# ODYSSEY SCHOOL OF DENVER

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2026

**ODYSSEY SCHOOL OF DENVER**
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**JUNE 30, 2026**


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Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Odyssey School of Denver

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Odyssey School of Denver, a component unit of Denver Public Schools, as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the Odyssey School of Denver's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 9, 2026

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

If you have questions about this report or require further information, contact Odyssey School of Denver, 6550 East 21st Avenue, Denver, CO 80207.

### OVERVIEW OF THE FINANCIAL STATEMENTS

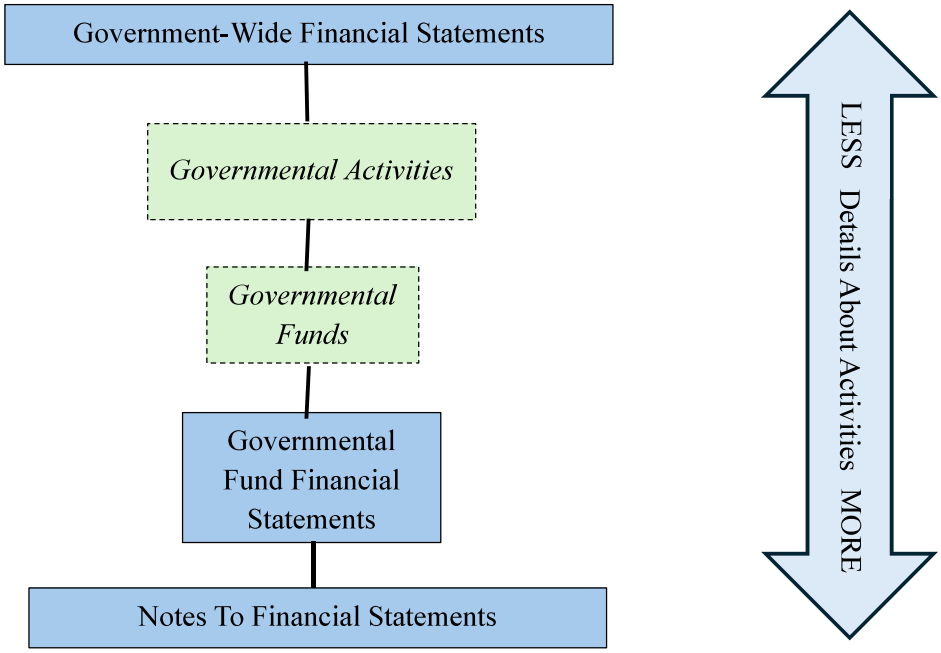
The School financial report contains basic financial statements. Those financial statements present the School finances at both an overall and a detailed level. The first two—the government-wide financial statements—cover the School governmental activities. (See the diagram in Figure A-1.)

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

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

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

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




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

## TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

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

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

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain

other long-term items, such as pension obligations, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing debt or selling equipment, as well as principal and interest payments on debt and spending on the construction of a building.

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

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

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

## ANALYSIS OF THE SCHOOL'S FINANCES

Table A-1 shows that as of June 30, 2026, the School's total net position—assets and deferred outflows minus liabilities and deferred inflows—was $1,588,088 an increase of $321,545 or 25% compared with 2025. This increase is primarily due to a $266,979 or 30% increase in unrestricted net position. Most of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental.

**Table A-1**
**Net Position**

| | Governmental Activities | | Total Percentage Change |
|---|---|---|---|
| | June 30, 2026 | June 30, 2025 | 2026-2025 |
| Current Assets | $ 2,077,672 | $ 1,688,348 | 23.1% |
| Capital Assets, Net | 155,916 | 184,156 | -15.3% |
| Net OPEB Asset | 110,299 | 63,687 | 73.2% |
| Total assets | 2,343,887 | 1,936,191 | 21.1% |
| Total Deferred Outflows of Resources | 567,109 | 777,174 | -27.0% |
| Long-term liabilities | 238,600 | 1,355,996 | |
| Other liabilities | 7,877 | 17,198 | -54.2% |
| Total liabilities | 246,477 | 1,373,194 | -82.1% |
| Total Deferred Inflows of Resources | 1,076,431 | 73,628 | 1362.0% |
| Net position | | | |
| Net investment in Capital Assets | 134,690 | 150,958 | -10.8% |
| Restricted | 403,547 | 222,414 | 81.4% |
| Unrestricted | 1,049,851 | 893,171 | 17.5% |
| Total net position | $ 1,588,088 | $ 1,266,543 | 25.4% |

