

LEMAN CLASSICAL SCHOOL

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2024

LEMAN CLASSICAL SCHOOL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Leman Classical School

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 Leman Classical School, a component unit of Douglas County School District, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Leman Classical School'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 Leman Classical School, as of June 30, 2024 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 Leman Classical School 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 Leman Classical School'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 Lemman Classical School'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 Lemman Classical School'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 28, 2024

**LEMAN CLASSICAL SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024**

As management of Lemman Classical School (the School) we offer readers of the School's annual financial report this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

Liabilities and deferred inflows of the school exceeded the assets and deferred outflows of the school by \$3,677,645 during the fiscal year resulting in a negative net position balance. This negative net position balance is largely due to the PERA net pension, net OPEB liabilities, a 2019 Building Loan, and a 2023 Building Loan.

The School's total net position increased \$380,791. This increase is due to the School's increase in revenues primarily caused by an increase in membership.

Long-term liabilities consist of \$70,690,800 loans payable (net of premiums and discount), \$11,174,741 net pension liability and \$269,825 net OPEB liability.

As of the close of the current fiscal year, the School's general fund reported an ending fund balance surplus of \$8,886,640.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances as a whole, in a manner similar to a private-sector business and include two statements:

The statement of net position presents information on all of the School's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information reporting how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Accrued interest expense is an example of this type of item.

Both government-wide financial statements distinguish functions of the School that are principally supported by per pupil revenues and district mill levy revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School include the running of a K-8 charter school in Douglas County School District.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School's operations, focusing on its most significant funds, not the School as a whole.

Governmental Funds. The School's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the School's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the School. The School adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, total liabilities and deferred inflows exceeded assets and deferred outflows by \$3,677,645 million as of June 30, 2024, resulting in a negative net position balance.

A portion of the School's net position represents resources that are subject to external restrictions on how they may be used. \$514,000 of these funds are restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. \$5,183,193 of these restricted funds are restricted for debt payments on the loans obtained for financing the construction of the educational facility. The net investment in capital assets was a deficit balance of \$9,780,211. The remaining balance of \$405,373 is unrestricted. The deficit position results primarily from the School recording its proportionate share of its pension and OPEB plan liabilities and related items.

Condensed Statement of Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 29,875,286	\$ 42,924,958
Capital assets	<u>50,880,655</u>	<u>32,799,040</u>
Total assets	<u>80,755,941</u>	<u>75,723,998</u>
Deferred Outflows	<u>4,081,083</u>	<u>2,667,862</u>
Long-term liabilities	82,135,366	79,479,745
Other liabilities	<u>6,260,519</u>	<u>2,811,060</u>
Total liabilities	<u>88,395,885</u>	<u>82,290,805</u>
Deferred Inflows	<u>118,784</u>	<u>159,491</u>
Net position:		
Net investment in capital assets	(9,780,211)	(10,959,855)
Restricted	6,102,566	6,693,948
Unrestricted	<u>405,373</u>	<u>207,471</u>
Total net position	<u>\$ (3,677,645)</u>	<u>\$ (4,058,436)</u>

Condensed Statement of Activities

	<u>2024</u>	<u>2023</u>
Revenues:		
General revenues:		
Per pupil revenue	\$ 11,143,525	\$ 9,622,793
District mill levy	2,594,150	1,358,894
Unrestricted investment earnings	1,670,673	448,646
Other	36,691	124,712
Program Revenue:		
Charges for Services	2,420,150	2,149,875
Operating grants and contributions	222,763	429,770
Capital grants and contributions	<u>419,581</u>	<u>358,464</u>
Total revenues	<u>18,507,533</u>	<u>14,493,154</u>
Expenses:		
Instruction	8,001,274	6,707,801
Supporting services	6,832,273	5,863,427
Interest and other fiscal charges	<u>3,293,195</u>	<u>3,022,072</u>
Total expenses	<u>18,126,742</u>	<u>15,593,300</u>
Change in net position	380,791	(1,100,146)
Net position, beginning	<u>(4,058,436)</u>	<u>(2,958,290)</u>
Net position, ending	<u>\$ (3,677,645)</u>	<u>\$ (4,058,436)</u>

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$380,791 from the prior fiscal year for a deficit ending balance of \$3,677,645. As noted above, the increase in net position results primarily from the School's increased membership.

ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General Fund is the principal operating fund of the School. As of June 30, 2024, the total general fund balance was \$8,886,640, an increase of \$2,013,164 in comparison with the prior year. \$514,000 of this total was restricted for TABOR emergency reserves, resulting in a positive \$8,362,103 unassigned fund balance.

The general fund balance increase of \$2,013,164 during the current year is primarily due to increased revenue from state and local sources due to scholar enrollment exceeding expectations.

Revenues for the General Fund totaled \$15,006,599 in fiscal year 2024 compared to \$12,095,795 in fiscal year 2023, an increase of \$2,910,804. The significant increase in revenue was due to an increase in per pupil revenue and other state and local funding. Overall expenditures increased \$2,323,775. Instructional and supporting expenditures increased as a result of scholar enrollment and related staffing, as well as the direct expenses for serving those scholars.

BUDGETARY HIGHLIGHTS

The School's budget is prepared in accordance with Colorado law. During the year the School amended its budget primarily to reflect the following changes:

The final (revised) budget increased total revenues by \$2,219,876 to update district mill levy and other local revenues. The final (revised) budget also increased total expenditures by \$1,796,697.

Actual General Fund revenue in the 2024 fiscal year was \$15,006,599 and actual expenditures were \$12,687,546 million which resulted in an increase in fund balance of \$2,319,053.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The School had both capital asset and debt activity during the fiscal year ended June 30, 2024. The Building Corporation continued construction on a new educational facility, with \$18.8 million in current year outlays. The Building Corporation financed the new construction with an additional loan. Outstanding debt at year-end totaled \$71 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factor driving the School's budget is scholar enrollment. Enrollment for the 2023-2024 school year was 1,138 scholars. Enrollment for the 2024-2025 school year is estimated at 1,414 scholars. The School estimates Per Pupil Revenue (PPR) to increase due to the expected increase in the 2024-2025 school year pupil count.

The 2024-2025 School budget has been prepared with the School's strategic plan in mind and with the highest priority of providing financial resources for the quality education of Lemay Classical School's scholars.

REQUESTS FOR INFORMATION

This financial report is designed to provide the School's stakeholders and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Katie Determan at 19560 Stroh Road, Parker, Colorado 80134.

BASIC FINANCIAL STATEMENTS

**LEMAN CLASSICAL SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities
ASSETS	
Cash and investments	\$ 9,031,304
Restricted cash and investments	20,803,445
Deposits	30,000
Prepays	10,537
Capital assets not being depreciated	25,612,406
Capital assets, net of accumulated depreciation/amortization	25,268,249
Total Assets	80,755,941
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	3,908,353
Deferred OPEB outflows	172,730
Total Deferred Outflows of Resources	4,081,083
LIABILITIES	
Accounts payable and other accrued liabilities	4,177,085
Accrued salaries and benefits	432,576
Unearned revenue	4,595
Accrued interest payable	1,646,263
Long-term liabilities	
Due within one year	485,000
Due in more than one year	70,205,800
Net pension liability	11,174,741
Net OPEB liability	269,825
Total Liabilities	88,395,885
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows	34,870
Deferred OPEB inflows	83,914
Total Deferred Inflows of Resources	118,784
NET POSITION	
Net investment in capital assets	(9,780,211)
Restricted for:	
Debt Service	5,183,193
TABOR	514,000
Unrestricted	405,373
Total Net Position (deficit)	\$ (3,677,645)

