HIGH POINT ACADEMY

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2026

HIGH POINT ACADEMY
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Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
High Point Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the High Point Academy, as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the High Point Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the High Point Academy, as of June 30, 2026 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the High Point Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the High Point Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the High Point Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Colorado Springs, Colorado
October 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

If you have questions about this report or require further information, contact High Point Academy, Sandy Farrell, Director of Accounting, 6750 N. Dunkirk St., Aurora, Colorado 80019.

OVERVIEW OF THE FINANCIAL STATEMENTS

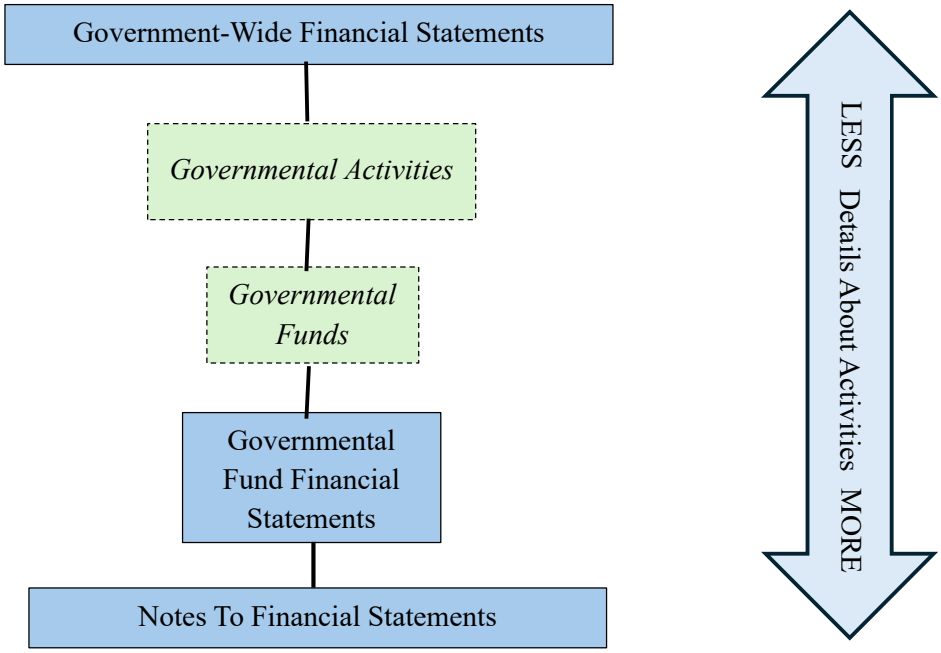
The School financial report contains basic financial statements. Those financial statements present the School finances at both an overall and a detailed level. The first two—the government-wide financial statements—cover the School governmental activities. (See the diagram in Figure A-1.)

- Governmental activities comprise the School's primary functions, including instruction, supporting services, school or general administration, operations and maintenance, food service, and other programs and services provided to students, staff, and the community. Governmental activities are financed primarily through state equalization, property taxes, grants, and other revenues received from the State of Colorado, the federal government, and other local sources, as applicable to the School.
- Blended Component Unit. High Point Academy Building Corporation (the Building Corp) was organized for the purpose of acquiring, leasing, constructing, improving, equipping and financing various facilities, land, equipment and other improvements in connection with property intended to be leased to the School. The Building Corp is reported as a special revenue fund and does not issue separate financial statements.

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

- *Governmental fund financial statements* report all of the governmental activities except those that involve providing services to School departments. In addition to the School's main operating fund—the general fund—those financial statements may report special revenue funds for grants, food service, preschool, or other designated purposes.

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



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

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

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

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

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

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

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

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

ANALYSIS OF THE SCHOOL'S FINANCES

Table A-1 shows that as of June 30, 2026, the School's total net position, assets and deferred outflows minus liabilities and deferred inflows, was ($4,039,291), an increase of $384,844 or 8.7 percent compared with 2025. This increase is primarily due to a $290,296 or 6.8 percent increase in unrestricted net position. Most of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental.

Table A-1
Net Position

	Governmental Activities		Total Percentage Change
	June 30, 2026	June 30, 2025	2026-2025
Current and other assets	$ 6,665,214	$ 5,528,990	20.6%
Restricted Cash and Investments	1,193,902	1,195,538	-0.1%
Accounts Receivable & Prepaid Expenses	302,267	304,492	-0.7%
Capital assets, net of accumulated depreciation	7,034,735	7,392,383	-4.8%
Total assets	15,196,118	14,421,403	5.4%
Deferred outflows of resources			
Deferred pension outflows	1,313,658	2,227,018	-41.0%
Deferred OPEB outflows	39,870	51,436	-22.5%
Total Deferred Outflows of Resources	1,353,528	2,278,454	-40.6%
Current liabilities	1,178,754	1,121,677	5.1%
Debt Service	8,522,503	8,956,859	-4.8%
Net Pension Liability	9,275,798	10,203,187	-9.1%
Net OPEB Liability	102,511	181,033	-43.4%
Total liabilities	19,079,566	20,462,756	-6.8%
Deferred inflows of resources			
Deferred pension inflows	1,400,707	561,890	149.3%
Deferred OPEB inflows	108,664	99,346	9.4%
Total Deferred Inflows of Resources	1,509,371	661,236	128.3%
Net position			
Net investment in Capital Assets	(1,487,768)	(1,564,476)	-4.9%
Restricted for Debt Service	1,046,802	1,043,562	0.3%
Restricted for Special Education	71,800	67,200	6.8%
Restricted for Emergencies	311,000	301,000	3.3%
Unrestricted	(3,981,125)	(4,271,421)	-6.8%
Total net position	$ (4,039,291)	$ (4,424,135)	-8.7%