### Governmental activities

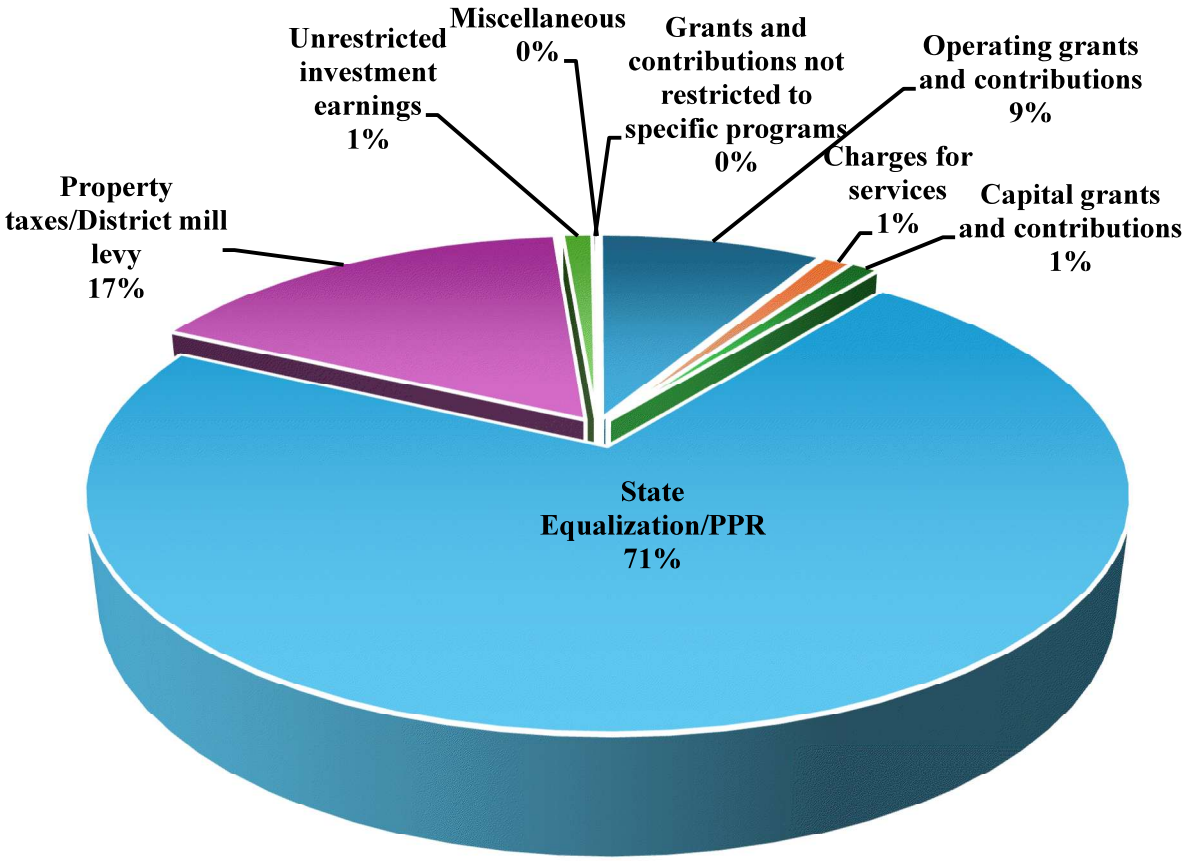
Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Figures A-3 and A-4 show a breakout of revenue by source and expenditure by function. The total net position of the School's governmental activities was $1,588,088, an increase of $321,545 or 25% from 2025. Various events contributed to this increase in net position; however, the three primary factors affecting the change in net position are as follows:

1) Increase in per pupil revenue (PPR)
2) Increase in District mill levies funding
3) Decrease in salaries and benefit costs
4) Increase in GASB 34 adjustments to assets and pensions

**Table A-2**
**Changes in Net Position**

| | Governmental Activities | | Total Percentage Change |
|---|---|---|---|
| | June 30, 2026 | June 30, 2025 | 2026-2025 |
| **Revenues** | | | |
| Program Revenues: | | | |
| Operating grants and contributions | $ 477,481 | $ 458,211 | 4.2% |
| Charges for services | 62,483 | 54,777 | 14.1% |
| Capital grants and contributions | 60,834 | 59,147 | 2.9% |
| General revenues: | | | |
| State Equalization/PPR | 4,012,912 | 3,742,485 | 7.2% |
| Property taxes/District mill levy | 932,063 | 876,703 | 6.3% |
| Unrestricted investment earnings | 61,986 | 66,445 | -6.7% |
| Grants and contributions not restricted to specific programs | 7,975 | 90 | 8761.1% |
| Miscellaneous | 850 | 35,559 | -97.6% |
| **Total revenues** | 5,616,584 | 5,293,417 | 6.1% |
| **Expenses** | | | |
| Instruction | 3,195,807 | 3,142,240 | 1.7% |
| Supporting services | 2,097,572 | 1,896,573 | 10.6% |
| Interest and fiscal charges | 1,660 | 2,230 | -25.6% |
| **Total Expenses** | 5,295,039 | 5,041,043 | 5.0% |
| Change in net position | 321,545 | 252,374 | 27.4% |
| Net position - beginning | 1,266,543 | 1,014,169 | 24.9% |
| Net position - ending | $ 1,588,088 | $ 1,266,543 | 25.4% |

**Figure A-3 Governmental Activities - Revenues by Source**




**State equalization/Per pupil revenue**

The largest single source of governmental activities revenue for the School is state equalization/per pupil revenue, which amounted to $4,012,912 in 2026, or 71% of total governmental activities revenue. State equalization/per pupil revenue increased by $270,427 or 7.2 percent in 2026 due to 3.6% increase in the formula funding, and 3.5% increase in enrollment.

The school approved the expansion of the K-5 program beginning in FY 2022 with projected enrollment of 318 in FY 2025. In FY 2026 the school agreed to add students from nearby elementary schools that have closed, making the FY 2026 enrollment 329.

**Increases in District mill levy funding**

Mill levy override funding from property taxes, which represented 17 percent of the School's governmental activities revenues, increased by $55,360 or 6.3% as a result of higher assessed values

within the School's boundaries and a higher distribution of taxes to the school based on increased enrollment.

**Decreases in salaries and benefit costs**

The benefit costs were significantly lower due to a 3.2% reduction in the District's retirement contribution rate. This resulted in a 2.3% decrease in salaries & benefits in relation to a total revenue increases of 6.1%.