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

**LEMAN CLASSICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 8,001,274	\$ 269,560	\$ 222,763	\$ -	\$ (7,508,951)
Supporting services	6,832,273	2,150,590	-	419,581	(4,262,102)
Interest	3,293,195	-	-	-	(3,293,195)
Total governmental activities	<u>\$ 18,126,742</u>	<u>\$ 2,420,150</u>	<u>\$ 222,763</u>	<u>\$ 419,581</u>	<u>(15,064,248)</u>
General revenues:					
Per pupil revenue					11,143,525
District mill levy					2,594,150
Grants and contributions not restricted to specific programs					16,895
Unrestricted investment earnings					1,670,673
Miscellaneous					19,796
Total general revenues					<u>15,445,039</u>
Change in net position					380,791
Net position - beginning (deficit)					<u>(4,058,436)</u>
Net position - ending (deficit)					<u>\$ (3,677,645)</u>

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

**LEMAN CLASSICAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Building Corp Fund	Total
ASSETS			
Cash and investments	\$ 9,031,304	\$ -	\$ 9,031,304
Restricted cash and investments	-	20,803,445	20,803,445
Due from other funds	294,990	-	294,990
Deposits	30,000	-	30,000
Prepaid items	10,537	-	10,537
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,366,831</u>	<u>\$ 20,803,445</u>	<u>\$ 30,170,276</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 43,020	\$ 4,134,065	\$ 4,177,085
Accrued salaries and benefits	432,576	-	432,576
Due to other funds	-	294,990	294,990
Unearned revenue	4,595	-	4,595
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>480,191</u>	<u>4,429,055</u>	<u>4,909,246</u>
FUND BALANCE			
Non-spendable	10,537	-	10,537
Restricted for:			
Debt service	-	16,374,390	16,374,390
TABOR	514,000	-	514,000
Unassigned	8,362,103	-	8,362,103
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>8,886,640</u>	<u>16,374,390</u>	<u>25,261,030</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 9,366,831</u>	<u>\$ 20,803,445</u>	<u>\$ 30,170,276</u>

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

**LEMAN CLASSICAL SCHOOL
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

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

Total Fund Balance of Governmental Funds	\$	25,261,030
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated	\$	25,612,406
Capital assets, net of accumulated depreciation/amortization	<u>25,268,249</u>	50,880,655
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Long-term debt payable	\$	(70,690,800)
Accrued interest		(1,646,263)
Net pension liability		(11,174,741)
Pension outflows		3,908,353
Pension inflows		(34,870)
Net OPEB liability		(269,825)
OPEB outflows		172,730
OPEB inflows	<u>(83,914)</u>	<u>(79,819,330)</u>
Total Net Position of Governmental Activities	<u>\$</u>	<u>(3,677,645)</u>

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

LEMAN CLASSICAL SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Building Corp Fund	Total
REVENUES			
Local sources	\$ 3,225,147	\$ 3,496,666	\$ 6,721,813
State sources	11,781,452	-	11,781,452
Total revenues	<u>15,006,599</u>	<u>3,496,666</u>	<u>18,503,265</u>
EXPENDITURES			
Instruction	5,789,473	-	5,789,473
Supporting services	6,898,073	-	6,898,073
Debt service			
Interest	-	2,891,027	2,891,027
Principal	-	275,000	275,000
Facilities acquisition and construction	-	18,772,086	18,772,086
Total expenditures	<u>12,687,546</u>	<u>21,938,113</u>	<u>34,625,659</u>
Excess (deficiency) of revenues over expenditures	2,319,053	(18,441,447)	(16,122,394)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(305,889)</u>	<u>305,889</u>	<u>-</u>
Net change in fund balance	2,013,164	(18,135,558)	(16,122,394)
Fund balance - beginning	<u>6,873,476</u>	<u>34,509,948</u>	<u>41,383,424</u>
Fund balance, ending	<u>\$ 8,886,640</u>	<u>\$ 16,374,390</u>	<u>\$ 25,261,030</u>

