ADDENBROOKE CLASSICAL ACADEMY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

ADDENBROOKE CLASSICAL ACADEMY
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THE ADAMS GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Addenbrooke Classical Academy
Lakewood, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Addenbrooke Classical Academy (the Academy), a component unit of Jefferson County School District No. R-1, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Addenbrooke Classical Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Addenbrooke Classical Academy, as of June 30, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Addenbrooke Classical Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, GASB required pension and OPEB schedules, and notes to the required supplementary information 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.

The Adams Group, LLC

Greenwood Village, Colorado
November 3, 2026

ADDENBROOKE CLASSICAL ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

The purpose of the management's discussion and analysis (MD&A) is to help Addenbrooke Classical Academy's (the Academy) readers understand what the financial statements and notes in this financial report say about the Academy'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 Academy's finances.

If you have questions about this report or require further information, contact Bill Kottenstette and the Academy, bkottenstette@addenbrooke.org or 303-989-1336.

OVERVIEW OF THE FINANCIAL STATEMENTS

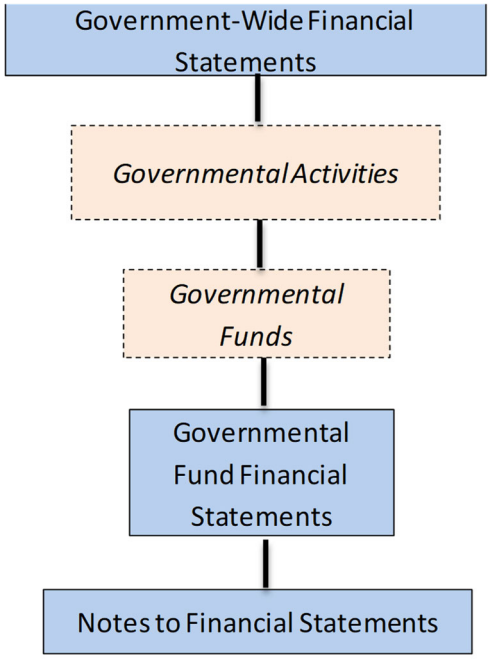
The Academy's financial report contains basic financial statements. Those financial statements present the Academy's finances at both an overall and a detailed level. The first two—the government-wide financial statements—cover the Academy's governmental activities. (See the diagram in Figure A-1.)

- Governmental activities comprise the Academy's primary functions, which include instruction and supporting services. Governmental activities are financed primarily through per pupil revenue, mill levy override, operating and capital grants and contributions and other revenues received, as applicable to the Academy.

The remaining basic financial statements present the Academy'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 Academy reports other grouping of funds:

- *Governmental fund financial statements* for the Academy report all of the governmental activities except those that involve providing services to Academy departments. The Academy reports a single governmental fund which is the general fund.

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



The next section of this financial report contains *notes to financial statements*, which delve deeper into the Academy's finances as reported in the financial statements. The information in the notes is as important to understanding the Academy's finances as the information in the financial statements. The Academy 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 Academy'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 Academy controls, from short-term assets like cash to long-term assets like capital assets.

- *Liabilities*—amounts the Academy 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, which will not be reported as expenses and revenues until the future year to which they are related.

- *Revenues and expenses*—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds or leases, 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 Academy's Financial Statements

	Financial Statements	
	Government-Wide	**Governmental Funds**
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 the financial statements, the summary of significant accounting policies.

ANALYSIS OF THE ACADEMY'S FINANCES

Table A-1
Net Position

	2026	2025	Total Percentage Change
Assets			
Current and other assets	$ 10,305,522	$ 7,094,057	45%
Capital assets	22,052,428	22,977,627	-4%
Total Assets	32,357,950	30,071,684	8%
Deferred outflows of resources	1,669,929	2,557,322	-35%
Liabilities			
Current and other liabilities	669,576	1,121,410	-40%
Noncurrent liabilities	36,428,469	35,204,421	3%
Total Liabilities	37,098,045	36,325,831	2%
Deferred inflows of resources	1,921,507	991,418	94%
Net Position			
Net investment in capital assets	(1,284,163)	378,821	-439%
Restricted:			
Emergencies	382,253	348,296	10%
Debt service	2,054,512	295,299	596%
Capital projects	-	801,194	-100%
Unrestricted	(6,144,275)	(6,511,853)	-6%
Total Net Position	$ (4,991,673)	$ (4,688,243)	6%

Table A-1 shows that as of June 30, 2026, the Academy's total net position—assets and deferred outflows minus liabilities and deferred inflows—was ($4,991,673), a decrease of $303,430 or 6% compared with 2025. This decrease is a result of increases in salaries and benefits, specifically related to pension expense due to the Academy's involvement in Colorado PERA. The Academy also saw an increase in interest expense and fiscal charges as a result of a bond refunding which resulted in significant bond issuance costs during 2026. The following sections of MD&A analyze the finances of the governmental activities.