**Increase in GASB34 capital assets and pension adjustments**

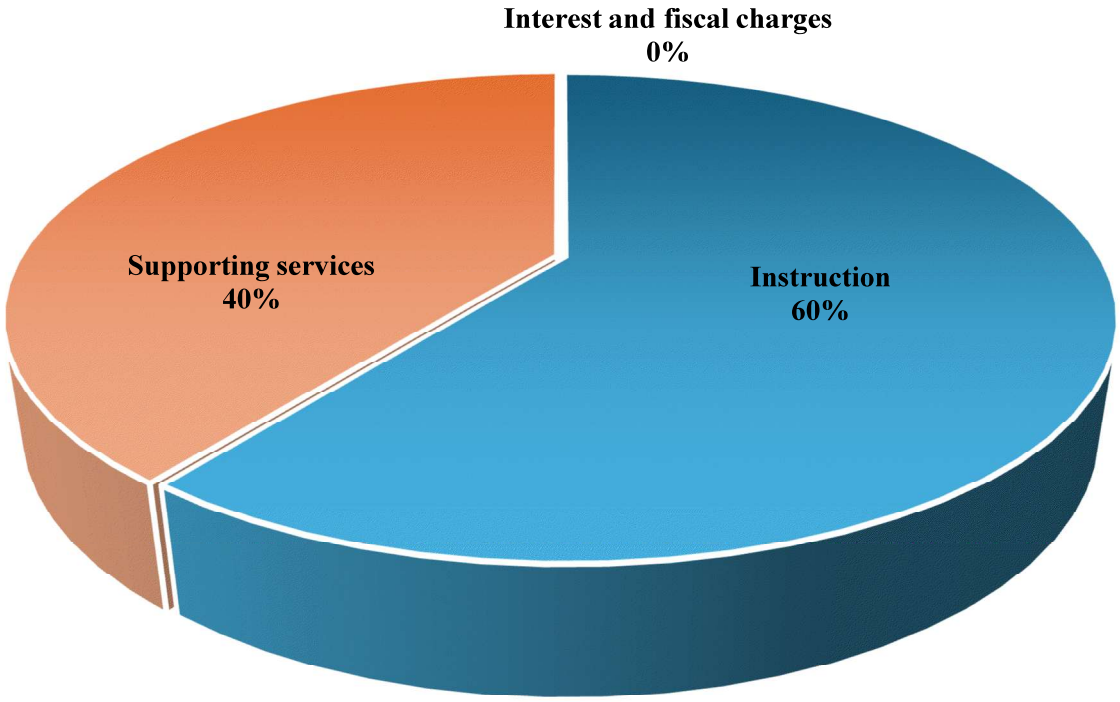
The governmental activities include reductions to expense for capital asset purchases and move them to capital assets on the statement of net position (Table A-1). In FY27, the school purchased $120,247 fewer assets than in FY26.

GASB34 also records the School's portion of the State's pension and OPEB liability, which resulted in a year over year expense variance of $160,253.

**General Fund Budgetary Highlights**

The School approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. The School approved a supplemental budget during the year to true up the beginning fund balance and adjust to the actual student count. The original General Fund Budget was $5,435,110 and it was adjusted to $5,418,384. Total expenditures were less than budgeted expenditures by $200,434.

**Figure A-4 Governmental Activties - Expenses by Function**




**Capital Assets.** Capitalized assets were $442,056 with accumulated depreciation and amortization of $286,140.

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

The School's participates in the statewide PERA and OPEB program administered by the State of Colorado. Each year the School records its proportional share of the State's unfunded pension and OPEB liability. The School also records its proportional share of the related deferred inflows and outflows related to these items. These calculations are complex and can vary greatly from year to year and additional information can be found in notes 6-7 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 Change |
|---|---|---|---|
| | June 30, 2026 | June 30, 2025 | 2026-2025 |
| Total net position | $ 1,588,088 | $ 1,266,543 | 25.4% |
| Add net pension liability | 217,374 | 1,322,798 | -83.6% |
| Add deferred pension inflows | 1,025,296 | 33,654 | 2946.6% |
| Add deferred OPEB inflows | 51,135 | 39,974 | 27.9% |
| Less deferred pension outflows | (555,719) | (749,147) | -25.8% |
| Less deferred OPEB outflows | (11,390) | (28,027) | -59.4% |
| Total net position excluding pension and OPEB related items | $ 2,314,784 | $ 1,885,795 | 22.7% |

## GOVERNMENTAL FUNDS

The School reports one major fund in the governmental fund financial statements. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the School's current financial health are more apparent in the fund financial statements than in the government-wide financial statements as presented in Table A-3 below.

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

| | General Fund | |
|---|---|---|
| | June 30, 2026 | June 30, 2025 |
| **Revenues** | | |
| Local sources | $ 1,509,561 | $ 1,419,678 |
| State sources | 4,088,099 | 3,868,121 |
| Federal sources | 18,925 | 19,873 |
| **Total revenues** | 5,616,585 | 5,307,672 |
| **Expenditures** | | |
| Instruction | 3,123,713 | 3,324,790 |
| Supporting services | 2,080,595 | 1,919,726 |
| Debt service | 13,632 | 13,632 |
| **Total Expenditures** | 5,217,940 | 5,258,148 |
| Excess (deficiency) of revenues over expenditures | 398,645 | 49,524 |
| Net change in fund balances | 398,645 | 49,524 |
| Fund balance - beginning | 1,671,150 | 1,621,626 |
| Fund balance - ending | $ 2,069,795 | $ 1,671,150 |

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

**General fund**

The fund balance of the School's general fund increased by 23.9%. The increase in fund balance was primarily attributable to revenue growth and reduction of benefit expenditures from reduced retirement and pension rates.

**Economic Factors and Next Year's Budget**

Total per pupil funding for FY27 is projected to increase by 1% without regard to enrollment. This is due to changes in the State's funding formula. As of the end of the current fiscal year, the School's general fund reported an ending fund balance of $2,069,795. It is projected that the school will increase the fund balance by approximately $108,538 for FY27.

## SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original cost minus accumulated depreciation—decreased 17% over 2025. The School has no long-term financing.

## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

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

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

### Amendments to the School budget

The mid-year amendment to the School's operating budget addresses budgetary variances identified in the actual results for the first of the year ending December 31, 2026. Key elements of the amendment will include updates for enrollment and state equalization/per pupil revenue, revisions to grant and program budgets, and adjustments to staffing and other operating expenditures. The governing board, or other oversight body adopts the amendment in January 2027 and directs administration to continue monitoring revenues and expenditures for the remainder of the year. In developing the amendment, the School will maintain the required TABOR emergency reserve.

### Adoption of the State budget

In May 2026, the State adopted its operating budget for the fiscal year ending June 30, 2027. The School's finances are affected by many parts of the State budget, though two provisions in particular may have a negative impact on the School's future finances. First, the adopted State budget includes changes to state school finance appropriations and related factors that determine state equalization/per pupil revenue for local education providers beginning in fiscal year 2026. These changes are expected to reduce state funding to the School by approximately 1% in fiscal year 2028 with mild increases around 3% in following years absent offsetting changes in local revenues or future legislative action.