Governmental activities

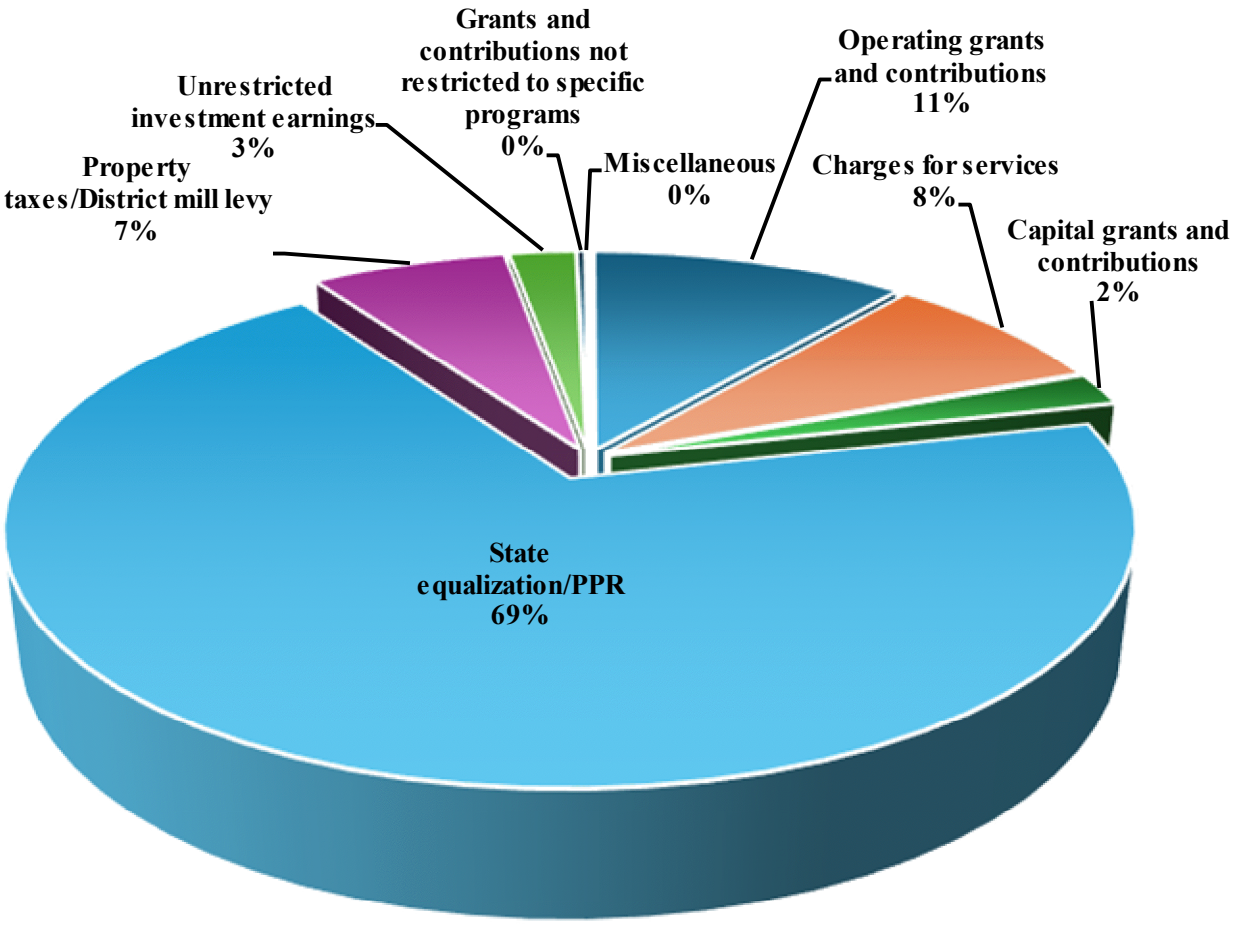
Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Figures A-3 and A-4 show a breakout of revenue by source and expenditure by function. The total net position of the School's governmental activities was $4,039,291, an increase of $384,844 or 8.7 percent from 2025. Various events contributed to this increase in net position; however, the three primary factors affecting the change in net position are as follows:

1) State equalization/Per pupil revenue
2) Increases in Property taxes/District mill levy
3) Growth in grants and contributions

Table A-2
Changes in Net Position

	Governmental Activities		Total Percentage Change
	June 30, 2026	June 30, 2025	2026-2025
Revenues			
Program Revenues:			
Operating grants and contributions	$ 1,243,591	$ 1,409,053	-11.7%
Charges for services	917,727	946,038	-3.0%
Capital grants and contributions	237,214	239,698	-1.0%
General revenues:			
State equalization/PPR	7,776,715	7,361,612	5.6%
Property taxes/District mill levy	775,666	709,733	9.3%
Unrestricted investment earnings	262,776	280,805	-6.4%
Grants and contributions not restricted to specific programs	30,131	25,986	16.0%
Miscellaneous	13,205	26,084	-49.4%
Total revenues	11,257,025	10,999,009	2.3%
Expenses			
Instruction	6,118,452	6,131,448	-0.2%
Supporting services	4,535,524	3,941,255	15.1%
Interest and fiscal charges	218,205	229,395	-4.9%
Total Expenses	10,872,181	10,302,098	5.5%
Change in net position	384,844	696,911	-44.8%
Net position - beginning	(4,424,135)	(5,121,046)	-13.6%
Net position - ending	$ (4,039,291)	$ (4,424,135)	-8.7%

Figure A-3 Governmental Activities - Revenues by Source



Increases in revenues due to economic growth

The strength of the School's local economy and changes in assessed valuation contributed to growth in several of the School's significant revenue sources. Mill levy override funding from property taxes, which represented 7 percent of the School's governmental activities revenues, increased 9.3 percent as a result of higher assessed values within the School's boundaries.

State equalization/Per pupil revenue

The largest single source of governmental activities revenue for the School is state equalization/per pupil revenue, which amounted to $7,776,715 in 2026, or 69 percent of total governmental activities revenue. State equalization/per pupil revenue increased 5.6 percent in 2026 due to changes in funded pupil count, formula funding, and other factors affecting per pupil revenue.

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

The primary factor driving the budget for the School is student enrollment. Enrollments for the previous school years are listed below. The enrollment projected for the 2026-2027 school year is expected to be 720. This factor was considered in preparing the School's budget for the 2026-2027 fiscal year.

Fiscal Year	Enrollment
2016 / 2017	766
2017 / 2018	727
2018 / 2019	706
2019 / 2020	705
2020 / 2021	689
2021 / 2022	696.5
2022 / 2023	710
2023 / 2024	672
2024 / 2025	680
2025 / 2026	718
2026 / 2027	720

Per pupil funding for FY27 is projected to increase by $1,059.55 or (9.3%). As of the end of the current fiscal year, the School's general fund reported an ending fund balance of $5,935,827. The projected FY27 increase is factored into the fund balance increase of $134,011 for FY27.

General Fund Budgetary Highlights

The School approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. The School approved a supplemental budget during the year to true up the beginning fund balance and adjust to the actual student count. The original General Fund Budget was $10,000,079 and it was adjusted to $10,280,928. Total expenditures were less than budgeted expenditures by $753,435.