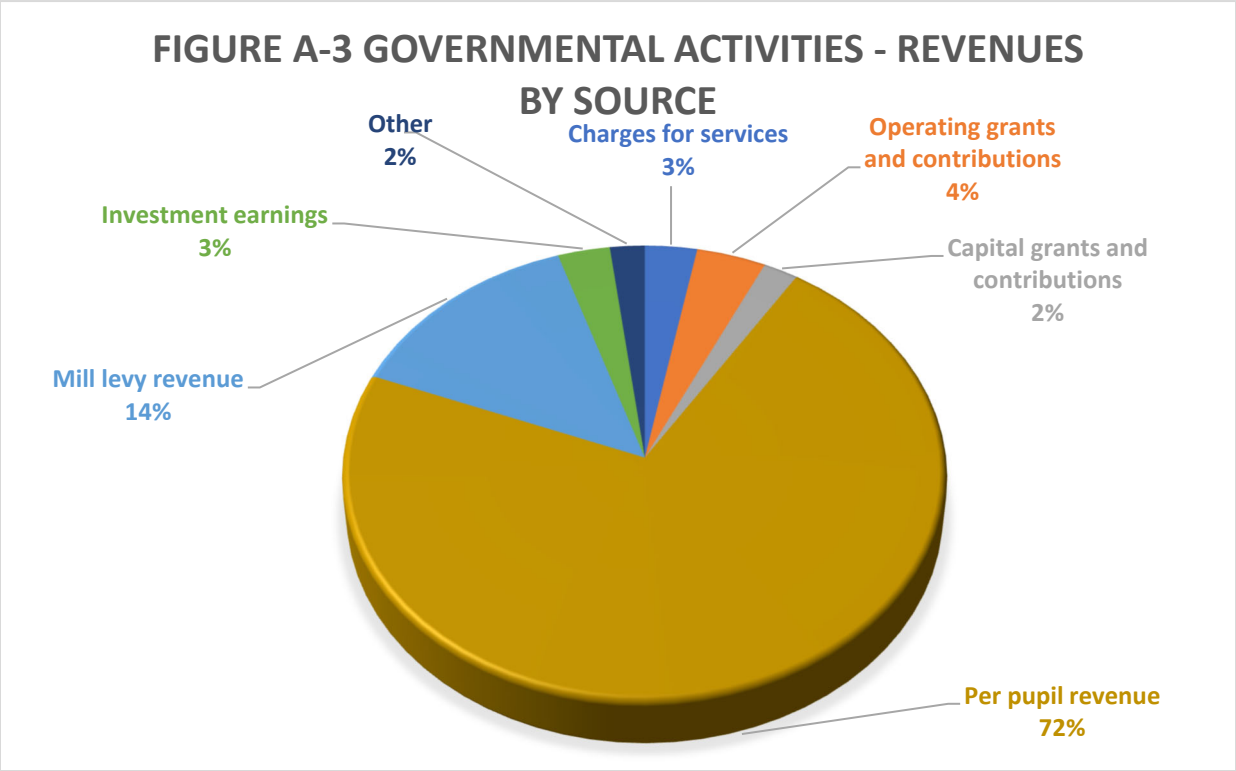
Governmental activities

Table A-2 shows that in 2026, expenses exceeded total revenues as outlined above. Figures A-3 and A-4 show a breakout of revenue by source and expenditure by function. The total net position of the Academy's governmental activities was ($4,991,673), a decrease of $303,430. Various events contributed to this decrease in net position; however, the two primary factors affecting the change in net position are as follows:

1) Increase in salary and benefits, specifically, pension expense due to the Academy's involvement in Colorado PERA.
2) Current year bond refunding which increased long-term debt from 2025 to 2026. Refunding resulted in bond issuance costs and related increase in interest expense associated with the old refunded long-term debt.

Table A-2
Changes in Net Position

	2026	2025	Total Percentage Change
Program revenue:			
Charges for services	$ 479,834	$ 597,263	-20%
Operating grants and contributions	599,184	263,815	127%
Capital grants and contributions	348,935	348,475	0%
Total program revenue	1,427,953	1,209,553	18%
General revenue:			
Per pupil revenue	10,731,098	10,059,004	7%
Mill levy revenue	2,064,624	1,831,915	13%
Investment earnings	374,092	70,651	429%
Other	259,552	258,611	0%
Total general revenue	13,429,366	12,220,181	10%
Total revenue	14,857,319	13,429,734	11%
Expenses:			
Current:			
Instruction	7,831,032	7,063,986	11%
Supporting services	5,544,036	4,769,006	16%
Interest and fiscal charges	1,785,681	1,073,925	66%
Total expenses	15,160,749	12,906,917	17%
Change in net position	(303,430)	522,817	-158%
Net Position, beginning of year	(4,688,243)	(5,211,060)	-10%
Net Position, end of year	$ (4,991,673)	$ (4,688,243)	6%