### Pension plan changes

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

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

# BASIC FINANCIAL STATEMENTS

**ODYSSEY SCHOOL OF DENVER**
**STATEMENT OF NET POSITION**
**JUNE 30, 2026**

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| Cash and investments | $ 2,062,143 |
| Grants receivable | 5,046 |
| Inventories | 1,722 |
| Prepaids | 8,761 |
| Capital assets, net of accumulated depreciation/amortization | 155,916 |
| Net OPEB asset | 110,299 |
| Total Assets | 2,343,887 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred pension outflows | 555,719 |
| Deferred OPEB outflows | 11,390 |
| Total Deferred Outflows of Resources | 567,109 |
| **LIABILITIES** | |
| Accounts payable and other accrued liabilities | 7,877 |
| Long-term liabilities: | |
| Due within one year | 12,571 |
| Due in more than one year | 8,655 |
| Net pension liability | 217,374 |
| Total Liabilities | 246,477 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred pension inflows | 1,025,296 |
| Deferred OPEB inflows | 51,135 |
| Total Deferred Inflows of Resources | 1,076,431 |
| **NET POSITION** | |
| Net investment in capital assets | 134,690 |
| Restricted for: | |
| Emergencies | 168,000 |
| OPEB asset | 110,299 |
| Capital construction | 125,248 |
| Unrestricted | 1,049,851 |
| Total Net Position | $ 1,588,088 |

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

**ODYSSEY SCHOOL OF DENVER**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2026**

| Functions/Programs | Expenses | Program Revenue: Charges for Services | Program Revenue: Operating Grants and Contributions | Program Revenue: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Instruction | $ 3,195,807 | $ 62,483 | $ 467,659 | $ - | $ (2,665,665) |
| Supporting services | 2,097,572 | - | 9,822 | 60,834 | (2,026,916) |
| Interest | 1,660 | - | - | - | (1,660) |
| Total governmental activities | $ 5,295,039 | $ 62,483 | $ 477,481 | $ 60,834 | (4,694,241) |
| General revenues: | | | | | |
| Per pupil revenue | | | | | 4,012,912 |
| District mill levy | | | | | 932,063 |
| Grants and contributions not restricted to specific programs | | | | | 7,975 |
| Unrestricted investment earnings | | | | | 61,986 |
| Other | | | | | 850 |
| Total general revenues | | | | | 5,015,786 |
| Change in net position | | | | | 321,545 |
| Net position - beginning | | | | | 1,266,543 |
| Net position - ending | | | | | $ 1,588,088 |

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

**ODYSSEY SCHOOL OF DENVER**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**JUNE 30, 2026**

| | General Fund |
|---|---|
| **ASSETS** | |
| Cash and investments | $ 2,062,143 |
| Grants receivable | 5,046 |
| Inventories | 1,722 |
| Prepaids | 8,761 |
| Total Assets | $ 2,077,672 |
| **LIABILITIES** | |
| Accounts payable and other accrued liabilities | $ 7,877 |
| Total Liabilities | 7,877 |
| **FUND BALANCE** | |
| Non-spendable | 10,483 |
| Restricted for: | |
| Emergencies | 168,000 |
| Capital construction | 125,248 |
| Unassigned | 1,766,064 |
| Total Fund Balance | 2,069,795 |
| Total Liabilities and Fund Balance | $ 2,077,672 |

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

**ODYSSEY SCHOOL OF DENVER**
**RECONCILIATION OF THE BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
**JUNE 30, 2026**

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

| | | |
|---|---|---|
| Total Fund Balance of Governmental Funds | | $ 2,069,795 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | |
| Capital assets , net of accumulated depreciation/amortization | | 155,916 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds: | | |
| Lease payable | $ (21,226) | |
| Net pension liability | (217,374) | |
| Pension outflows | 555,719 | |
| Pension inflows | (1,025,296) | |
| Net OPEB asset | 110,299 | |
| OPEB outflows | 11,390 | |
| OPEB inflows | (51,135) | (637,623) |
| Total Net Position of Governmental Activities | | $ 1,588,088 |

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

**ODYSSEY SCHOOL OF DENVER**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | General Fund |
|---|---|
| **REVENUES** | |
| Local sources | $ 1,509,561 |
| State sources | 4,088,099 |
| Federal sources | 18,925 |
| Total revenues | 5,616,585 |
| **EXPENDITURES** | |
| Instruction | 3,123,713 |
| Supporting services | 2,080,595 |
| Debt service: | |
| Interest | 1,660 |
| Principal | 11,972 |
| Total expenditures | 5,217,940 |
| Net change in fund balance | 398,645 |
| Fund balance, beginning | 1,671,150 |
| Fund balance, ending | $ 2,069,795 |

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

**ODYSSEY SCHOOL OF DENVER**
**RECONCILIATION OF THE STATEMENT OF**
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2026**

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

| | | |
|---|---|---|
| Net Change in Fund Balance of Governmental Funds | | $ 398,645 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Depreciation/amortization expense | $ (36,173) | |
| Capital Outlays | 7,933 | (28,240) |
| The issuance of long-term debt provides current financial resources to governmental 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Lease principal payment | | 11,972 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Changes in pension related items | $ (79,646) | |
| Changes in OPEB related items | 18,814 | (60,832) |
| Change in Net Position of Governmental Activities | | $ 321,545 |

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

# NOTES TO FINANCIAL STATEMENTS

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### *A. REPORTING ENTITY*

The Odyssey School d.b.a. Odyssey School of Denver (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within Denver Public Schools (the District).

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

Based on the application of these criteria, the School does not include additional organizations within its reporting entity.

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

### *B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION*

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

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or other service users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School reports the following major governmental funds:

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

*C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the School the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

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

*Cash and cash equivalents*

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Investments*

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

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

*Receivables*

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

*Prepaid items*

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

*Capital assets*

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

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

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

| | |
|---|---|
| Vehicles | 5-8 years |
| Equipment | 5-10 years |

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Unearned Revenue*

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

*Deferred outflows/inflows of resources*

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

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

*Leases*

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

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

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

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

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Long-term liabilities*

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

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

*Pensions*

Odyssey School of Denver participates in the Denver Public Schools Division Trust Fund (DPS Division), a single-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 DPS Division 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.

