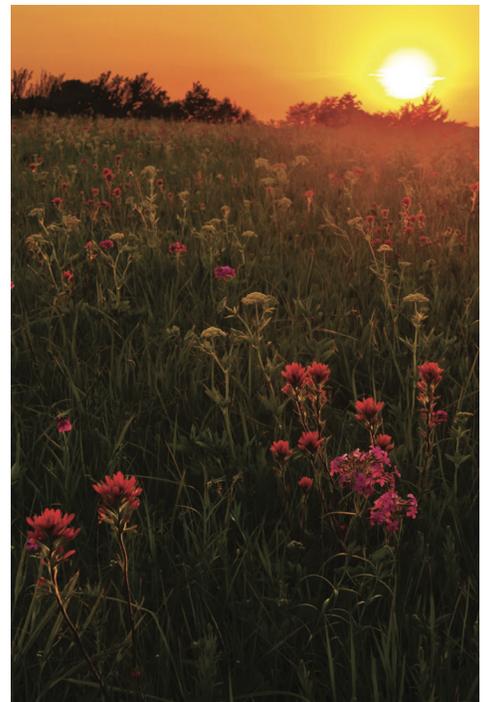
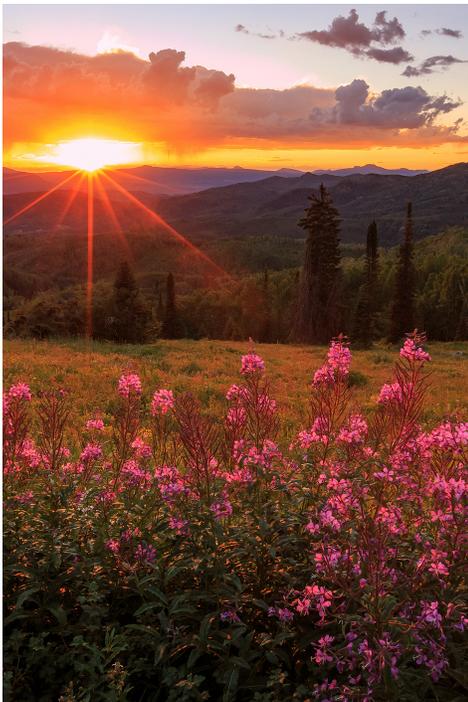


Colorado Educational and Cultural Facilities Authority

Moral Obligation Bond Program Calendar Year 2025

Informational Report
February 2026
2566S



Legislative Audit Committee

| | |
|-------------------------------|-------------------------------|
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| Representative Jennifer Bacon | Senator Rod Pelton |
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| State Auditor | Kerri L. Hunter, CPA, CFE |
| Deputy State Auditor | Marisa Edwards, CPA |
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C O L O R A D O

Working to improve government for the people of Colorado.



OFFICE OF THE STATE AUDITOR
KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

February 23, 2026

Members of the Legislative Audit Committee
Members of the Senate Education Committee
Members of the House Education Committee
Members of the Capital Development Committee
Members of the Joint Budget Committee
Colorado Department of Education

Re: Annual Report from the Colorado Educational and Cultural Facilities Authority on the Moral Obligation Bond Program, Calendar Year 2025

Please find attached the Colorado Educational and Cultural Facilities Authority's (CECFA) Calendar Year 2025 annual report on the State Charter School Debt Reserve Fund, known as the Moral Obligation Bond program, authorized under Sections 22-30.5-407 and 408, C.R.S. CECFA is statutorily required [Section 22-30.5-409, C.R.S.] to submit the report to the State Auditor prior to January 30 each year. The State Auditor is required to examine this report and report any findings no later than March 1 of each year to the Legislative Audit Committee, the Education Committees of the Senate and the House of Representatives, the Capital Development Committee, the Joint Budget Committee, and the Department of Education.