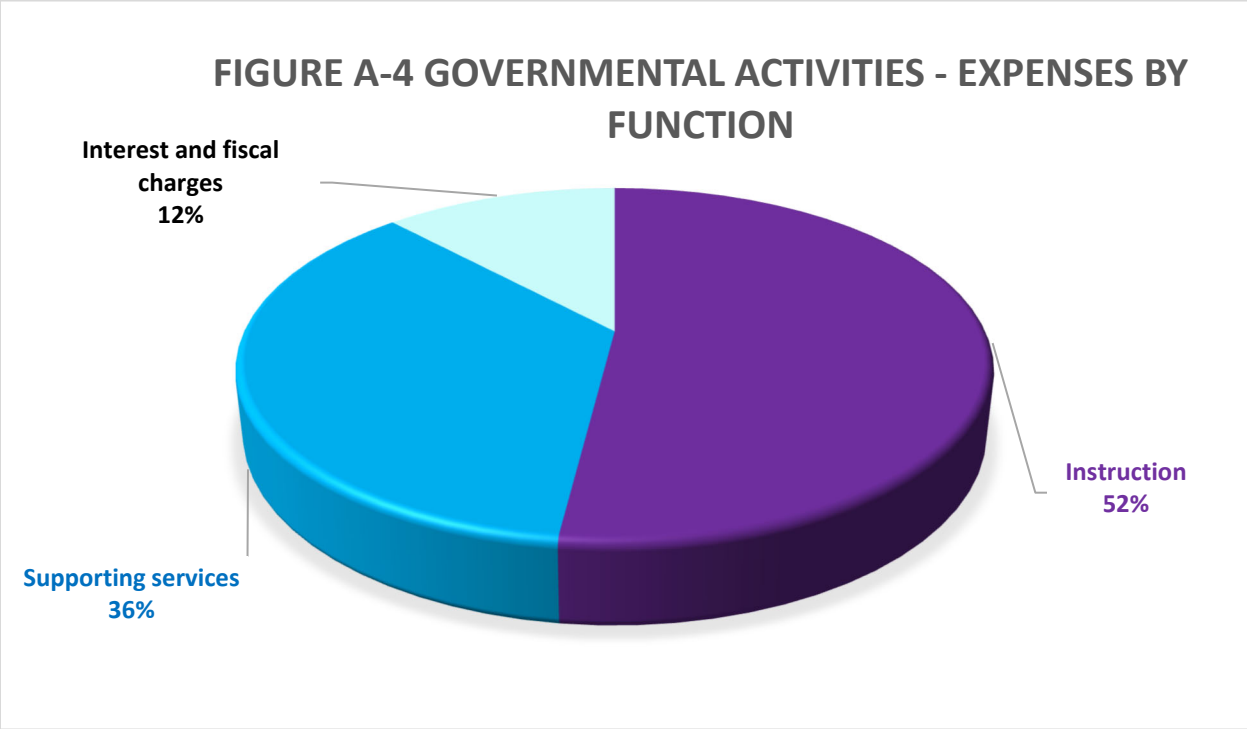
Growth in investment earnings and decrease in operating grants

There was a notable increase in 2026 in investment earnings which was a result of an allocation from Jefferson County School District's pooled cash and investment account due to the Academy's related allocation of pooled cash. Charges for services, which decreased 20% was a result of a decrease in tuition from 2025 to 2026. Operating grants and contributions had an increase of 127% due to a significant increase in universal preschool funding from the prior year.

State equalization/Per pupil revenue

The largest single source of governmental activities revenue for the Academy is per pupil revenue, which amounted to $10,731,098 in 2026, or 72% of total governmental activities revenue. Per pupil revenue increased 7% in 2026 due to changes in funded pupil count, formula funding, and other factors affecting per pupil revenue.

Per pupil funding 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 Academy's per pupil revenue is passed through the Jefferson County School District R – 1.



Increases in expenses for certain programs and functions

Governmental activities expenses rose 17% overall. Most notably, interest and fiscal charges increased 66% from 2025 to 2026. Instruction and supporting services expenses consistently are the main expenses of the Academy and account for the main operations (see Table A-2); by contrast, those expense categories were 92% of total expenses in 2025 compared to 88% in 2026. The fluctuation was due to an increase in interest and fiscal charges due to a one time refunding of old long-term debt in the prior year.

The Academy had pension expense of $1,005,916 in total pension expense which is allocated between instruction and supporting services for the year ended June 30, 2026 due to involvement in Colorado PERA. The figure can significantly fluctuate from year to year based on PERA activity.

During 2026, the Academy did see an increase in purchased services and supplies and materials expenses. These categories fluctuate based on necessary purchases for repairs and maintenance, contracted services, and other expenses associated with running the Academy schools.

See Note 5 for information related to current year long-term debt activity. As previously outlined, a current year refunding resulted in fluctuations from prior to current year.

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

The Academy participates in the statewide PERA and OPEB program administered by the State of Colorado. Each year the Academy records its proportional share of the State's unfunded pension and OPEB liability. The Academy 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 6 and 7 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
	2026	2025	Change
Total net position	$ (4,991,673)	$ (4,688,243)	6%
Add net pension liability	11,313,028	12,114,476	-7%
Add OPEB liability	125,024	214,945	-42%
Add deferred pension inflows	1,777,762	858,481	107%
Add deferred OPEB inflows	143,745	132,937	8%
Less deferred pension outflows	(1,636,844)	(2,524,927)	-35%
Less deferred OPEB outflows	(33,085)	(32,395)	2%
Total net position excluding pension and OPEB related items	$ 6,697,957	$ 6,075,274	10%

GOVERNMENTAL FUND

The Academy reports a single governmental fund, the General Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of the governmental fund. However, certain factors that are relevant to the Academy's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. The major fund is shown in Table A-3 and is discussed in more detail below.