*Defined Benefit Other Post Employment Benefit (OPEB) Plan*

Odyssey School of Denver participates in the Denver Public Schools Health Care Trust Fund (DPS HCTF), a single-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability (asset), 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 DPS HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

*Net position*

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

*Fund balance classification*

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

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

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

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

*E. REVENUES AND EXPENDITURES/EXPENSES*

*Compensated Absences*

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

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

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

*F. ESTIMATES*

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

*G. UPCOMING ACCOUNTING AND REPORTING CHANGES*

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

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

## NOTE 2 – DEPOSITS AND INVESTMENTS

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

| | |
|---|---|
| Deposits | $ 272,888 |
| Investments | 1,789,255 |
| Total | $ 2,062,143 |

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

| | |
|---|---|
| Cash and investments | $ 2,062,143 |

*Cash deposits with financial institutions*

Custodial Credit Risk—deposits: Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the School's deposits at June 30, 2026 was $272,888 and the bank balances were $288,890. Of the bank balances, $250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

*Investments*

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

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

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

| Investment Type | Year-end Balance | Measurement | Maturity | Standard & Poor's Rating |
|---|---|---|---|---|
| CSAFE | $ 1,789,255 | Net asset value | Less than 90 days | AAAm |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the School's investment in a single issuer. The School places no limit on the amount it may invest in any one issuer. More than 20 percent of the School's investments are in CSAFE. These investments are 100.0% of the School's total investments.

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

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

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

## NOTE 3 - CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| *Governmental activities* | | | | |
| Capital assets being depreciated: | | | | |
| Vehicles | $ 328,608 | $ - | $ - | $ 328,608 |
| Equipment | 50,056 | 7,933 | - | 57,989 |
| Total capital assets being depreciated | 378,664 | 7,933 | - | 386,597 |
| Less accumulated depreciation for: | | | | |
| Vehicles | (206,791) | (19,272) | - | (226,063) |
| Equipment | (20,992) | (5,809) | - | (26,801) |
| Total accumulated depreciation | (227,783) | (25,081) | - | (252,864) |
| Total capital assets being depreciated, net | 150,881 | (17,148) | - | 133,733 |
| Lease assets being amortized: | | | | |
| Equipment | 55,459 | - | - | 55,459 |
| Total lease assets being amortized | 55,459 | - | - | 55,459 |
| Less accumulated amortization for: | | | | |
| Equipment | (22,184) | (11,092) | - | (33,276) |
| Total accumulated amortization | (22,184) | (11,092) | - | (33,276) |
| Total lease assets being amortized, net | 33,275 | (11,092) | - | 22,183 |
| Capital assets, net of accumulated depreciation/amortization | 184,156 | (28,240) | - | 155,916 |
| Total governmental activities capital assets | $ 184,156 | $ (28,240) | $ - | $ 155,916 |

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

| | |
|---|---|
| *Governmental Activities* | |
| Instruction | $ 36,173 |

## NOTE 4 – LEASES

*School as lessee*

The School, as a lessee, has entered into a lease agreement for equipment with a lease term of 5 years. The total costs of these right-to-use lease assets are recorded as $55,459, less accumulated amortization of $33,276. The School has determined that as of June 30, 2026, there is no loss associated with an impairment of the right-to-use lease asset.

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

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $ 12,571 | $ 1,061 | $ 13,632 |
| 2028 | 8,655 | 433 | 9,088 |
| Total | $ 21,226 | $ 1,494 | $ 22,720 |

## NOTE 5 – LONG-TERM LIABILITIES

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

| | Beginning Balance | Debt Issued And Additions | Reductions | Ending Balance | Due Within One year |
|---|---|---|---|---|---|
| *Governmental Activities* | | | | | |
| Leases | $ 33,198 | $ - | $ (11,972) | $ 21,226 | $ 12,571 |
| Net pension liability | 1,322,798 | 134,286 | (1,239,710) | 217,374 | - |
| Net OPEB liability | (63,687) | 4,294 | (50,906) | (110,299) | - |
| *Total Governmental Activities* | $ 1,292,309 | $ 138,580 | $ (1,302,588) | $ 128,301 | $ 12,571 |

All long-term liabilities are liquidated in the General fund.

## NOTE 6 – DEFINED BENEFIT PENSION PLAN

*General Information about the Pension Plan*

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

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

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

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

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

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

In all cases the service retirement benefit is limited to 100% 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% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

## NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

| | July 1, 2025 Through December 31, 2025 | January 1, 2026 Through June 30, 2026 |
|---|---|---|
| Employer contribution rate | 8.40% | 8.40% |
| Amount of employer contribution apportioned to the DPS HCTF as specified in C.R.S. § 24-51-208(1)(f) | (0.20%) | (0.20%) |
| PCOP offset as specified in C.R.S. § 24-51-412 | (9.12%) | (9.02%) |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 | 4.50% | 4.50% |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 | 5.50% | 5.50% |
| **Total employer contribution rate to the DPS Division** | **9.08%** | **9.18%** |

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

Employer contributions are recognized by the DPS Division in the period in which the compensation becomes payable to the member and the Odyssey School of Denver is statutorily committed to pay the contributions to the DPS Division. Employer contributions recognized by the DPS Division from Odyssey School of Denver were $271,810 for the year ended June 30, 2026.

## NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The DPS Division is permitted under C.R.S. § 24-51-412 to offset the contribution rate for Pension Certificates of Participation (PCOP). The offset, expressed as a percentage of covered payroll, is equal to the annual assumed payment obligations for PCOPs issued in 1997 and 2008, including subsequent refinancing, by the Denver Public Schools at a fixed effective annual interest rate of 8.50%. At a minimum, the DPS Division employer rate, after applying the PCOP offset, must be sufficient to fund the Denver Public Schools Health Care Trust Fund (DPS HCTF) and the AIR contribution rates as it applies to the DPS Division.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the DPS Division 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 DPS Division based on the proportionate amount of annual payroll of the DPS Division to the total annual payroll of the DPS Division, State Division Trust Fund, School Division Trust Fund, and Judicial Division Trust Fund. Effective July 1, 2025, and prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the annual Direct Distribution.