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

**LEMAN CLASSICAL SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

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

Net Change in Fund Balance of Governmental Funds	\$ (16,122,394)
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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	\$ (744,555)	
Capital outlays	18,826,170	18,081,615

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Loan principal payments	275,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	\$ (401,498)	
Amortization of bond premiums and discounts	(670)	
Compensated absences	24,761	
Changes in pension related items	(1,460,328)	
Changes in OPEB related items	(15,695)	(1,853,430)

Change in Net Position of Governmental Activities	\$ 380,791
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The School is a state nonprofit corporation that includes two locations within its reporting entity. Lemman Academy of Excellence—Parker-Stroh commenced operations in 2016 and began admitting students in the Fall of 2018. Lemman Academy of Excellence—Parker-Bayou Gulch commenced operations in 2022 and began admitting students in the Fall of 2024. Both locations were formed to operate charter schools within the Douglas County School District (the District) pursuant to the Colorado Charter Schools Act.

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

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

The 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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The School reports the following major governmental funds:

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and cash equivalents

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

Investments

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

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

Receivables

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Buildings and improvements	10-40 years
Site improvements	15 years
Furniture and equipment	5 years

Accrued Salaries and Benefits

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

Unearned Revenue

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

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

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

Other Post Employment Benefit (OPEB) Plan

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

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.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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.

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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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's policy permits employees to accumulate earned but paid time off (PTO), which are eligible for payment upon separation from employment. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

A budget was not adopted for the Building Corp fund.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2024 is as follows:

Deposits	\$ 2,200,797
Investments	<u>27,633,952</u>
Total	<u>\$ 29,834,749</u>

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

Cash and investments	\$ 9,031,304
Restricted cash and investments	<u>20,803,445</u>
Total	<u>\$ 29,834,749</u>

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, 2024 was \$2,200,797 and the bank balances were \$2,408,600. 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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2024 the School's investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor's Rating</u>
Money Market	\$ 18,640,552	Amortized cost	Less than 90 days	AAA
Commercial Paper	2,549,878	Amortized cost	Up to one year	A+
US Treasuries	<u>6,443,522</u>	Fair value	Up to five years	AA+
	<u>\$ 27,633,952</u>			

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 Money Markets and US Treasuries. These investments are 67.5% and 23.3%, respectively of the School's total investments.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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.

All of the School’s investments that are measured at fair market value are categorized as Level 2 investments. School investments measured at net asset value or amortized cost fall under the existing exemptions to fair value measurement.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the School’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances as of June 30, 2024, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 294,990	\$ -
Building Corp Fund	<u>-</u>	<u>294,990</u>
Total	<u>\$ 294,990</u>	<u>\$ 294,990</u>

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 359,973
Building Corp Fund	<u>359,973</u>	<u>-</u>
Total	<u>\$ 359,973</u>	<u>\$ 359,973</u>

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Construction in progress	\$ 4,771,890	\$ 18,730,994	\$ -	\$ 23,502,884
Land	<u>2,109,522</u>	<u>-</u>	<u>-</u>	<u>2,109,522</u>
Total capital assets not being depreciated	<u>6,881,412</u>	<u>18,730,994</u>	<u>-</u>	<u>25,612,406</u>
Capital assets being depreciated:				
Buildings and improvements	28,132,296	29,157	-	28,161,453
Furniture and equipment	<u>117,448</u>	<u>66,019</u>	<u>-</u>	<u>183,467</u>
Total capital assets being depreciated	<u>28,249,744</u>	<u>95,176</u>	<u>-</u>	<u>28,344,920</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,317,030)	(723,172)	-	(3,040,202)
Furniture and equipment	<u>(15,086)</u>	<u>(21,383)</u>	<u>-</u>	<u>(36,469)</u>
Total accumulated depreciation	<u>(2,332,116)</u>	<u>(744,555)</u>	<u>-</u>	<u>(3,076,671)</u>
Total capital assets being depreciated, net	<u>25,917,628</u>	<u>(649,379)</u>	<u>-</u>	<u>25,268,249</u>
Total governmental activities capital assets	<u>\$ 32,799,040</u>	<u>\$ 18,081,615</u>	<u>\$ -</u>	<u>\$ 50,880,655</u>