As outlined in Section 22-30.5-407(1)(a), C.R.S., the Moral Obligation Bond program was "...intended to enhance the ability of any qualified charter school that chooses to finance capital construction with revenues from bonds issued on behalf of the qualified charter school by the Colorado educational and cultural facilities authority created in section 23-15-104 (1)(a), C.R.S., to obtain such financing on favorable terms..." Charter schools apply to CECFA in order to request the issuance of bonds through this program. When CECFA approves the application and issues the bonds, then Section 22-30.5-407, C.R.S., further indicates that the charter schools are to make the required principal and interest payments. If the charter school is unable to make the required payments, then this statute further outlines the process to be followed, which could include payment from the State Charter School Debt Reserve Fund.

Our review of the report included determining whether the report included the elements required in Section 22-30.5-409(1), C.R.S., as follows:

“Such report shall include, but need not be limited to:

- (a) The total amount of such qualified charter school bonds issued during the most recently completed calendar year;
- (b) The charter schools on whose behalf such qualified charter school bonds were issued;
- (c) An itemization of the charter school facilities for which such qualified charter school bonds were issued, the total cost of each such charter school facility, and the percentage of the total cost of each such facility to be paid from the proceeds obtained from the issuance of such qualified charter school bonds;
- (d) The investment ratings of such qualified charter school bonds;
- (e) The total amount of net and gross proceeds obtained from the issuance of such qualified charter school bonds during the most recently completed calendar year;
- (f) The total amount of such outstanding qualified charter school bonds;
- (g) The total amount of annual installments of principal and interest on such qualified charter school bonds that were scheduled to be paid during the most recently completed calendar year, the total amount of such annual installments actually paid during the most recently completed calendar year, and the total amount of such annual installments scheduled to be paid during the current calendar year and future calendar years;
- (h) The total amount, if any, of moneys expended from each charter school’s own debt service reserve fund or account during the most recently completed calendar year for the purpose of paying principal and interest on such qualified charter school bonds; and
- (i) The total amount, if any, of moneys expended from the State Charter School Debt Reserve Fund during the most recently completed calendar year for the purpose of paying principal and interest on such qualified charter school bonds.”

We also performed testwork to determine whether the required data had been accurately compiled in this report from the Official Statements related to the Moral Obligation Bonds issued during Calendar Year 2025. Our review also included verifying statutory references and the mathematical accuracy of the information in the report.

Our review of the report did not identify any findings related to CECFA’s 2025 annual report on the Moral Obligation Bond program.



Kerri L. Hunter, CPA, CFE
State Auditor



CECFA

January 29, 2026

Legislative Audit Committee
1375 Sherman Street, 5th Floor
Denver, CO 80202

Dear Ladies and Gentlemen:

We are pleased to provide to you the report regarding Colorado charter school moral obligation bonds issued during calendar year 2025, as required by C.R.S. 22-30.5-409(1). Four series were issued during the year with a combined gross par amount of \$79,925,000. These four series included bonds issued for both new money and refunding purposes.

The total principal amount of moral obligation bonds outstanding as of December 31, 2025 is \$759,427,309, which is within the statutory limit of \$1 billion outstanding at any one time. The program capacity was increased in May, 2025 from \$750 million to \$1 billion, per House Bill 25-1320.

We appreciate your review of this information. Please let me know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Heller". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark Heller
Executive Director

cc: Dave Young, State Treasurer
Crystal L. Dorsey, CPA, Office of the State Auditor

**COLORADO EDUCATIONAL AND CULTURAL
FACILITIES AUTHORITY**

**2025 Report to the State Auditor
Issuance of Qualified Charter School Bonds
Required by C.R.S. 22-30.5-407 et seq.**

As of December 31, 2025

This report provides information concerning the issuance of qualified charter school bonds, as defined in C.R.S. Section 22-30.5-408(1)(c), 22-30.5-407(2)(a) and 22-30.5-408(2)(a). This report is required by C.R.S. Section 22-30.5-409(1).