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

The net pension liability for the DPS Division 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 Odyssey School of Denver proportion of the net pension liability was based on Odyssey School of Denver contributions to the DPS Division for the calendar year 2025 relative to the total contributions of participating employers. At June 30, 2026, the Odyssey School of Denver reported a liability of $217,374 for its proportionate share of the net pension liability.

At December 31, 2025, the Odyssey School of Denver proportion was 0.2903502066%, which was an increase of 0.0568350050% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Odyssey School of Denver recognized pension expense of $351,457. At June 30, 2026, the Odyssey School of Denver 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 | $ 108,452 | $ 284,474 |
| Changes of assumptions or other inputs | 79,010 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 730,254 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 232,412 | 10,568 |
| Contributions subsequent to the measurement date | 135,845 | N/A |
| Total | $ 555,719 | $ 1,025,296 |

## NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

$135,845 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---|---|
| 2027 | $ 283,250 |
| 2028 | (404,927) |
| 2029 | (299,222) |
| 2030 | (184,523) |
| 2031 | - |
| Thereafter | - |

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

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.90% – 16.80% |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Post-retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually) | 1.00% |
| PERA benefit structure hired after 12/31/06[1] | Financed by the AIR |

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

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

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

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

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

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 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

- Employer contributions for the DPS Division are reduced by an amount equal to the principal payments plus interest necessary each year to finance the PCOPs issued in 1997 and 2008 and refinanced thereafter. Additionally, HB 25-1105, effective July 1, 2025, reduced the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%.

- 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 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.

## NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the DPS Division'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 Odyssey School of Denver proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Proportionate share of the net pension | $ 2,194,211 | $ 217,374 | $ (1,414,981) |

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

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

*OPEB*

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

*Benefits provided.* The DPS 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 DPS HCTF and the Health Care Trust Fund (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.

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

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.

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 DPS HCTF or the HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

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

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the DPS HCTF. PERA reporting agencies of the DPS Division are required to contribute at a rate of 1.02% of PERA-includable salary into the DPS HCTF. Pursuant to House Bill (HB) 25-1105, effective July 1, 2025, the employer contribution rate for the DPS HCTF was reduced by 0.82% of salary, from 1.02% to 0.20%.

Employer contributions are recognized by the DPS HCTF in the period in which the compensation becomes payable to the member and the Odyssey School of Denver is statutorily committed to pay the contributions. Employer contributions recognized by the DPS HCTF from Odyssey School of Denver were $5,954 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 Odyssey School of Denver reported an asset of $(110,299) for its proportionate share of the net OPEB asset. The net OPEB asset for the DPS HCTF was measured as of December 31, 2025, and the total OPEB liability (TOL) used to calculate the net OPEB asset 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 Odyssey School of Denver proportion of the net OPEB asset was based on Odyssey School of Denver contributions to the DPS HCTF for the calendar year 2025 relative to the total contributions of participating employers to the DPS HCTF.

At December 31, 2025, the Odyssey School of Denver proportion was 0.293153396%, which was an increase of 0.0181899838% from its proportion measured as of December 31, 2024.

For the year ended June 30, 2026, the Odyssey School of Denver recognized OPEB expense of $(12,860). At June 30, 2026, the Odyssey School of Denver 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 | $ - | $ 18,545 |
| Changes of assumptions or other inputs | 217 | 17,135 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 14,086 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 8,213 | 1,369 |
| Contributions subsequent to the measurement date | 2,960 | N/A |
| Total | $ 11,390 | $ 51,135 |

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

$2,960 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction/(increase) of the net OPEB liability/(asset) in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | |
|---|---|
| 2027 | $ (7,904) |
| 2028 | (13,031) |
| 2029 | (9,996) |
| 2030 | (7,591) |
| 2031 | (3,210) |
| Thereafter | (973) |

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

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30% |
| Real wage growth | 0.70% |
| Wage inflation | 3.00% |
| Salary increases, including wage inflation | 3.90% - 16.80% |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25% |
| Discount rate | 7.25% |
| Health care cost trend rates | |
| PERA benefit structure[1]: | |
| 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 |

[1]Also applies to members in the DPS HCTF with a PERA benefit structure.

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.

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

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

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

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

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

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

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

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

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

Mortality assumptions used in the December 31, 2024, valuation for the DPS Division Trust Fund as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2024, valuation for the DPS HCTF, but developed on 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. Reporting agencies of the DPS Division participate in the DPS HCTF.

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

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

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

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

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

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

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

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

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

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

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

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

*Sensitivity of the Odyssey School of Denver proportionate share of the net OPEB liability/(asset) to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability or net OPEB asset using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---|---|---|---|
| Initial PERACare Medicare trend rate[1] | 6.65% | 7.65% | 8.65% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate[1] | 2.75% | 3.75% | 4.75% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability/(Asset)[2] | $(110,302) | $(110,299) | $(110,293) |

[1] For the January 1, 2026, plan year.
[2] Healthcare cost trend rates apply only to those members in the DPS HCTF with a PERA benefit structure.

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

*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 DPS 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. Pursuant to HB 25-1105, effective July 1, 2025, the employer contribution rate for the DPS HCTF was reduced by 0.82% of salary, from 1.02% to 0.20%.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the DPS 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 DPS 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 Odyssey School of Denver 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 or net OPEB asset calculated using the discount rate of 7.25%, as well as what the proportionate share 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 (asset) | $ (95,574) | $ (110,299) | $ (122,922) |

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

## NOTE 8 - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

## NOTE 9 – COMMITMENTS AND CONTINGENCIES

*Grants*

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

*Legal*

The School is involved in pending or threatened lawsuits and claims. The School estimates that potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the School.