Revenues by Source

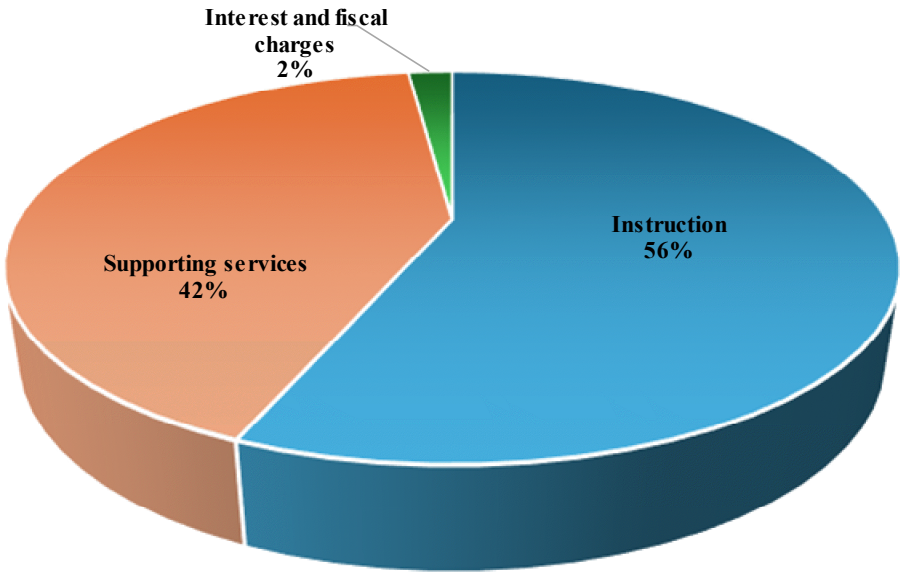
Total General Fund revenues fell $105,097 short of the final budgeted amount for the fiscal year. This variance was primarily driven by lower-than-anticipated charitable contributions, which finished $45,502 below budget, alongside a $66,260 shortfall in grant revenues.

Expenses for certain programs and functions

General Fund expenditures came in $763,435 below the final budget. The primary driver of these savings was personnel costs, with salaries and benefits finishing $617,965 under budget due to extended Family and Medical Leave Act (FMLA) leaves and persistent position vacancies. To maintain operational support, select roles were temporarily backfilled using contracted services. Additionally, management intentionally curtailed discretionary spending across other purchased services and supplies to bolster the ending fund balance for future capital improvement projects.

Personnel costs represented the vast majority of operational spending, with salaries and benefits accounting for 68% of total expenditures. Programmatically, the organization directed the majority of its resources toward core educational delivery, allocating 56% of overall spending directly to instruction.

Figure A-4 Governmental Activities - Expenses by Function



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

The School's participates in the statewide PERA and OPEB program administered by Colorado PERA. Each year the School records its proportional share of the State's unfunded pension and OPEB liability. The School also records its proportional share of the related deferred inflows and outflows related to these items. These calculations are complex and can vary greatly from year to year and additional information can be found in notes 7-8 in the notes to the financial statements. Accordingly, Management believes it is important to disclose what net position would be if these items were excluded.

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

	Governmental Activities		Total Percentage Change
	June 30, 2026	June 30, 2025	2026-2025
Total net position	$ (4,039,291)	$ (4,424,135)	-8.7%
Add net pension liability	9,275,798	10,203,187	-9.1%
Add OPEB liability	102,511	181,033	-43.4%
Add deferred pension inflows	1,400,707	561,890	149.3%
Add deferred OPEB inflows	108,664	99,346	9.4%
Less deferred pension outflows	(1,313,658)	(2,227,018)	-41.0%
Less deferred OPEB outflows	(39,870)	(51,436)	-22.5%
Total net position excluding pension and OPEB related items	$ 5,494,861	$ 4,342,867	26.5%

Other changes in net position

Total governmental activities revenues exceeded total expenditures in FY26 by $384,844. The total net impact of the changes to the Pension and OPEB was $767,150 increase in liability and expenditures. The changes in Net Position total an increase of $1,151,994 or 26.5 percent.

GOVERNMENTAL FUNDS

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

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

	General Fund		Building Corporation Fund	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenues				
Local sources	$ 1,321,180	$ 1,336,604	$ 669,636	$ 680,057
State sources	8,959,830	8,691,918	-	-
Federal sources	271,238	277,428	-	-
Total revenues	10,552,248	10,305,950	669,636	680,057
Expenditures				
Instruction	5,534,712	5,975,863	-	-
Supporting services	3,949,669	3,529,316	9,656	9,965
Debt service	33,111	39,306	624,325	625,500
Total Expenditures	9,517,492	9,544,485	633,981	635,465
Excess (deficiency) of revenues over expenditures	1,034,756	761,465	35,655	44,592
Other financing sources (uses)				
Long-term debt proceeds	-	-	-	-
Transfers	37,291	-	(37,291)	-
Total other financing sources (uses)	37,291	-	(37,291)	-
Net change in fund balances	1,072,047	761,465	(1,636)	44,592
Fund balance - beginning	4,863,780	4,102,315	1,195,538	1,150,946
Fund balance - ending	$ 5,935,827	$ 4,863,780	$ 1,193,902	$ 1,195,538

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

General fund

The fund balance of the School's general fund increased by 22 percent. The increase in fund balance was primarily attributable to revenue growth, continued reserve planning, and the timing of expenditures that were lower than originally anticipated during the year.

Revenue growth for the fiscal year was primarily driven by the state's School Finance Act, which provided an additional $479.67 in funding per pupil, generating a $410,291 increase compared to the prior year. Revenue performance was further supported by an increase in mill levy equalization funding.

Overall personnel costs remained relatively stable year-over-year, as planned cost-of-living salary adjustments were largely offset by savings from position vacancies and extended Family and Medical Leave Act (FMLA) leaves. Conversely, repair and maintenance expenditures increased over prior-year levels, driven by ongoing facility aging and related upkeep needs.

As a result of these factors, overall spending for FY26 decreased by $310,583 relative to FY25 levels.

Building corporation fund

The fund balance of the School's Building Corporation Fund decreased by 0.1 percent. This decrease in fund balance is attributable to a reduction in financing proceeds.