- a) The total amount of qualified charter school bonds issued during the 2025 calendar year was \$79,925,000.
- b) The charter schools on whose behalf such qualified charter school bonds were issued were as follows:
 - Roosevelt Charter Academy
 - Stargate Charter School
 - Addenbrooke Classical Academy
 - Swallows Charter Academy
- c) The proceeds of the bond issues were used as follows:

| Charter School | Amount of the Issue | Total Cost of New Charter School Facilities | Percentage of Project Paid by Bond Proceeds | Refunding of a Prior Bond Issue for Savings |
|---|---------------------|---|---|---|
| Roosevelt Charter Academy (2025A and 2025B) | \$11,780,000 | \$10,102,519 | 100% | No |
| Stargate Charter School (2025A and 2025B) | \$21,025,000 | \$23,473,948 | 81% | No |
| Addenbrooke Classical Academy (2025A and 2025B) | \$25,315,000 | \$0 | 0% | 100% |
| Swallows Charter Academy (2025) | \$21,805,000 | \$12,555,750 | 100% | Partial |

- d) The investment ratings of the issues are summarized below:

| Charter School | Moral Obligation Program Rating | Insured Credit Rating | Underlying Credit Rating |
|-------------------------------|---------------------------------|-----------------------|--------------------------|
| Roosevelt Charter Academy | “A+” by S&P | “AA” by S&P | “BBB-” by S&P |
| Stargate Charter School | “Aa3” by Moody’s | - | “Baa3” by Moody’s |
| Addenbrooke Classical Academy | “Aa3” by Moody’s | “AA” by S&P | “Baa3” by Moody’s |
| Swallows Charter Academy | “Aa3” by Moody’s | “AA” by S&P | “Baa3” by Moody’s |

- e) The total amount of net and gross proceeds obtained from the issuance of such qualified charter school bonds during the most recently completed calendar year was:

| | |
|-------------------------------------|--------------|
| Aggregate Gross Proceeds in CY 2025 | \$79,799,114 |
| Aggregate Net Proceeds in CY 2025 | \$76,869,861 |

- f) The total principal amount outstanding of qualified charter school bonds as of December 31, 2025 was \$759,427,309.
- g) The total amount of annual installments of principal and interest on all outstanding qualified charter school bonds scheduled for payment during the 2025 calendar year was \$44,739,571.

The total amount of such annual installments actually paid during the 2025 calendar year was \$45,516,782 (different than the amount above due to new issuances closing during the calendar year). The total amount of annual installments due in the 2026 calendar year is \$51,071,560 and the annual installments due in the calendar years 2026 through 2064 total \$1,316,830,235.76.

- h) To CECFA’s knowledge, the total amount of moneys expended from the charter schools’ own debt service reserve funds or accounts during the 2025 calendar year for the purpose of paying principal and interest on such qualified charter school bonds was \$0.
- i) To CECFA’s knowledge, the total amount of moneys expended from the state charter school debt reserve fund during the 2025 calendar year for the purpose of paying principal and interest on such qualified charter school bonds was \$0.
- j) To CECFA’s knowledge, all 2025 scheduled Treasury Intercept Program payments were made.
- k) To CECFA’s knowledge, there were no defaults of Moral Obligation Program bonds in 2025.

Roosevelt Charter Academy issued new money Moral Obligation Bonds for the purposes of making capital improvements to their existing facility and adding additional instructional spaces as well. Stargate Charter School also issued new money Moral Obligation Bonds in order to add an additional 69,000 square feet of building space to their existing facility which will include a secondary school addition, a secondary school performing arts addition, a secondary school classroom addition, a secondary school library addition, a primary school vestibule addition, a primary school administration addition and a primary school gym addition.

Addenbrooke Classical Academy and Swallows Charter Academy refunded outstanding bonds that were not previously issued in the Moral Obligation Program with new Moral Obligation Bonds for the purpose of restructuring the previously outstanding bonds’ bullet maturities to a long-term level debt service structure. In addition to issuing bonds for refunding purposes, Swallows Charter Academy also issued new money Moral Obligation Bonds for the purposes of making capital construction/improvements to their school’s facilities.