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

Governmental Activities

Instruction	<u>\$ 744,555</u>
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NOTE 6 – LONG-TERM LIABILITIES

2019 Building Loan

On October 1, 2019, the Arizona Industrial Development Authority (AZIDA) issued \$33,505,000 of Education Facility Revenue Bonds, Series 2019. Bond proceeds were loaned to the Lemman Academy of Excellence – Douglas County, Colorado (the “Building Corp”) for the purpose of financing the purchase of school facilities. Interest accrues at a rate of 4.25% to 5.00%. Outstanding principal and interest are due at maturity in July 1, 2054.

2023 Building Loan

On March 30, 2023, the Colorado Educational and Cultural Facilities Authority issued \$37,555,000 of Education Facility Revenue Bonds, Series 2023A&B. Bond proceeds were loaned to the Lemman Academy of Excellence – Douglas County, Colorado (the “Building Corp”) for the purpose of financing the purchase of school facilities. Interest accrues at a rate of 4.00% to 4.50%. Outstanding principal and interest are due at maturity in July 1, 2058.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

The School is obligated under a lease agreement to make monthly lease payments to the Building Corporation for use of the building. The Building Corporation is required to make equal payments to the Trustee, for payment of the Bonds.

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

Fiscal Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 485,000	\$ 3,281,838
2026	505,000	3,259,787
2027	1,065,000	3,223,113
2028	1,115,000	3,174,125
2029	1,165,000	3,125,713
2030 – 2034	6,630,000	14,798,575
2035 – 2039	8,275,000	13,105,233
2040 – 2044	10,385,000	10,951,107
2045 – 2049	13,055,000	8,206,188
2050 – 2054	16,480,000	4,703,062
2055 – 2059	<u>11,625,000</u>	<u>1,168,649</u>
Total	<u>\$ 70,785,000</u>	<u>\$ 68,997,390</u>

Changes in the School’s long-term liabilities for the year ended June 30, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Debt Issued And Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
<i>Governmental Activities</i>					
Loans payable	\$ 71,060,000	\$ -	\$ (275,000)	\$ 70,785,000	\$ 485,000
Premiums	644,501	-	(20,016)	624,485	-
Discounts	<u>(739,371)</u>	-	<u>20,686</u>	<u>(718,685)</u>	-
Total loans payable	70,965,130	-	(274,330)	70,690,800	485,000
Compensated absences	24,761	-	(24,761)	-	-
Net pension liability	8,234,117	3,391,567	(450,943)	11,174,741	-
Net OPEB liability	<u>280,498</u>	<u>40,945</u>	<u>(51,618)</u>	<u>269,825</u>	-
<i>Total Governmental Activities</i>	<u>\$ 79,504,506</u>	<u>\$ 3,432,512</u>	<u>\$ (810,652)</u>	<u>\$ 82,135,366</u>	<u>\$ 485,000</u>

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 - SERVICES AGREEMENT

On April 30, 2019, the School entered into a Services Agreement (Agreement) with Faustus Management Company, LLC (Faustus), a Delaware limited liability company. The Agreement continues until termination or expiration of the charter contract. Substantially all functions of the School have been contracted to Faustus. Faustus is responsible and accountable to the School's Board of Directors for the administration, operation and performance of the School in accordance with the School's contract with District to operate the School. The School pays Faustus an annual service fee of 10% of funded enrollment revenue, net of any required withholding, for services performed.