Revenue and expenditure activity within the Building Corporation remained stable year-over-year, as revenue generation is structured primarily to satisfy debt service obligations. The primary variance in FY26 compared to FY25 was a $37,291 transfer to the General Fund, which resulted in a minor net fund balance decrease of $1,636. While the existing Building Corporation fund balance ensures ongoing fiscal stability, management remains focused on accumulating General Fund reserves to support future capital improvement projects.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Asset and Debt Administration

Capital Assets. Capital assets include land, buildings and improvements, furniture and equipment, totaling $7,034,735 net of depreciation/amortization. Depreciation/amortization expense of $357,648 is reported in governmental activities instructional expense. See Note 4 to the financial statements for more information.

Long-term Lease. The School entered into lease agreements for equipment for a term of five years. The total amount remaining on the lease agreements is $46,834. See Note 5 to the financial statements for more information.

Long-term Debt. For capital financing, the School uses bonds, certificates of participation, or other long-term obligations, as authorized by voters or the governing board. In 2021, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $8,395,000 of Charter School Revenue Bonds, Series 2021, to refund the 2010 bonds. Bond proceeds have been loaned to the Building Corp. to acquire land and construct and equip an educational facility. The School is obligated under a lease agreement to make monthly payments to the Building Corp. for using the facilities. The Building Corp. is required to make equal loan payments to the Trustee for payment of the bonds. Interest accrues at rates ranging from 2.50% to 4.00% per annum and is due semi-annually on January 1, and July 1. Principal payments are due annually on July 1, through 2040.

Total bonds and notes payable outstanding decreased 0.7 percent to $7,355,000 in 2026. While total outstanding principal on the Series 2021 Bonds is $7,355,000, the total long-term liability includes an unamortized bond premium of $1,120,669 (totaling $8,475,669).

As of the end of 2026, the School's bonds and other long-term obligations continued to carry strong credit ratings from the municipal bond rating agencies. To the extent applicable, the School's outstanding voter-approved debt remained within any legal or policy-based debt limitations.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

1) Amendments to the School budget
2) Recent economic reports
3) Pension plan changes.

Amendments to the School budget

The mid-year amendment to the School's operating budget addresses budgetary variances identified in the actual results for the first half of the year ending December 31, 2026. Key elements of the amendment included updates for enrollment and state equalization/per pupil revenue, revisions to grant and program budgets, and adjustments to staffing and other operating expenditures. The governing board, or other oversight body adopted the amendment in January 2027 and directed administration to continue monitoring revenues and expenditures for the remainder of the year. In developing the amendment, the School will maintain the required TABOR emergency reserve and complied with the Board's minimum reserve or fund balance targets. To provide additional budgetary flexibility without drawing on those reserves, the School identified positions that are vacant or expected to become vacant that could be filled more slowly than originally planned and adjusted department and school budgets accordingly.

Recent economic reports

Enrollment projections and related assumptions in the adopted budget for fiscal year 2027 anticipated modest growth compared with recent historical trends. Through the first quarter of fiscal year 2027, indicators show student enrollment meeting the modest growth anticipated.

Pension plan changes

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

The 2025 Annual Comprehensive Financial Report has been released. As part of our annual review, PERA assesses the funding status within each division to determine whether adjustments to the contribution rates are needed. The January 2027 contribution rates for School Division will remain the same in 2027.

BASIC FINANCIAL STATEMENTS

HIGH POINT ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and investments	$ 6,665,214
Restricted cash and investments	1,193,902
Grants receivable	140,025
Intergovernmental receivables	94,064
Other receivables	29,024
Deposits	14,163
Prepaids	24,991
Capital assets not being depreciated	1,535,000
Capital assets, net of accumulated depreciation/amortization	5,499,735
Total Assets	15,196,118
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	1,313,658
Deferred OPEB outflows	39,870
Total Deferred Outflows of Resources	1,353,528
LIABILITIES	
Accounts payable and other accrued liabilities	692,509
Accrued salaries and benefits	323,515
Unearned revenue	15,630
Accrued interest payable	147,100
Long-term liabilities	
Due within one year	361,344
Due in more than one year	8,161,159
Net pension liability	9,275,798
Net OPEB liability	102,511
Total Liabilities	19,079,566
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	1,400,707
Deferred OPEB inflows	108,664
Total Deferred Inflows of Resources	1,509,371
NET POSITION	
Net investment in capital assets	(1,487,768)
Restricted for:	
Debt Service	1,046,802
Special education	71,800
TABOR	311,000
Unrestricted	(3,981,125)
Total Net Position (deficit)	$ (4,039,291)

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

HIGH POINT ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 6,118,452	$ 280,922	$ 1,243,591	$ -	$ (4,593,939)
Supporting services	4,535,524	636,805	-	237,214	(3,661,505)
Interest	218,205	-	-	-	(218,205)
Total governmental activities	$ 10,872,181	$ 917,727	$ 1,243,591	$ 237,214	(8,473,649)
General revenues:					
Per pupil revenue					7,776,715
District mill levy					775,666
Grants and contributions not restricted to specific programs					30,131
Unrestricted investment earnings					262,776
Miscellaneous					13,205
Total general revenues					8,858,493
Change in net position					384,844
Net position - beginning (deficit)					(4,424,135)
Net position - ending (deficit)					$ (4,039,291)

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

HIGH POINT ACADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Building Corp Fund	Total
ASSETS			
Cash and investments	$ 6,665,214	$ -	$ 6,665,214
Restricted cash and investments	-	1,193,902	1,193,902
Grants receivable	140,025	-	140,025
Intergovernmental receivables	94,064	-	94,064
Other receivables	29,024	-	29,024
Deposits	14,163	-	14,163
Prepaid items	24,991	-	24,991
Total Assets	$ 6,967,481	$ 1,193,902	$ 8,161,383
LIABILITIES			
Accounts payable and other accrued liabilities	$ 692,509	$ -	$ 692,509
Accrued salaries and benefits	323,515	-	323,515
Unearned revenue	15,630	-	15,630
Total Liabilities	1,031,654	-	1,031,654
FUND BALANCE			
Non-spendable	24,991	-	24,991
Restricted for:			
Debt service	-	1,193,902	1,193,902
Special Education	71,800	-	71,800
TABOR	311,000	-	311,000
Unassigned	5,528,036	-	5,528,036
Total Fund Balance	5,935,827	1,193,902	7,129,729
Total Liabilities and Fund Balance	$ 6,967,481	$ 1,193,902	$ 8,161,383

