves accumulated during the same fiscal year. Transfers out of the General Fund included \$150,000 to the Operations and Maintenance Fund for IT Services, \$1,000 to the Food Service Fund, and \$1,935 to the Friends of Peak to Peak, Inc. special revenue fund.

NOTE 11 SUBSEQUENT EVENTS

In September 2025, the School purchased property located at 183 N 120th Street, Lafayette, Colorado for \$365,770.41. This acquisition aligns with the School's strategic plan to expand its campus and operations.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Per Pupil Revenue	\$ 16,201,340	\$ 16,185,961	16,975,724	\$ 789,763
District Mill Levy	4,484,139	4,519,050	4,467,335	(51,715)
Intergovernmental	1,278,338	1,329,158	604,457	(724,701)
Other Income	1,403,845	1,403,846	1,875,850	472,004
Investment Income	500,000	500,000	425,275	(74,725)
Total Revenues	23,867,662	23,938,015	24,348,641	410,626
EXPENDITURES				
Current:				
Instruction	14,635,086	14,577,509	13,085,806	1,491,703
Support Services:				
General Administration	7,271,519	7,211,086	8,121,111	(910,025)
Rent	-	-	1,415,167	(1,415,167)
Facilities and Maintenance	196,093	225,505	265,823	(40,318)
Capital Outlay	200,000	426,903	411,254	15,649
Debt Service	1,437,539	1,437,539	164,993	1,272,546
Total Expenditures	23,740,237	23,878,542	23,464,154	414,388
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	127,425	59,473	884,487	825,014
OTHER FINANCING SOURCES (USES)				
Transfers In	341,200	316,200	491,795	175,595
Transfers Out	-	-	(152,935)	(152,935)
Total Other Financing Sources (Uses)	341,200	316,200	338,860	22,660
NET CHANGE IN FUND BALANCE	468,625	375,673	1,223,347	847,674
Fund Balance - Beginning of Year	7,324,303	8,263,030	8,263,033	3
FUND BALANCE - END OF YEAR	<u>\$ 7,792,928</u>	<u>\$ 8,638,703</u>	9,486,380	<u>\$ 847,677</u>
NON-GAAP BUDGETARY ADJUSTMENTS				
FUND BALANCE - END OF YEAR GAAP BASIS			<u>\$ 9,486,380</u>	

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – FRIENDS OF PEAK TO PEAK, INC.
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Donations	\$ 485,000	\$ 499,000	\$ 525,151	\$ 26,151
Investment Income	100,000	100,000	160,723	60,723
Total Revenues	585,000	599,000	685,874	86,874
EXPENDITURES				
Current:				
Support Services:				
Other Supporting Services	200,702	222,702	215,346	7,356
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	384,298	376,298	470,528	94,230
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	1,935	1,935
Transfers Out	(341,200)	(316,200)	(364,267)	(48,067)
NET CHANGE IN FUND BALANCE	43,098	60,098	108,196	48,098
Fund Balance - Beginning of Year	1,695,700	1,760,151	1,760,151	-
FUND BALANCE - END OF YEAR	<u>\$ 1,738,798</u>	<u>\$ 1,820,249</u>	<u>\$ 1,868,347</u>	<u>\$ 48,098</u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – OPERATIONS AND MAINTENANCE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
District Mill Levy	\$ 2,036,569	\$ 2,026,475	2,026,476	\$ 1
EXPENDITURES				
Current:				
Instruction	169,305	121,000	122,540	(1,540)
Maintenance and Operations	1,978,451	2,053,565	1,910,125	143,440
Capital Outlay	144,000	268,000	186,825	81,175
Debt Service Payments	-	-	25,662	(25,662)
Total Expenditures	<u>2,291,756</u>	<u>2,442,565</u>	<u>2,245,152</u>	<u>197,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(255,187)</u>	<u>(416,090)</u>	<u>(218,676)</u>	<u>197,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	150,000	150,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>(255,187)</u>	<u>(416,090)</u>	<u>(68,676)</u>	<u>347,414</u>
Fund Balance - Beginning of Year	<u>576,024</u>	<u>795,484</u>	<u>795,486</u>	<u>(2)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 320,837</u></u>	<u><u>\$ 379,394</u></u>	<u><u>\$ 726,810</u></u>	<u><u>\$ 347,416</u></u>