The service fee earned by Faustus for the year ended June 30, 2024 was \$1,211,000. Faustus is responsible for all costs incurred in providing the educational program at the School, which includes but is not limited to, salaries and benefits of all personnel, curriculum materials, textbooks, library books, computers and other equipment, software, supplies, rental payments, maintenance, and capital improvements.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2023. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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

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

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

Contributions provisions as of June 30, 2024: Eligible employees of, Lemman Classical School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2023 through June 30, 2024. Employer contribution requirements are summarized in the table below:

	July 1, 2023 Through June 30, 2024
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Lemman Classical School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Lemman Classical School were \$1,051,739 for the year ended June 30, 2024.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. The direct distribution from the State was suspended in 2020. To compensate PERA for the suspension, C.R.S. §§ 24-51-414(6-8) required restorative payment by providing an accelerated payment in 2022. In 2022, the State Treasurer issued payment for the direct distribution of \$225 million plus an additional amount of \$380 million. Due to the advanced payment made in 2022, the State reduced the distribution in 2023 to \$35 million. Additionally, the newly added C.R.S. § 24-51-414(9) providing compensatory payment of \$14.561 million for 2023 only.

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

The net pension liability for the SCHDTF was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TPL to December 31, 2023. The Lemman Classical School proportion of the net pension liability was based on Lemman Classical School contributions to the SCHDTF for the calendar year 2023 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2024, the Lemman Classical School reported a liability of \$11,174,741 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Lemman Classical School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Lemman Classical School were as follows:

Leman Classical School proportionate share of the net pension liability	\$ 11,174,741
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Lemman Classical School	245,029
Total	\$ 11,419,770

At December 31, 2023, the Lemman Classical School proportion was 0.0631933178%, which was an increase of 0.0179744324% from its proportion measured as of December 31, 2022.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2024, the Lemman Classical School recognized pension expense of \$1,460,328 and revenue of \$22,936 for support from the State as a nonemployer contributing entity. At June 30, 2024, the Lemman Classical School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 529,894	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	801,055	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,987,087	34,870
Contributions subsequent to the measurement date	590,317	N/A
Total	<u>\$ 3,908,353</u>	<u>\$ 34,870</u>

\$590,317 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, 2025. 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:	
2025	\$ 1,111,141
2026	1,375,868
2027	1,019,513
2028	(223,356)
2029	-
Thereafter	-

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The TPL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% – 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
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.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The actuarial assumptions used in the December 31, 2022, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies prepared at least every five years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 14,942,488	\$ 11,174,741	\$ 8,032,896

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2023 Changes in Plan Provision Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.
- As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2023 Changes in Assumptions or Other Inputs Since 2022

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

NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

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

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

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 9 – 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 HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Lemman Classical School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Lemman Classical School were \$52,640 for the year ended June 30, 2024.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

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

At June 30, 2024, the Lemman Classical School reported a liability of \$269,825 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll-forward the TOL to December 31, 2023. The Lemman Classical School proportion of the net OPEB liability was based on Lemman Classical School contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December 31, 2023, the Lemman Classical School proportion was 0.0378050963%, which was an increase of 0.0034505297% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Lemman Classical School recognized OPEB expense of \$15,695. At June 30, 2024, the Lemman Classical School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 55,303
Changes of assumptions or other inputs	3,173	28,611
Net difference between projected and actual earnings on OPEB plan investments	8,345	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	131,668	-
Contributions subsequent to the measurement date	29,544	N/A
Total	\$ 172,730	\$ 83,914

\$29,544 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. 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:	
2025	\$ 10,833
2026	19,053
2027	19,876
2028	3,667
2029	3,942
Thereafter	1,901

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Actuarial assumptions. The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans ¹	7.00% in 2023, gradually decreasing to 4.50% in 2033
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

¹ UnitedHealthcare MAPD PPO plans are 0% for 2023.