*Facility Use Agreement*

The School has approved a facility use agreement with the District to utilize educational facilities owned by the District. For the year ended June 30, 2026, the School paid facility use fees of $1,178 per student, which totaled $387,713.

## NOTE 10 - TAX, SPENDING, AND DEBT LIMITATIONS

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

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The School is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2026 there is a $168,000 reservation of fund balance in the General Fund for the amendment.

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

# REQUIRED SUPPLEMENTARY INFORMATION

**ODYSSEY SCHOOL OF DENVER**
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**
**DENVER PUBLIC SCHOOLS DIVISION TRUST FUND**
**JUNE 30, 2026**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Employer's proportion of the net pension liability (asset) | 0.2903502066% | 0.2335152016% | 0.2391067319% | 0.1413646125% | 0.1577345616% | 0.1920173964% | 0.1267834266% | 0.1132407671% | 0.1698557918% | 0.1685498148% |
| Employer's proportionate share of the net pension liability (asset) | $ 217,374 | $ 1,322,798 | $ 1,548,704 | $ 1,226,662 | $ 9,418 | $ 863,913 | $ 835,305 | $ 1,158,341 | $ 1,522,774 | $ 1,846,416 |
| State's proportionate share of the net pension liability (asset) associated with the Employer | - | 234,794 | 73,258 | 872,781 | 2,765 | - | 370,190 | 600,130 | - | - |
| Total | $ 217,374 | $ 1,557,592 | $ 1,621,962 | $ 2,099,443 | $ 12,183 | $ 863,913 | $ 1,205,495 | $ 1,758,471 | $ 1,522,774 | $ 1,846,416 |
| Employer's covered payroll | $ 3,016,420 | $ 2,746,096 | $ 2,314,540 | $ 2,072,651 | $ 1,708,815 | $ 1,512,155 | $ 1,371,526 | $ 1,248,279 | $ 1,151,310 | $ 1,113,715 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 7.21% | 48.17% | 66.91% | 59.18% | 0.55% | 57.13% | 60.90% | 92.80% | 132.26% | 165.79% |
| Plan fiduciary net position as a percentage of the total pension liability | 98.6% | 89.3% | 87.0% | 81.9% | 99.9% | 90.1% | 84.7% | 75.7% | 79.5% | 74.0% |

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

See the accompanying independent auditors' report.

**ODYSSEY SCHOOL OF DENVER**
**SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS**
**DENVER PUBLIC SCHOOLS DIVISION TRUST FUND**
**JUNE 30, 2026**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 271,810 | $ 326,982 | $ 250,324 | $ 197,124 | $ 158,049 | $ 117,701 | $ 91,154 | $ 71,139 | $ 53,191 | $ 37,094 |
| Contributions in relation to the contractually required contribution | (271,810) | (326,982) | (250,324) | (197,124) | (158,049) | (117,701) | (91,154) | (71,139) | (53,191) | (37,094) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Employer's covered payroll | $ 2,977,209 | $ 2,991,601 | $ 2,496,993 | $ 2,176,958 | $ 1,921,565 | $ 1,577,764 | $ 1,412,153 | $ 1,325,985 | $ 1,179,401 | $ 1,113,934 |
| Contributions as a percentage of covered payroll | 9.13% | 10.93% | 10.03% | 9.06% | 8.23% | 7.46% | 6.46% | 5.37% | 4.51% | 3.33% |

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

See the accompanying independent auditors' report.

**ODYSSEY SCHOOL OF DENVER**
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**
**DENVER PUBLIC SCHOOLS DIVISION TRUST FUND**
**JUNE 30, 2026**

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

*2025 Changes in Plan Provisions Since 2024*

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

House Bill (HB) 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the base employer contribution rate for the DPS Division by 3.0% of salary, from 10.4% to 7.4%. In addition, prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the direct distribution and excludes DPS contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.

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

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

*2025 Changes in Assumptions or Other Inputs Since 2024*

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

## NOTE 3 - 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.

**ODYSSEY SCHOOL OF DENVER**
**SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**
**DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND**
**JUNE 30, 2026**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Employer's proportion of the net OPEB liability (asset) | 0.2931533960% | 0.2749634122% | 0.2504225301% | 0.2419909817% | 0.2022696825% | 0.1920244588% | 0.1829642729% | 0.1719083985% | 0.1694029371% |
| Employer's proportionate share of the net OPEB liability (asset) | $ (110,299) | $ (63,687) | $ (10,963) | $ 21,269 | $ 21,277 | $ 43,958 | $ 67,399 | $ 77,651 | $ 86,326 |
| Employer's covered payroll | $ 3,016,420 | $ 2,746,096 | $ 2,314,540 | $ 2,072,651 | $ 1,708,815 | $ 1,512,155 | $ 1,371,526 | $ 1,248,279 | $ 1,151,310 |
| Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | -3.66% | -2.32% | -0.47% | 1.03% | 1.25% | 2.91% | 4.91% | 6.22% | 7.50% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 170.6% | 142.4% | 107.3% | 85.6% | 83.9% | 65.4% | 47.0% | 34.7% | 30.4% |

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

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

See the accompanying independent auditors' report.

**ODYSSEY SCHOOL OF DENVER**
**SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS**
**DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND**
**JUNE 30, 2026**

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 5,954 | $ 30,499 | $ 25,437 | $ 22,198 | $ 19,564 | $ 16,099 | $ 14,379 | $ 13,498 | $ 12,013 |
| Contributions in relation to the contractually required contribution | (5,954) | (30,499) | (25,437) | (22,198) | (19,564) | (16,099) | (14,379) | (13,498) | (12,013) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Employer's covered payroll | $ 2,977,209 | $ 2,991,601 | $ 2,496,993 | $ 2,176,958 | $ 1,921,565 | $ 1,577,764 | $ 1,412,153 | $ 1,325,985 | $ 1,179,401 |
| Contributions as a percentage of covered payroll | 0.20% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% | 1.02% |

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

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

See the accompanying independent auditors' report.