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS*

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Plan Measurement Date	12/31/2024	12/31/2023	12/31/2022	44561	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
The School's Proportion of the Net Pension Liability	0.155821646%	0.168212631%	0.133516677%	0.150313446%	0.165766809%	0.141332291%	0.144756590%	0.161459707%	0.156919771%	0.153821338%
The School's Proportionate Share of the Net Pension Liability	\$ 26,886,868	\$ 29,745,749	\$ 24,312,673	\$ 17,492,526	\$ 25,060,598	\$ 21,114,738	\$ 25,632,127	\$ 52,210,331	\$ 46,721,084	\$ 23,525,888
State's Proportionate Share of the Net Pension Liability Associated with the School **	2,414,867	652,236	7,084,957	2,005,295	-	2,678,135	3,504,838	-	-	-
Total	<u>\$ 29,301,735</u>	<u>\$ 30,397,985</u>	<u>\$ 31,397,630</u>	<u>\$ 19,497,821</u>	<u>\$ 25,060,598</u>	<u>\$ 23,792,873</u>	<u>\$ 29,136,965</u>	<u>\$ 52,210,331</u>	<u>\$ 46,721,084</u>	<u>\$ 23,525,888</u>
The School's Covered Payroll	12,043,086	11,120,371	10,301,512	9,394,116	8,863,499	8,304,758	7,958,049	7,523,556	7,042,730	7,196,937
The School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	223.26%	267.49%	236.01%	186.21%	282.74%	254.25%	322.09%	693.96%	663.39%	326.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan.

**HB 20-1379 suspended the direct distribution scheduled for July 1, 2020 in fiscal year 2021.

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily Required Contributions	\$ 2,467,971	\$ 2,406,960	\$ 2,129,323	\$ 1,997,627	\$ 1,807,640	\$ 1,661,191	\$ 1,556,140	\$ 1,465,859	\$ 1,343,137	\$ 1,223,456
Contributions in Relation to the Statutorily Required Contribution	<u>2,467,971</u>	<u>2,406,960</u>	<u>2,129,323</u>	<u>1,997,627</u>	<u>1,807,640</u>	<u>1,661,191</u>	<u>1,556,140</u>	<u>1,465,859</u>	<u>1,343,137</u>	<u>1,223,456</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,109,768	\$ 11,810,402	\$ 10,448,103	\$ 10,048,427	\$ 9,092,756	\$ 8,571,676	\$ 8,134,555	\$ 7,763,266	\$ 7,294,252	\$ 6,872,086
Contribution as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.41%	17.80%

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS*

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018
Plan Measurement Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
The School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0997662443%	0.1006325106%	0.1015162153%	0.0981432991%	0.0958479242%	0.0923614707%	0.0940925955%	0.0915479910%
The School's Proportionate Share of the Collective OPEB Liability	\$ 477,049	\$ 718,240	\$ 828,859	\$ 846,295	\$ 910,771	\$ 1,038,141	\$ 1,280,169	\$ 1,189,758
Covered Payroll	\$ 12,043,086	\$ 11,120,371	\$ 10,301,512	\$ 9,394,116	\$ 8,863,499	\$ 8,304,758	\$ 7,958,049	\$ 7,523,556
The School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	15.81%
Plan Fiduciary Net OPEB as a Percentage of the Total OPEB Liability	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF OPEB CONTRIBUTIONS AND RELATED RATIOS
YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily Required Contributions	\$ 123,520	\$ 120,466	\$ 106,571	\$ 102,494	\$ 92,746	\$ 87,431	\$ 82,972	\$ 79,185	\$ 74,401	\$ 70,180
Contributions in Relation to the Statutorily Required Contribution	<u>123,520</u>	<u>120,466</u>	<u>106,571</u>	<u>102,494</u>	<u>92,746</u>	<u>87,431</u>	<u>82,972</u>	<u>79,185</u>	<u>74,401</u>	<u>70,180</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,109,768	\$ 11,810,402	\$ 10,448,103	\$ 10,048,427	\$ 9,092,756	\$ 8,571,676	\$ 8,134,555	\$ 7,763,266	\$ 7,294,252	\$ 6,872,086
Contribution as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The School conducts all necessary budgeting procedures maintaining separate budgets for each fund.