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

	General Fund		Total Percentage
	2026	2025	Change
Revenues			
Local sources	$ 13,290,491	$ 12,504,901	6%
Federal and state sources	905,259	627,727	44%
Investment earnings	374,092	70,651	429%
Other	244,617	241,892	1%
Total program revenue	14,814,459	13,445,171	10%
Expenditures			
Instruction	7,013,097	6,574,548	7%
Supporting services	4,288,663	3,588,162	20%
Capital outlay	179,136	66,813	168%
Debt service	25,467,029	1,580,725	1511%
Total expenditures	36,947,925	11,810,248	213%
Excess (deficiency) of revenues over expenditures	(22,133,466)	1,634,923	-1454%
Other financing sources (uses)			
Bond proceeds	25,315,000	-	100%
Bond discount	(28,629)	-	100%
Total other financing sources (uses)	25,286,371	-	100%
Net change in fund balances	3,152,905	1,634,923	93%
Fund balances, beginning of year	6,587,291	4,952,368	33%
Fund balances, end of year	$ 9,740,196	$ 6,587,291	48%

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 Academy's General Fund increased by 48% when compared to prior year increase. The increase in fund balance was primarily attributable to revenue growth offset by expenditures previously discussed. Capital outlay increased $112,323 from 2025 due to the Academy continuing remodeling on the K-8 school.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term debt.

Overall, the carrying value of capital assets—original cost minus accumulated depreciation and amortization—decreased 4% over 2025. This was due to current year depreciation Academy.

Previously, the Academy had outstanding Series 2020 Bonds in the principal amount of $23,400,000. In 2026, the Academy refunded the existing debt with Series 2025 Bonds in the amount of $25,315,000. The refunding activity is outlined in the General Fund statement of revenue, expenditures, and changes in fund balance as bond proceeds, principal, interest and fiscal charges and bond issuance costs. See Note 5 for additional information.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

1) The Academy is anticipating ongoing facility maintenance and repair expenses. The SY26 – 27 budget maintains a capital outlay of $350,000 to protect against these expenses.
2) Reviewing potential grant opportunities for near term expenditure, however, no significant expenditures have been approved formally. The School also believes it may receive additional revenue through the Federal Scholarship Granting Organization program. The budget does not project any revenue at this time.
3) Enrollment is currently tracking close to - but above - budgeted levels. Also, the state formula for PPR is changing this year, but actual numbers will not be known until the district's Q3 distribution. It is possible that this formula may lower PPR; however, under the worst-case scenario - along with projected enrollment increases the school shows overall positive projected revenue growth for the coming year.
4) There are four major ballot initiatives this year (November, 2026) that may provide additional revenue for the school. Two are at the district level (two separate mill levy override requests) as well as two state initiatives. If these initiatives are passed, it will have a positive impact on revenue in the current year; however, we are not projecting any of this revenue in the current budget.
5) The school has added two new board members to the governing board (filling vacancies). The school has planned expenditures to support training for these individuals.

Pension and OPEB changes

See Notes to the RSI as these changes will impact all entities who are members of Colorado PERA.

Requests for Information

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

Addenbrooke Classical Academy
3605 S Teller Street
Lakewood, CO 80235

BASIC FINANCIAL STATEMENTS

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
Assets	
Cash and investments	$ 7,761,684
Restricted cash and investments	2,541,015
Accounts receivable	2,823
Capital assets, not being depreciated	5,655,326
Capital assets, net of depreciation	16,397,102
Total Assets	32,357,950
Deferred Outflows of Resources	
Related to pension	1,636,844
Related to OPEB	33,085
Total Deferred Outflows of Resources	1,669,929
Liabilities	
Accounts payable	33,338
Accrued salaries and benefits	531,988
Accrued interest	104,250
Noncurrent liabilities:	
Due within one year	399,046
Due in more than one year	24,591,371
Pension liability	11,313,028
OPEB liability	125,024
Total Liabilities	37,098,045
Deferred Inflows of Resources	
Related to pension	1,777,762
Related to OPEB	143,745
Total Deferred Inflows of Resources	1,921,507
Net Position	
Net investment in capital assets	(1,284,163)
Restricted:	
Emergencies	382,253
Debt service	2,054,512
Unrestricted	(6,144,275)
Total Net Position	$ (4,991,673)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 7,831,032	$ -	$ 599,184	$ -	$ (7,231,848)
Supporting services	5,544,036	479,834	-	348,935	(4,715,267)
Interest and fiscal charges	1,785,681	-	-	-	(1,785,681)
Total Governmental Activities	$ 15,160,749	$ 479,834	$ 599,184	$ 348,935	(13,732,796)
GENERAL REVENUES:					
Per pupil revenue					10,731,098
Mill levy override					2,064,624
Investment earnings					374,092
Other					259,552
Total general revenues					13,429,366
Change in net position					(303,430)
Net Position, beginning of year					(4,688,243)
Net Position, end of year					$ (4,991,673)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2026

	General Fund
Assets	
Cash and investments	$ 7,761,684
Restricted cash and investments	2,541,015
Accounts receivable	2,823
Total Assets	$ 10,305,522
Liabilities and fund balances	
Liabilities:	
Accounts payable	$ 33,338
Accrued salaries and benefits	531,988
Total Liabilities	565,326
Fund balances:	
Restricted:	
Emergencies	382,253
Debt service	2,158,762
Unassigned	7,199,181
Total Fund Balance	9,740,196
Total Liabilities and Fund Balance	$ 10,305,522

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total fund balance, governmental fund:	$	9,740,196
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental fund.		22,052,428
Long-term liabilities, including loans payable are not due and payable in the current period, and therefore, are not reported in governmental fund.		
Bonds payable		(25,020,000)
Bond discount		29,583
Accrued interest payable		(104,250)
Net OPEB liability		(125,024)
Net pension liability		(11,313,028)
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		1,636,844
Related to OPEB		33,085
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		
Related to pension		(1,777,762)
Related to OPEB		(143,745)
Total net position of governmental activities	$	(4,991,673)