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

HIGH POINT ACADEMY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balance of Governmental Funds		$ 7,129,729
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated	$ 1,535,000	
Capital assets, net of accumulated depreciation	5,499,735	7,034,735
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Long-term debt payable	$ (8,522,503)	
Accrued interest	(147,100)	
Net pension liability	(9,275,798)	
Pension outflows	1,313,658	
Pension inflows	(1,400,707)	
Net OPEB liability	(102,511)	
OPEB outflows	39,870	
OPEB inflows	(108,664)	(18,203,755)
Total Net Position of Governmental Activities		$ (4,039,291)

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

HIGH POINT ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Building Corp Fund	Total
REVENUES			
Local sources	$ 1,321,180	$ 669,636	$ 1,990,816
State sources	8,959,830	-	8,959,830
Federal sources	271,238	-	271,238
Total revenues	10,552,248	669,636	11,221,884
EXPENDITURES			
Instruction	5,534,712	-	5,534,712
Supporting services	3,949,669	9,656	3,959,325
Debt service			
Interest	3,807	299,075	302,882
Principal	29,304	325,000	354,304
Other	-	250	250
Total expenditures	9,517,492	633,981	10,151,473
Excess (deficiency) of revenues over expenditures	1,034,756	35,655	1,070,411
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	37,291	(37,291)	-
Total other financing sources (uses)	37,291	(37,291)	-
Net change in fund balance	1,072,047	(1,636)	1,070,411
Fund balance - beginning	4,863,780	1,195,538	6,059,318
Fund balance, ending	$ 5,935,827	$ 1,193,902	$ 7,129,729

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

HIGH POINT ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balance of Governmental Funds		$ 1,070,411
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation/amortization expense		(357,648)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Loan principal payments	$ 325,000	
Lease principal payments	29,304	354,304
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	$ 4,875	
Amortization of bond premiums and discounts	80,052	
Changes in pension related items	(824,788)	
Changes in OPEB related items	57,638	(682,223)
Change in Net Position of Governmental Activities		$ 384,844

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of High Point Academy (the School) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

A. REPORTING ENTITY

The School was organized in 2005 pursuant to the Colorado Charter Schools Act to form and operate a charter school. The School operates under a contract with the Charter School Institute (CSI).

The accompanying financial statements present the School and its component units, entities for which the School is considered to be financially accountable. Blended component units are, in substance, part of the School's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the School.

Blended component unit. High Point Academy Building Corporation (the Building Corp) was organized for the purpose of acquiring, leasing, constructing, improving, equipping and financing various facilities, land, equipment and other improvements in connection with property intended to be leased to the School. The Building Corp is reported as a special revenue fund and does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School and its component units. Any fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by per pupil revenue and intergovernmental revenues.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided and used, the elimination of which would distort the direct costs and program revenues reported for the various functions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis of fund financial statements is on major funds. Major individual funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

The School reports the following major governmental funds:

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

The *Building Corp Fund* is used to account for the financial activities of the High Point Academy Building Corporation, including facilities acquisition and construction and the accumulation of resources for the related debt service.

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the School the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCE

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are reported at net asset value.

Receivables

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

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the School as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than $15,000 are reported as capital assets.

As the School constructs or acquires capital assets each period they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D. *Leases* below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible assets of the School are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-35 years
Furniture and equipment	10 years

Accrued Salaries and Benefits

Salaries and benefits of teachers and other contracted personnel are paid over a twelve-month period, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, are reported as a liability in the respective funds and have been fully funded as of the fiscal year end.

Unearned Revenue

Unearned revenue includes resources received by the School before the related revenue can be recognized because the earnings process is not complete.

Deferred outflows/inflows of resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessee: The School is a lessee for noncancellable leases of equipment. The School recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The School recognizes lease liabilities with an initial, individual value of $15,000 or more.

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School is reasonably certain to exercise.

The School monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

High Point Academy 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.

OPEB

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

Net position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned – This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

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

The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

E. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences

The School recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation leave that meets these criteria is accrued when earned in the government-wide financial statements. Sick leave is accrued only to the extent that it is reasonably expected to be paid upon separation or used in future periods. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

In the governmental fund financial statements, compensated absences are recognized as expenditures only when due.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. UPCOMING ACCOUNTING AND REPORTING CHANGES

GASB Statement No. 105, *Subsequent Events*, was issued in December 2025 and is effective for fiscal years beginning after June 15, 2026. This statement defines subsequent events, modifies the subsequent events time frame, and requires the date through which subsequent events have been evaluated to be disclosed.

Management has not yet determined the effect this statement will have on the School's financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2026 is as follows:

Deposits	$ 599,393
Investments	7,259,723
Total	$ 7,859,116

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

Cash and investments	$ 6,665,214
Restricted cash and investments	1,193,902
Total	$ 7,859,116

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits with financial institutions

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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.

The carrying amount of the School's deposits at June 30, 2026 was $599,393 and the bank balances were $718,415. Of the bank balances, $250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

The School is authorized by Colorado statutes to invest in the following:

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

At June 30, 2026 the School's investment balances were as follows:

Investment Type	Year-end Balance	Measurement	Maturity	Standard & Poor's Rating
CSAFE	$ 7,259,723	Net asset value	Less than 90 days	AAAm

Local Government Investment Pools. The Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Local Government Investment Pools in the state of Colorado. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians' internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to interest rate risk, the School has a board approved investment policy that limits investment maturities to five years or less. Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and School policy limit investments to those described above.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the School's investment in a single issuer. The School places no limit on the amount it may invest in any one issuer. More than 20 percent of the School's investments are in CSAFE. These investments are 100% of the School's total investments.