The School adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- a) Budgets for all funds are required by the District. During June, the proposed budget is submitted to the Board for consideration and approval at a public hearing. The budget includes proposed expenditures and the means of financing them.
- b) The Public hearings are conducted by the School's Board of Directors to allow parents and other members of the public comment and recommendations.
- c) Prior to June 30, the budget is adopted by formal resolution.
- d) The School's contract with the District requires submission of the approval and amended budgets to the District.
- e) Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between funds, reallocation of budget line items and revisions that alter the total appropriations of any fund must be approved by the School's Board of Directors. Appropriations are based on total funds expected to be available in each budget year, which may include beginning fund balances and reserves as established by the Board of Directors.
- f) Budgets for all fund types are adopted on a basis consistent with GAAP except for the General Fund which is on the budgetary basis.
- g) Budgeted amounts reported in the accompanying supplemental information are as originally adopted and as amended by the Board of Directors throughout the year. Budgeted amounts included in the financial statements are based on the final budget as adopted by the School's Board of Directors after the October 1, 2021 student count day.
- h) There was no legally adopted budget for Prairie View, Inc.
- i) All appropriations lapse at the end of each fiscal year.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 2 NET PENSION LIABILITY

CHANGES IN PENSION BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

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

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- 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.

There were no changes in terms or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

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

- The projected benefit payments reflect the lowered annual increase cap from 1.25% to 1%, resulting from the 2020 AAP assessment, effective July 1, 2022.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 2 NET PENSION LIABILITY (CONTINUED)

- Assumptions on employer and employee contributions were updated to include the additional 0.50% resulting from the 2020 AAP assessment, effective July 1, 2022.

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

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 2 NET PENSION LIABILITY (CONTINUED)

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

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

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

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

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

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

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

NOTE 3 NET OPEB LIABILITY

CHANGES IN OPEB BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

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

- As of the December 31, 2024 measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.
- 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.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 3 NET OPEB LIABILITY (CONTINUED)

- 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.

Changes in assumptions or other input effective for the December 31, 2023 measurement period are as follows:

- 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.

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

- Per capital health costs were developed by plan option based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend.
- Health care cost trend rates were revised to reflect an expectation of future increases in rates of inflation.

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

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

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 3 NET OPEB LIABILITY (CONTINUED)

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

PEAK TO PEAK CHARTER SCHOOLS, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

NOTE 3 NET OPEB LIABILITY (CONTINUED)

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

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

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

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

PEAK TO PEAK CHARTER SCHOOLS, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Food Sales	\$ 100,000	\$ 100,000	\$ 89,225	\$ (10,775)
State Grant Revenues	46,673	46,673	636,569	\$ 589,896
Federal Grant Revenues	800,000	905,000	313,871	(591,129)
Total Revenues	946,673	1,051,673	1,039,665	(12,008)
EXPENDITURES				
Current:				
Support Services:				
Capital Outlay	49,766	50,000	51,473	(1,473)
Food Service Operations	1,022,147	1,059,508	1,039,870	19,638
Total Expenditures	1,071,913	1,109,508	1,091,343	18,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(125,240)	(57,835)	(51,678)	8,863
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,000	1,000
NET CHANGE IN FUND BALANCE	(125,240)	(57,835)	(50,678)	7,157
Fund Balance - Beginning of Year	284,773	267,969	267,972	3
FUND BALANCE - END OF YEAR	<u>\$ 159,533</u>	<u>\$ 210,134</u>	<u>\$ 217,294</u>	<u>\$ 7,160</u>



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