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2026

	General Fund
Revenues	
Local sources	$ 13,290,491
Federal and state sources	905,259
Investment earnings	374,092
Other	244,617
Total revenues	14,814,459
Expenditures	
Current	
Instruction	7,013,097
Supporting services	4,288,663
Capital outlay	179,136
Debt Service:	
Principal	23,695,000
Interest and other charges	1,214,608
Bond issuance costs	557,421
Total expenditures	36,947,925
Excess (deficiency) of revenues over (under) expenditures	(22,133,466)
Other financing sources and (uses)	
Bond proceeds	25,315,000
Bond discount	(28,629)
Total other financing sources and (uses)	25,286,371
Net change in fund balance	3,152,905
Fund Balance - beginning of year	6,587,291
Fund Balance - end of year	$ 9,740,196

See accompanying Notes to Financial Statements.

ADDENBROOKE CLASSICAL ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net change in fund balance - total governmental fund:	$	3,152,905
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay		179,136
Depreciation expense		(1,095,203)
Loss on dispodal		(9,132)
The issuance of long-term debt provides current financial resources to funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bond proceeds		(25,315,000)
Bond discount		28,629
Principal on bonds payable		23,695,000
Interest payable on debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements and amount represents change in accrued interest from prior year.		(13,652)
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The (increases) decreases in these activities consist of:		
OPEB income		79,803
Pension expense		(1,005,916)
Change in net position of governmental activities	$	(303,430)

See accompanying Notes to Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

Addenbrooke Classical Academy Building Corporation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

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

Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash & Investments – Cash consists of demand deposits. Investments are reported at net asset value.

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Pension Liability – The Academy's governmental activities report a net pension liability as of June 30, 2026. The Academy is required to report their proportionate share of PERA's unfunded pension liability. See Note 6 for additional information.

Postemployment Benefits Other Than Pensions (OPEB) – The Academy participates in the Health care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees; Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. Investments are reported at fair value. See Note 7 for additional information.

Deferred Inflows of Resources – The Academy's governmental activities report a separate section for deferred inflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The Academy reports deferred inflows of resources related to GASB Statement Nos. 68 and 75. See Notes 6 and 7 for additional information.

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

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

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

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

The Academy has a deficit net position of $4,991,673 at June 30, 2026, which is a result of the Academy's participation in Colorado PERA.

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 Academy is bound to honor constraints on the specific purposes for which amounts in the respective governmental fund can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. As of June 30, 2026, the Academy had no items classified as nonspendable.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. Restricted balance related to Emergency Reserves as of June 30, 2026 is $382,253. The General Fund also has debt service restrictions totaling $2,158,762 as of June 30, 2026 due to the Series 2025 Bonds.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the board of directors. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action (i.e., resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy has no items reported as committed as of June 30, 2026.

Assigned – This classification includes amounts that are subject to a purpose constraint that represents an intended use but does not meet the criteria to be classified as restricted or committed. Only the Board may assign fund balances for specific purposes. The purpose of this assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The Academy had no items reported as assigned fund balance as of June 30, 2026.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 2 – CASH AND INVESTMENTS

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

Cash deposits	$	1,500
Pooled cash with District		8,142,437
Investments		2,158,762
Total	$	10,302,699

Cash and investments	$	7,761,684
Restricted cash and investments		2,541,015
Total	$	10,302,699

Cash Deposits

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

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

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Pooled Cash with the District

Cash deposits are pooled with the District cash and investments which were held by several banking institutions. At June 30, 2026, the Academy's balance in equity for unrestricted pooled cash of the District totaled $8,142,437.

Investments

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

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

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

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

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

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Credit Risk

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

Local Government Investment Pool

As of June 30, 2026, the Academy had invested $2,158,762 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds.

The Academy invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE Cash Fund and CSAFE Core.

CSAFE Cash Fund operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S. CSAFE Core, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE Core may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE Cash Fund is rated AAAmmf and CSAFE Core is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the Academy records its investments in CSAFE using the net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

Investments in the amount of $2,158,762 are restricted in the general fund for debt service, as a result of the Series 2025 Bonds. This balance is made up of accounts set up in the form of a debt service fund and a bond reserve fund as of June 30, 2026 with a required amount of $1,654,750. Pooled cash is restricted in the amount of $382,253 for purposes of TABOR.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, is summarized below:

	Balances June 30, 2025	Additions	Deletions	Balances June 30, 2026
Capital Assets:				
Capital Assets, Not Being Depreciated				
Land	$ 5,553,000	$ -	$ -	$ 5,553,000
Construction in progress	12,454	114,139	24,267	102,326
Total capital assets, not depreciated	5,565,454	114,139	24,267	5,655,326
Capital Assets, Being Depreciated				
Equipment	88,238	-	-	88,238
Vehicles	108,091	-	13,525	94,566
Building improvements	22,965,333	89,264	5,879	23,048,718
Total capital assets, depreciated	23,161,662	89,264	19,404	23,231,522
Accumulated depreciation				
Equipment	40,973	8,519	-	49,492
Vehicles	43,236	10,809	6,763	47,282
Building improvements	5,665,280	1,075,875	3,509	6,737,646
Total accumulated depreciation	5,749,489	1,095,203	10,272	6,834,420
Net capital assets, depreciated	17,412,173	(1,005,939)	9,132	16,397,102
Total capital assets	$ 22,977,627	$ (891,800)	$ 33,399	$ 22,052,428

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of $1,095,203 has been charged to the Supporting Services function of the Academy.