**ODYSSEY SCHOOL OF DENVER**
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**
**DENVER PUBLIC SCHOOLS HEALTH CARE TRUST FUND**
**JUNE 30, 2026**

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

*2025 Changes in Plan Provisions Since 2024*

House Bill (HB) 25-1105, enacted May 23, 2025, and effective July 1, 2025, reduces the base employer contribution rate for the Denver Public Schools (DPS) Division by 3.0% of salary, from 10.4% to 7.4%. In addition, prior to July 1, 2030, HB 25-1105 excludes the DPS Division from receiving a portion of the direct distribution and excludes DPS contribution rates from consideration in the blended total contribution amount and the blended total required contribution used in the determination of the AAP assessment ratio; however, the DPS Division remains subject to AAP adjustments, if triggered.

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

*2025 Changes in Assumptions or Other Inputs Since 2024*

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

**ODYSSEY SCHOOL OF DENVER**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**BUDGET AND ACTUAL**
**GENERAL FUND**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Budgeted Amounts | | | | |
|---|---|---|---|---|---|
| | Original | Final | Variance with Original Budget | Actual Amounts | Variance with Final Budget |
| **REVENUES** | | | | | |
| Local sources: | | | | | |
| Taxes | $ 921,315 | $ 932,065 | $ 10,750 | $ 932,063 | $ (2) |
| Interest income | 53,491 | 53,491 | - | 61,987 | 8,496 |
| Pupil Activities | 54,804 | 50,630 | (4,174) | 52,705 | 2,075 |
| Donations and grants | 213,932 | 290,186 | 76,254 | 303,483 | 13,297 |
| Fundraising | 161,461 | 180,048 | 18,587 | 158,473 | (21,575) |
| Other local revenue | 1,751 | 1,749 | (2) | 850 | (899) |
| | 1,406,754 | 1,508,169 | 101,415 | 1,509,561 | 1,392 |
| State sources: | | | | | |
| Per pupil revenue | 4,044,661 | 4,012,912 | (31,749) | 4,012,912 | - |
| Operating grants | 58,887 | 66,589 | 7,702 | 14,353 | (52,236) |
| Capital grants | 60,420 | 61,072 | 652 | 60,834 | (238) |
| | 4,163,968 | 4,140,573 | (23,395) | 4,088,099 | (52,474) |
| Federal sources: | | | | | |
| Operating grants | 21,084 | 18,879 | (2,205) | 18,925 | 46 |
| Total revenues | 5,591,806 | 5,667,621 | 75,815 | 5,616,585 | (51,036) |
| **EXPENDITURES** | | | | | |
| Instruction | | | | | |
| Salaries | 2,250,885 | 2,230,173 | 20,712 | 2,256,920 | (26,747) |
| Benefits | 709,236 | 639,850 | 69,386 | 526,580 | 113,270 |
| Purchased services | 116,650 | 193,515 | (76,865) | 188,248 | 5,267 |
| Supplies | 124,267 | 126,796 | (2,529) | 126,351 | 445 |
| Property | 7,186 | 8,213 | (1,027) | 25,614 | (17,401) |
| Other | - | - | - | - | - |
| Supporting services | | | | | |
| Salaries | 866,699 | 869,990 | (3,291) | 873,745 | (3,755) |
| Benefits | 273,090 | 249,606 | 23,484 | 203,860 | 45,746 |
| Purchased services | 968,418 | 973,929 | (5,511) | 913,466 | 60,463 |
| Supplies | 51,919 | 59,104 | (7,185) | 50,586 | 8,518 |
| Property | 7,500 | 7,500 | - | 7,933 | (433) |
| Other | 59,260 | 59,708 | (448) | 31,005 | 28,703 |
| Debt service: | | | - | | |
| Interest | - | - | - | 1,660 | (1,660) |
| Principal | - | - | - | 11,972 | (11,972) |
| Total expenditures | 5,435,110 | 5,418,384 | 16,726 | 5,217,940 | 200,444 |
| Net change in fund balances | 156,696 | 249,237 | 92,541 | 398,645 | 149,408 |
| Fund balances - beginning | 1,538,277 | 1,671,150 | 132,873 | 1,671,150 | - |
| Fund balance - ending | $ 1,694,973 | $ 1,920,387 | $ 225,414 | $ 2,069,795 | $ 149,408 |

See the accompanying Independent Auditors' Report.

**ODYSSEY SCHOOL OF DENVER**
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**
**BUDGETARY COMPARISON**
**JUNE 30, 2026**

*Budgetary Information*

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

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level.

Authorization to transfer budgeted amounts between line items within any fund rests with the Head of School. Revisions that alter the total expenditures in any fund must be approved by the Board of Directors. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Directors.

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

*General Fund Budgetary Highlights*

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

| Revenue source | Original Budget | Final Budget | Difference |
|---|---|---|---|
| Local Sources: | | | |
| Donations and grants | 213,932 | 290,186 | 76,254 |

| Expenditures | Original Budget | Final Budget | Difference |
|---|---|---|---|
| Instruction: | | | |
| Benefits | 709,236 | 639,850 | 69,386 |
| Purchased services | 116,650 | 193,515 | (76,865) |

Local revenue increased by approximately $76,000, primarily due to additional DPS funding for special education paraprofessionals driven by increased one-on-one special education needs. Benefits expenditures decreased by approximately $69,000 due to lower anticipated PERA-related costs, including reduced contribution rates. Purchased services increased by approximately $76,000 as management elected to outsource nursing and substitute staffing services rather than incur additional payroll-related costs.

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

| Expenditures | Final Budget | Actual expenditures | Difference |
|---|---|---|---|
| Instruction: | | | |
| Benefits | 639,850 | 526,580 | 113,270 |
| Supporting Services: | | | |
| Purchased services | 973,929 | 913,466 | 60,463 |

Benefits expenditures were approximately $113,000 lower than budget due to the School not utilizing anticipated State PERA contribution funding because DPS was sufficiently funded, along with savings from PERA-exempt health insurance elections and lower-than-expected benefit rates. Purchased services expenditures were approximately $47,000 lower than budget due to lower-than-anticipated professional development, legal, and real estate consulting costs.