Fair value of investments. The School measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

School investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 3 – INTERFUND TRANSFERS

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2026, is as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	$ 37,291	$ -
Building Corp Fund	-	37,291
Total	$ 37,291	$ 37,291

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026 was as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,535,000	$ -	$ -	$ 1,535,000
Capital assets being depreciated:				
Buildings and improvements	9,602,998	-	-	9,602,998
Furniture and equipment	383,136	-	-	383,136
Total capital assets being depreciated	9,986,134	-	-	9,986,134
Less accumulated depreciation for:				
Buildings and improvements	(4,017,178)	(290,923)	-	(4,308,101)
Furniture and equipment	(182,575)	(30,600)	-	(213,175)
Total accumulated depreciation	(4,199,753)	(321,523)	-	(4,521,276)
Total capital assets being depreciated, net	5,786,381	(321,523)	-	5,464,858
Lease assets being amortized:				
Furniture and equipment	159,702	-	-	159,702
Less accumulated amortization for:				
Furniture and equipment	(88,700)	(36,125)	-	(124,825)
Total lease assets being amortized, net	71,002	(36,125)	-	34,877
Capital assets, net of accumulated depreciation/amortization	5,857,383	(357,648)	-	5,499,735
Total governmental activities capital assets	$ 7,392,383	$ (357,648)	$ -	$ 7,034,735

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the School as follows:

Governmental Activities	
Supporting services	$ 357,648

NOTE 5 – LEASES

School as lessee

The School, as a lessee, has entered into lease agreements involving equipment with lease terms of 5 years. The total costs of these right-to-use lease assets are recorded as $159,702, less accumulated amortization of $124,825. The School has determined that as of June 30, 2026, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2026 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2027	$ 26,344	$ 2,342	$ 28,686
2028	20,490	1,024	21,514
Total	$ 46,834	$ 3,366	$ 50,200

NOTE 6 – LONG-TERM LIABILITIES

2021 Building Loan

In July 2021, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $8,395,000 of Charter School Revenue Bonds, Series 2021, to refund the 2010 bonds. Bond proceeds have been loaned to the Building Corp. to acquire land and construct and equip an educational facility. The School is obligated under a lease agreement to make monthly payments to the Building Corp. for using the facilities. The Building Corp. is required to make equal loan payments to the Trustee for payment of the bonds. Interest accrues at rates ranging from 2.50% to 4.00% per annum and is due semi-annually on January 1, and July 1. Principal payments are due annually on July 1, through 2040.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Annual debt service requirements to maturity for the loan payable are as follows:

Fiscal Year Ending June 30	Governmental Activities Principal	Interest
2027	$ 335,000	$ 287,500
2028	350,000	273,800
2029	365,000	259,500
2030	380,000	244,600
2031	395,000	229,100
2032-2036	2,210,000	891,600
2037-2041	3,320,000	391,400
Total	$ 7,355,000	$ 2,577,500

Changes in the School's long-term liabilities for the year ended June 30, 2026, are as follows:

Governmental Activities	Beginning Balance	Debt Issued and Additions	Reductions	Ending Balance	Due Within One Year
Loans payable	$ 7,680,000	$ -	$ (325,000)	$ 7,355,000	$ 335,000
Premium	1,200,721	-	(80,052)	1,120,669	-
Total loans payable	8,880,721	-	(405,052)	8,475,669	335,000
Leases	76,138	-	(29,304)	46,834	26,344
Net pension liability	10,203,187	1,098,721	(2,026,110)	9,275,798	-
Net OPEB liability	181,033	8,600	(87,122)	102,511	-
Total Governmental Activities	$ 19,341,079	$ 1,107,321	$ (2,547,588)	$ 17,900,812	$ 361,344

Loans are liquidated in the Building Corp fund. All other long-term liabilities are liquidated in the General fund.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2025. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

	July 1, 2025 Through June 30, 2026
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	**20.38%**

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the High Point Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from High Point Academy were $933,916 for the year ended June 30, 2026.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

The net pension liability for the SCHDTF was measured as of December 31, 2025, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the TPL to December 31, 2025. The High Point Academy proportion of the net pension liability was based on High Point Academy contributions to the SCHDTF for the calendar year 2025 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2026, the High Point Academy reported a liability of $9,275,798 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the High Point Academy as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with High Point Academy were as follows:

High Point Academy proportionate share of the net pension liability	$	9,275,798
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the High Point Academy		871,711
Total	$	10,147,509

At December 31, 2025, the High Point Academy proportion was 0.0594757824%, which was an increase of 0.0003436683% from its proportion measured as of December 31, 2024.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2026, the High Point Academy recognized pension expense of $1,758,705 and revenue of $127,481 for support from the State as a nonemployer contributing entity. At June 30, 2026, the High Point Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 558,261	$ -
Changes of assumptions or other inputs	45,535	-
Net difference between projected and actual earnings on pension plan investments	-	1,112,750
Changes in proportion and differences between contributions recognized and proportionate share of contributions	250,244	287,957
Contributions subsequent to the measurement date	459,618	N/A
Total	$ 1,313,658	$ 1,400,707

$459,618 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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2027	$ 600,699
2028	(508,763)
2029	(357,530)
2030	(281,073)
2031	-
Thereafter	-

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	4.00% – 13.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

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

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

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, reflecting the prior increases as required by SB 18-200 and the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual direct distribution. The annual direct distribution ceases when all Division Trust Funds are fully funded.

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

- The AIR balance was excluded from the initial FNP because, per statute, AIR amounts cannot be used to pay benefits until they are transferred out of the AIR to the appropriate accounts for retirement and survivor benefit payments. Estimated transfers from the AIR and the related benefit payments were included in the projections.

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

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

Sensitivity of the High Point Academy proportionate share of the net pension liability to changes in the discount rate. The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, 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	$ 13,122,628	$ 9,275,798	$ 6,054,559

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

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

General Information about the OPEB Plan

Plan description. Eligible employees of the High Point Academy 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.

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

PERA Benefit Structure

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the High Point Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from High Point Academy were $46,742 for the year ended June 30, 2026.

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

At June 30, 2026, the High Point Academy reported a liability of $102,511 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2025, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024. Standard update procedures were used to roll-forward the TOL to December 31, 2025. The High Point Academy proportion of the net OPEB liability was based on High Point Academy contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

At December 31, 2025, the High Point Academy proportion was 0.0380443388%, which was an increase of 0.0001845049% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the High Point Academy recognized OPEB expense of $(10,896). At June 30, 2026, the High Point Academy 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	$ -	$ 41,478
Changes of assumptions or other inputs	1,125	49,759
Net difference between projected and actual earnings on OPEB plan investments	-	16,372
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,741	1,055
Contributions subsequent to the measurement date	23,004	N/A
Total	$ 39,870	$ 108,664

$23,004 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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2027	$ (16,958)
2028	(25,140)
2029	(19,839)
2030	(16,967)
2031	(9,223)
Thereafter	(3,671)

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	4.00% - 13.40%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.00% in 2025, gradually decreasing to 4.50% in 2035
Medicare Part A premiums	3.50% in 2025, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

The 2025 Medicare Part A premium is $518 per month.