NOTE 4 – ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August - July but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2026, were $531,988 in the general fund.

NOTE 5 – LONG-TERM DEBT

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

	Balances June 30, 2025	Additions	Deletions	Balances June 30, 2026	Due In One Year
CECFA Series 2020 Bonds	$ 23,400,000	$ -	$ 23,400,000	$ -	$ -
CECFA Series 2025 Bonds	-	25,315,000	295,000	25,020,000	400,000
Series 2025 Bond Discount	-	(28,629)	954	(29,583)	(954)
Total	$ 23,400,000	$ 25,286,371	$ 23,400,000	$ 24,990,417	$ 399,046

CECFA Series 2025 Bonds

During the year ended June 30, 2026, the Academy issued $25,315,000 of Colorado Education and Cultural Facilities Authority (CECFA) Series 2025 A&B Bonds (Series, 2025 bonds) through the Addenbrooke Classical Academy Building Corporation. The proceeds of the Series 2025 Bonds, together with $935,322 of Series 2020 debt service and project fund monies on deposit with the trustee were used to currently refund and redeem $23,400,000 aggregate principal amount of the Series 2020 Bonds. The Series 2025 Bonds accrue interest at a rate of 5.0% - 5.20%. Interest is payable semimonthly on December 1st and June 1st. Principal is due annually on June 1st. The Series 2025 Bonds mature on June 1, 2055. The Series 2025 Bonds are secured by pledged revenues of the Building Corporation and certain covenants. See Note 2 for certain restricted cash reserves to be maintained relating to the Academy's bonds payable.

Future debt service requirements to maturity for the long-term debt transactions are as follows:

NOTE 5 – LONG-TERM DEBT (CONTINUED

Year ended June 30,	Principal	Interest	Total
2027	$ 400,000	$ 1,251,000	$ 1,651,000
2028	420,000	1,231,000	1,651,000
2029	440,000	1,210,000	1,650,000
2030	465,000	1,188,000	1,653,000
2031	490,000	1,164,750	1,654,750
2032 - 2036	2,835,000	5,432,000	8,267,000
2037 - 2041	3,610,000	4,649,000	8,259,000
2042 - 2046	4,610,000	3,651,500	8,261,500
2047 - 2051	5,890,000	2,377,250	8,267,250
2052 - 2055	5,860,000	750,500	6,610,500
	$ 25,020,000	$ 22,905,000	$ 47,925,000

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions: The Academy participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension 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.

General Information about the Pension Plan

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

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

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

- Highest average salary (HAS) multiplied by 2.5 percent and then multiplied by years of service credit.

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the 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.

Contributions provisions as of June 30, 2026: Eligible employees of the Academy and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq and § 24-51-413. Eligible employees are required to contribute 11.0 percent of their PERA-includable salary during the period of July 1, 2025 through June 30, 2026. Employer contribution requirements are summarized in the table below:

	July 1, 2025 Through June 30, 2026
Employer Contribution Rate[1]	11.40 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	10.38 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411	5.50 %
Total Employer Contribution Rate to the SCHDTF	20.38 %

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

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the Academy were $1,210,362 for the year ended June 30, 2026.

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

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

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

At June 30, 2026, the Academy reported a liability of $11,313,028 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Academy as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the Academy were as follows:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Academy's Proportionate Share of the Net Pension Liability	$	11,313,028
State's Proportionate Share of the Net Pension Liability as a nonemployer contributing entity associated with the Academy		1,063,164
Total	$	12,376,192

At December 31, 2025, the Academy's proportion was 0.07250%, which was an increase of 0.00234% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Academy recognized pension expense of $1,036,193 and revenue of $112,619 for support from the State as a nonemployer contributing entity. At June 30, 2026, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 680,870	$ -
Changes of Assumptions or other Inputs	55,536	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,357,141
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	279,567	420,621
Contributions Subsequent to the Measurement Date	620,871	-
Total	$ 1,636,844	$ 1,777,762

$620,871 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:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Year Ended June 30,	Amount
2027	$ 656,500
2028	(640,231)
2029	(435,253)
2030	(342,805)
Total	$ (761,789)

Actuarial Assumptions: The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Actuarial Assumptions
Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real Wage Growth	0.70%
Wage Inflation	3.00%
Salary Increases, Including Wage Inflation	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 January 1, 2007; and DPS Benefit Structure (Compounded Annually)	1.00%
PERA Benefit Structure hired after December 31, 2006[1]	Financed by the AIR

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

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.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School and DPS Divisions	PubT-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School and DPS Divisions	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 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.

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:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

- 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.

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	$ 16,004,730	$ 11,313,028	$ 7,384,313

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

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the 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.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

General Information about the OPEB Plan (continued)

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

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

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

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare.

The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

General Information about the OPEB Plan (continued)

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

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF. Effective July 1, 2026, HB 26-1400 also reduces the PERA employer contribution rate allocated to the HCTF, by 0.50%, 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 Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were $60,577 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 Academy reported a liability of $125,024 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 Academy's proportion of the net OPEB liability was based on the Academy's contributions to the HCTF for the calendar year 2025 relative to the total contributions of participating employers to the HCTF.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

At December 31, 2025, the Academy's proportion was 0.04640%, which was an increase of 0.00140% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Academy recognized OPEB income of $78,382. At June 30, 2026, the 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	$ -	$ 50,587
Changes of Assumptions or other Inputs	1,372	60,687
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	19,968
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	1,246	12,503
Contributions Subsequent to the Measurement Date	30,467	-
Total	$ 33,085	$ 143,745

$30,467 reported as deferred outflows of resources related to OPEB resulting from the Academy's contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 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,	Amount
2027	$ (33,249)
2028	(41,199)
2029	(28,881)
2030	(22,729)
2031	(11,645)
Thereafter	(3,424)
Total	$ (141,127)

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

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry Age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		3.00%		
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70% - 13.30%	4.00% - 13.40%	3.40% - 13.00%	2.30% - 4.70%
Safety Officers	3.20% - 16.30%	N/A	3.20% - 16.30%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation		7.25%		
Discount Rate		7.25%		
Health care cost trend rates				
Service-based premium subsidy		0.00%		
PERACare Medicare plans		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 (actual dollars) per month.

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

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A.

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 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-Retirement	Mortality Table	Adjustments, as Applicable
State and Local Government Divisions (members other than) Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School and DPS Divisions	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

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

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

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

The 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.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Revised economic and demographic assumptions were adopted by the Board on January 17, 2025.

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

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

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

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

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

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[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%
Proportionate Share of the Net OPEB Liability	$ 119,827	$ 125,024	$ 130,907

[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.

- 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.

NOTE 7 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 172,133	$ 125,024	$ 84,394

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

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Tabor

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations, which apply to the state of Colorado and all local governments.

NOTE 8 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

TABOR required local governments to establish Emergency Reserves. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service).

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

The Academy believes it has complied with the Amendment. As required, the Academy has established a reserve for emergencies. At June 30, 2025, the reserve of $382,253 was recorded as a restricted net position/fund balance for TABOR.

Claims and Judgments

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. As of June 30, 2026, significant amounts of grant expenditures have not been audited, but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

NOTE 9 – RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

ADDENBROOKE CLASSICAL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance Original to Final Budget	Actual	Variance Positive (Negative)
Revenues					
Local sources					
Per pupil operating revenue	$ 10,233,000	$ 10,731,098	$ 498,098	$ 10,731,098	$ -
Mill levy override	1,818,544	2,064,624	246,080	2,064,624	-
Charges for services	670,000	479,000	(191,000)	479,834	834
Donations	18,500	18,500	-	14,935	(3,565)
Earnings on investments	80,000	369,918	289,918	374,092	4,174
Other revenue	81,000	85,000	4,000	244,617	159,617
Federal and state sources					
Grants and capital contributions	529,943	760,569	230,626	905,259	144,690
Total revenues	13,430,987	14,508,709	1,077,722	14,814,459	305,750
Expenditures					
Current					
Salaries	6,355,826	6,419,146	63,320	6,145,196	273,950
Employee benefits	1,792,669	1,810,528	17,859	1,896,876	(86,348)
Purchased services	2,323,499	2,432,492	108,993	2,678,578	(246,086)
Supplies and materials	705,000	781,000	76,000	581,110	199,890
Capital outlay	50,000	270,000	220,000	179,136	90,864
Debt service					
Principal	525,000	23,728,333	23,203,333	23,695,000	33,333
Interest	1,053,000	1,318,858	265,858	1,214,608	104,250
Bond issuance costs	-	941,097	941,097	557,421	383,676
Total expenditures	12,804,994	37,701,454	24,896,460	36,947,925	753,529
Excess (deficiency) of revenues over expenditures	625,993	(23,192,745)	(23,818,738)	(22,133,466)	1,059,279
Other financing sources and (uses)					
Bond proceeds	-	25,315,000	25,315,000	25,315,000	-
Bond discount	-	-	-	(28,629)	(28,629)
Total other financing sources and (uses)	-	25,315,000	25,315,000	25,286,371	(28,629)
Net change in fund balance	$ 625,993	$ 2,122,255	$ 1,496,262	3,152,905	$ 1,030,650
Fund Balance - beginning of year				6,587,291	
Fund Balance - end of year				$ 9,740,196	

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

Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date*	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
School's Proportion of the Net Pension Liability	0.0725%	0.0702%	0.0706%	0.0522%	0.0704%	0.0740%	0.0610%	0.0580%	0.0500%	0.0310%
School's Proportionate Share of the Net Pension Liability	$ 11,313,028	$ 11,313,028	$ 12,483,280	$ 9,502,086	$ 8,188,814	$ 11,194,595	$ 9,088,650	$ 9,807,250	$ 15,897,645	$ 9,376,549
State's Proportionate Share of the Net Pension Liability associated with the School **	1,063,164	1,063,164	273,721	2,769,003	843,448	-	1,152,780	1,341,005	-	-
Total	$ 12,376,192	$ 12,376,192	$ 12,757,001	$ 12,271,089	$ 9,032,262	$ 11,194,595	$ 10,241,430	$ 11,148,255	$ 15,897,645	$ 9,376,549
School's Covered Payroll	$ 5,789,671	$ 5,340,226	$ 4,831,412	$ 4,384,578	$ 2,113,805	$ 3,064,869	$ 3,552,002	$ 1,785,364	$ 1,288,906	$ 1,026,036
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	195.40%	211.85%	258.38%	216.72%	387.40%	365.26%	255.87%	549.31%	1,233.42%	913.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.71%	67.17%	64.74%	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%