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

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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.

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

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

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
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
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

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

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

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

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

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

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

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

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

Sensitivity of the High Point Academy 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[1]	6.65%	7.65%	8.65%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate[1]	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$98,250	$102,511	$107,335

[1]For the January 1, 2026, 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, 2024, and the financial status of the HCTF as of the current measurement date (December 31, 2025). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2025, measurement date.

NOTE 8 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. The current employer contribution rate for the HCTF is 1.02% of salary. HB26-1400, effective July 1, 2026, reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, from 1.02% to 0.52% of member salaries for the State, School, Local Government, and Judicial Divisions.

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

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

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

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

Sensitivity of the High Point Academy 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	$141,137	$102,511	$69,197

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

NOTE 9 - 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 risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the last three fiscal years.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Grants

The School has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. However, in the opinion of the School, any such adjustments will not have a material adverse effect on the financial position of the School.

NOTE 11 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The School is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2026 there is a $311,000 reservation of fund balance in the General Fund for the amendment.

The Amendment is complex and subject to judicial interpretation. The School believes it is in compliance with the requirements of the amendment. However, the School has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTARY INFORMATION

HIGH POINT ACADEMY
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL DIVISION TRUST FUND
JUNE 30, 2026

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	0.0594757824%	0.0591321141%	0.0635334383%	0.0490714023%	0.0539893440%	0.0587754676%	0.0510924424%	0.0543811541%	0.0643276056%	0.0645071625%
Employer's proportionate share of the net pension liability (asset)	$ 9,275,798	$ 10,203,187	$ 11,234,886	$ 8,935,640	$ 6,282,938	$ 8,885,665	$ 7,633,100	$ 9,629,300	$ 20,801,261	$ 19,206,277
State's proportionate share of the net pension liability (asset) associated with the Employer	871,711	916,408	246,348	2,603,935	720,259	-	968,162	1,316,673	-	-
Total	$ 10,147,509	$ 11,119,595	$ 11,481,234	$ 11,539,575	$ 7,003,197	$ 8,885,665	$ 8,601,262	$ 10,945,973	$ 20,801,261	$ 19,206,277
Employer's covered payroll	$ 4,821,246	$ 4,569,412	$ 4,200,134	$ 3,785,292	$ 3,374,164	$ 3,143,394	$ 3,002,514	$ 2,989,624	$ 2,967,356	$ 2,895,197
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	192.39%	223.29%	267.49%	236.06%	186.21%	282.68%	254.22%	322.09%	701.00%	663.38%
Plan fiduciary net position as a percentage of the total pension liability	71.7%	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%

* The amounts presented for each year were determined as of December 31.

See the accompanying independent auditors' report.

HIGH POINT ACADEMY
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND
JUNE 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 933,916	$ 987,280	$ 874,162	$ 812,216	$ 731,134	$ 626,433	$ 598,746	$ 571,125	$ 562,612	$ 539,952
Contributions in relation to the contractually required contribution	(933,916)	(987,280)	(874,162)	(812,216)	(731,134)	(626,433)	(598,746)	(571,125)	(562,612)	(539,952)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 4,582,514	$ 4,844,356	$ 4,289,315	$ 3,985,360	$ 3,677,734	$ 3,151,071	$ 3,089,503	$ 2,985,496	$ 2,979,936	$ 2,937,715
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%

* The amounts presented for each fiscal year were determined as of June 30.

See the accompanying independent auditors' report.

HIGH POINT ACADEMY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SCHOOL DIVISION TRUST FUND
JUNE 30, 2026

NOTE 1 – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2025 Changes in Plan Provisions Since 2024

SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500,000 on or after July 1, 2025, and before October 1, 2025. These dollars are held by PERA in a custodial capacity on behalf of the State of Colorado to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an automatic adjustment provision (AAP) assessment ratio below the 98% benchmark and the alternative allocation method results in an AAP ratio that meets or exceeds the 98% benchmark.

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

NOTE 2 – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2025 Changes in Assumptions or Other Inputs Since 2024

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

HIGH POINT ACADEMY
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
HEALTH CARE TRUST FUND
JUNE 30, 2026

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the net OPEB liability (asset)	0.0380443388%	0.0378598339%	0.0380085921%	0.0372988877%	0.0352509012%	0.0339909638%	0.0333895509%	0.0353480403%	0.0365506937%
Employer's proportionate share of the net OPEB liability (asset)	$ 102,511	$ 181,033	$ 271,277	$ 304,538	$ 303,970	$ 322,991	$ 375,298	$ 480,925	$ 475,013
Employer's covered payroll	$ 4,821,246	$ 4,569,412	$ 4,200,134	$ 3,785,292	$ 3,374,164	$ 3,143,394	$ 3,002,514	$ 2,989,624	$ 2,967,356
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	2.13%	3.96%	6.46%	8.05%	9.01%	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	76.1%	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%

* The amounts presented for each year were determined as of December 31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

HIGH POINT ACADEMY
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS
HEALTH CARE TRUST FUND
JUNE 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 46,742	$ 49,414	$ 43,751	$ 40,652	$ 37,525	$ 32,141	$ 31,513	$ 30,452	$ 30,397
Contributions in relation to the contractually required contribution	(46,742)	(49,414)	(43,751)	(40,652)	(37,525)	(32,141)	(31,513)	(30,452)	(30,397)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 4,582,514	$ 4,844,356	$ 4,289,315	$ 3,985,360	$ 3,677,734	$ 3,151,071	$ 3,089,503	$ 2,985,496	$ 2,980,099
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

HIGH POINT ACADEMY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
HEALTH CARE TRUST FUND
JUNE 30, 2026

NOTE 1 – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2025 Changes in Plan Provisions Since 2024

There were no changes made to plan provisions.