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

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

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

Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 1,210,362	$ 1,151,572	$ 1,032,979	$ 940,978	$ 345,534	$ 472,857	$ 734,861	$ 369,665	$ 289,335	$ 201,538
Contributions in Relation to the Contractually Required Contribution	1,210,362	1,151,572	1,032,979	940,978	345,534	472,857	734,861	369,665	289,335	201,538
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 5,938,967	$ 5,650,502	$ 5,068,590	$ 4,617,164	$ 1,738,009	$ 2,378,553	$ 3,791,854	$ 1,932,385	$ 1,532,496	$ 1,096,509
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%

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

Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Measurement Date*	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
School's Proportion (Percentage) of the Collective Net OPEB Liability	0.0464%	0.0450%	0.0422%	0.0397%	0.0459%	0.0430%	0.0400%	0.0360%	0.0330%	0.0450%
School's Proportionate Share of the Collective Net OPEB Liability	$ 125,024	$ 214,945	$ 301,421	$ 323,803	$ 396,179	$ 406,991	$ 446,886	$ 489,814	$ 270,453	$ 363,035
School's Covered Payroll	$ 5,789,671	$ 5,340,226	$ 4,831,412	$ 4,384,578	$ 2,113,805	$ 3,064,869	$ 3,552,002	$ 1,785,364	$ 1,288,906	$ 1,026,036
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll Covered Payroll	2.16%	4.03%	6.24%	7.39%	18.74%	13.28%	12.58%	27.43%	20.98%	35.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	76.07%	59.83%	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

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

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

Fiscal Year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 60,577	$ 57,635	$ 51,700	$ 47,095	$ 17,729	$ 24,261	$ 38,677	$ 19,710	$ 15,631	$ 11,184
Contributions in Relation to the Contractually Required Contribution	60,577	57,635	51,700	47,095	17,729	24,261	32,506	30,125	30,525	28,367
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 5,938,967	$ 5,650,502	$ 5,068,590	$ 4,617,164	$ 1,738,009	$ 2,378,553	$ 3,791,854	$ 1,932,385	$ 1,532,496	$ 1,096,509
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

ADDENBROOKE CLASSICAL ACADEMY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

NOTE 1 – BUDGETARY COMPARISON INFORMATION

The accompanying budgetary comparison schedules are presented as required supplementary information for the General Fund for which the Academy adopts an annual legally adopted budget. The budget is adopted on a basis consistent with generally accepted accounting principles and is adopted by the Board of Directors prior to June 30th. Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at fiscal yearend.

The schedule presents the original budget, final budget, variance between the original and final budget, actual amount, and the variance between the final budget and actual amounts.

The budgetary comparison schedule is presented using the modified accrual basis of accounting. The budget schedule mirrors the format budgeted by the Academy and the statement of revenues, expenditures and changes in fund balance is broken out by function based on an allocation determined by management.

General Fund

For the year ended June 30, 2026, significant variances between original and final budgets were noted for:

1) Per pupil revenues were revised and increased in the amount of $498,098 by the Academy based on expected collections passed through the Jefferson County Public Schools coming in higher than expected due to State Per Pupil Revenue funding calculation and student counts. Mill levy override was increase by $246,080. Both increased were to match the known actual balance at June 30, 2026.

2) Investment earnings budget figure was significantly increased to $369,918 due to allocation performed by Jefferson County Public Schools which increased the Academy's investment earnings. Original budget figure was $80,000 with an actual amount of $374,092.

3) Bond proceeds and all debt service activity significantly increase from original to final budget. Result of debt refunding which occurred in August 2026 after the initial approval of the original 2026 budget.

4) Capital outlay was largest increase from original to final budget. Increase was due to costs to be incurred related to construction in process.

NOTE 1 – BUDGETARY COMPARISON INFORMATION (CONTINUED)

5) Property or capital outlay was increased by $220,000 for purposes of continued construction and balances in construction in process at June 30, 2026.

For the year ended June 30, 2026, significant variances between final budget and actual amounts included:

1) Other revenue was significantly higher than budgeted. This was result of additional funds passed through the Jefferson County Public Schools for Charter School Facility Assistance Program (CSFAP) funding.

2) Grants and capital contribution increase was due to additional universal pre-k funding received during 2026.

3) Salaries and benefits were less than budget due to the Academy's conservative estimate related to actual costs and expected final balances through review of financials prior to budget amendment.

4) Purchased service actual expenditures were over final budget as outlined above due to bond related services required for debt refunding in the current year. Supplies and materials were under budget due to instructional related purchases coming in under budget.

5) All debt service costs were under budget due to the final budget having conservative budget figures related to debt refunding for purposes of ensuring budgeted expenditures exceeded actual expenditures.

NOTE 2 – DEFINED BENEFIT PENSION PLAN AND OPEB

Defined Benefit Pension Plan

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.

NOTE 2 – DEFINED BENEFIT PENSION PLAN AND OPEB (CONTINUED)

Defined Benefit Pension Plan (continued)

- 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.

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.

Subsequent Events

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

Other Postemployment Benefit Plan

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.

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.