NOTE 2 – SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

2025 Changes in Assumptions or Other Inputs Since 2024

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

HIGH POINT ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts				
	Original	Final	Variance with Original Budget	Actual Amounts	Variance with Final Budget
REVENUES					
Local sources:					
District mill levy	$ 742,877	$ 775,664	$ 32,787	$ 775,666	$ 2
Tuition	30,000	16,986	(13,014)	27,518	10,532
Fees	21,875	21,875	-	21,175	(700)
Interest income	150,000	230,000	80,000	229,945	(55)
Pupil activities	220,000	220,310	310	232,229	11,919
Donations and grants	25,000	66,943	41,943	21,441	(45,502)
Other local revenue	12,911	15,851	2,940	13,206	(2,645)
	1,202,663	1,347,629	144,966	1,321,180	(26,449)
State sources:					
Per pupil revenue	7,511,326	7,789,608	278,282	7,776,715	(12,893)
Operating grants	990,018	1,012,161	22,143	945,901	(66,260)
Capital grants	236,427	238,337	1,910	237,214	(1,123)
	8,737,771	9,040,106	302,335	8,959,830	(80,276)
Federal sources:					
Operating grants	265,579	269,610	4,031	271,238	1,628
Total revenues	10,206,013	10,657,345	451,332	10,552,248	(105,097)
EXPENDITURES					
Instruction					
Salaries	3,718,974	3,601,332	117,642	3,345,194	256,138
Benefits	1,405,233	1,381,922	23,311	1,263,980	117,942
Purchased services	562,559	679,090	(116,531)	620,749	58,341
Supplies	218,638	257,777	(39,139)	246,437	11,340
Property	55,000	55,000	-	58,352	(3,352)
Supporting services	.				
Salaries	1,349,051	1,502,969	(153,918)	1,332,374	170,595
Benefits	509,746	576,727	(66,981)	503,437	73,290
Purchased services	1,948,813	1,977,529	(28,716)	1,889,524	88,005
Supplies	217,065	233,582	(16,517)	186,451	47,131
Property	15,000	15,000	-	25,450	(10,450)
Other	-	-	-	12,433	(12,433)
Debt service:					
Interest	-	-	-	3,807	(3,807)
Principal	-	-	-	29,304	(29,304)
Total expenditures	10,000,079	10,280,928	(280,849)	9,517,492	763,436
Excess (deficiency) of revenues over expenditures	205,934	376,417	170,483	1,034,756	658,339
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	37,291	37,291	37,291	-
Total other financing sources (uses)	-	37,291	37,291	37,291	-
Net change in fund balances	205,934	413,708	207,774	1,072,047	658,339
Fund balances - beginning	4,385,900	4,863,780	477,880	4,863,780	-
Fund balance - ending	$ 4,591,834	$ 5,277,488	$ 685,654	$ 5,935,827	$ 658,339

See the accompanying Independent Auditors' Report.

HIGH POINT ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING CORP FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts				
	Original	Final	Variance with Original Budget	Actual Amounts	Variance with Final Budget
REVENUES					
Local sources	$ -	$ -	$ -	$ 669,636	$ 669,636
Total revenues	-	-	-	669,636	669,636
EXPENDITURES					
Supporting services	-	-	-	9,656	(9,656)
Debt service:					
Interest	-	-	-	299,075	(299,075)
Principal	-	-	-	325,000	(325,000)
Other			-	250	(250)
Total expenditures	-	-	-	633,981	(633,981)
Excess (deficiency) of revenues over expenditures	-	-	-	35,655	35,655
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	-	-	-	(37,291)	(37,291)
Total other financing sources (uses)	-	-	-	(37,291)	(37,291)
Net change in fund balances	-	-	-	(1,636)	(1,636)
Fund balances - beginning	-	-	-	1,195,538	1,195,538
Fund balance - ending	$ -	$ -	$ -	$ 1,193,902	$ 1,193,902

See the accompanying Independent Auditors' Report.

HIGH POINT ACADEMY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON
JUNE 30, 2026

Budgetary Information

Budgets are required by State law for all funds, except fiduciary funds. The Head of School submits a proposed budget to the Board of Directors for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. It also includes a statement describing the major objectives of the educational program to be undertaken by the School and the manner in which the budget proposes to fulfill such objectives. Public hearings are conducted by the Board of Directors to obtain public comments.

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonably foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Head of School. Revisions that alter the total expenditures in any fund must be approved by the Board of Directors. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Directors.

Budgets for all fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). GAAP-basis accounting requires that expenditures of salaries and related benefits be recorded in the fiscal year earned. Thus, the School budgets for all accrued salaries and related benefits earned but unpaid at June 30. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Head of School and/or Board of Directors throughout the year. All appropriations lapse at the end of each fiscal year.

A budget was not adopted for the Building Corp fund.

General Fund Budgetary Highlights

Original budget compared to final budget. The most significant differences between the original and final budget were as follows:

Revenue source	Original Budget	Final Budget	Difference
Per Pupil Revenue	7,511,326	7,789,608	278,282

Expenditures	Original Budget	Final Budget	Difference
Instruction – Salaries	3,718,974	3,601,332	117,642
Instruction – Purchased Services	562,559	679,090	(116,531)
Supporting Services – Salaries	1,349,051	1,502,969	(153,918)

HIGH POINT ACADEMY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON
JUNE 30, 2026

Pursuant to C.R.S. 22-44-110, the General Fund budget was formally amended on January 15, 2026, primarily to account for higher-than-projected student enrollment and to reallocate the resulting revenues. Mid-year student counts reached 720 students compared to the original budget projection of 685. This 35-student increase generated an additional $325,000 in State Equalization Funding, resulting in a total upward adjustment of $278,282 in Per Pupil Revenue. Revenue projections were further enhanced by recognizing a post-adoption award of $65,000 in Title I grant funding.

Expenditure appropriations were adjusted across several key functions to directly support the higher enrollment and meet targeted student needs. Overall instructional personnel allocations increased by $275,000 to fund four additional classroom teachers and one instructional aide, though baseline Instruction–Salaries line items were adjusted downward by $117,642 to align with actual payroll expectations. Supporting Services salaries increased by $153,918 to accommodate expanded operational requirements. Additionally, Instructional Purchased Services rose by $116,531, which included $65,000 in contracted special education services to address higher-than-anticipated student requirements. Leveraging the additional state and federal revenues, management also increased the Instructional Technology budget by $55,000 to purchase student laptops and classroom technology.

Final budget compared to actual results. The most significant differences between the final budget and actual results were as follows:

Expenditures	Final Budget	Actual expenditures	Difference
Instruction – Salaries	3,601,332	3,344,444	256,888
Instruction – Benefits	1,381,922	1,264,730	117,192
Supporting Services – Salaries	1,502,969	1,332,374	170,595

Overall personnel costs remain relatively stable year-over-year, as planned cost-of-living salary adjustments were largely offset by savings from position vacancies and extended Family and Medical Leave Act (FMLA) leaves.