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

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,692	\$1,406	\$579	\$481	\$1,913	\$1,589
70	\$1,901	\$1,573	\$650	\$538	\$2,149	\$1,778
75	\$2,100	\$1,653	\$718	\$566	\$2,374	\$1,869

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,469	\$5,373	\$4,198	\$3,487	\$6,719	\$5,581
70	\$7,266	\$6,011	\$4,715	\$3,900	\$7,546	\$6,243
75	\$8,026	\$6,319	\$5,208	\$4,101	\$8,336	\$6,563

The 2023 Medicare Part A premium is \$506 per month.

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

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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, 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 have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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%.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 262,080	\$ 269,825	\$ 278,249

¹For the January 1, 2024, plan year.

Discount rate. The discount rate used to measure the TOL 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:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, 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%.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Based on the above assumptions and methods, the FNP for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination 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 Leman Classical School proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 318,697	\$ 269,825	\$ 228,015

OPEB plan fiduciary net position. Detailed information about the HCTF’s FNP is available in PERA’s ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2023 Changes in Plan Provision Since 2022

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflect payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24 million payment received on December 4, 2023, and a \$2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were \$1.033 million and \$24.967 million, respectively.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2023 Changes in Assumptions or Other Inputs Since 2022

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

NOTE 10 - 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 11 – 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.

**LEMAN CLASSICAL SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 - 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, 2024 there is a \$514,000 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

LEMAN CLASSICAL SCHOOL
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net pension liability (asset)	0.0631933178%	0.0452188854%	0.0457636978%	0.0418104203%	0.0292289899%	0.0250267126%
School's proportionate share of the net pension liability (asset)	\$ 11,174,741	\$ 8,234,117	\$ 5,325,689	\$ 6,320,892	\$ 4,366,748	\$ 4,431,494
State's proportionate share of the net pension liability (asset) associated with the School	245,029	2,399,504	610,522	-	553,866	605,945
Total	<u>\$ 11,419,770</u>	<u>\$ 10,633,621</u>	<u>\$ 5,936,211</u>	<u>\$ 6,320,892</u>	<u>\$ 4,920,614</u>	<u>\$ 5,037,439</u>
School's covered payroll	\$ 4,177,649	\$ 3,488,115	\$ 2,860,087	\$ 2,233,506	\$ 1,716,814	\$ 1,375,853
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	267.49%	236.06%	186.21%	283.00%	254.35%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%

* The amounts presented for each year were determined as of 12/31.

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

See the accompanying independent auditors' report.

LEMAN CLASSICAL SCHOOL
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,051,739	\$ 754,109	\$ 633,749	\$ 500,543	\$ 376,087	\$ 283,124
Contributions in relation to the contractually required contribution	<u>(1,051,739)</u>	<u>(754,109)</u>	<u>(633,749)</u>	<u>(500,543)</u>	<u>(376,087)</u>	<u>(283,124)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 5,160,645	\$ 3,700,239	\$ 3,187,871	\$ 2,517,821	\$ 1,940,592	\$ 1,479,996
Contributions as a percentage of covered payroll	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%

* The amounts presented for each fiscal year were determined as of 6/30.

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

See the accompanying independent auditors' report.

**LEMAN CLASSICAL SCHOOL
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2024**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net OPEB liability (asset)	0.0378050963%	0.0343545666%	0.0298801720%	0.0241526402%	0.0190935658%	0.0162674551%
School's proportionate share of the net OPEB liability (asset)	\$ 269,825	\$ 280,498	\$ 257,658	\$ 229,504	\$ 214,611	\$ 221,326
School's covered payroll	\$ 4,177,649	\$ 3,488,115	\$ 2,860,087	\$ 2,233,506	\$ 1,716,814	\$ 1,375,853
School's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	6.46%	8.04%	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%

* The amounts presented for each year were determined as of 12/31.

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

See the accompanying independent auditors' report.

LEMAN CLASSICAL SCHOOL
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 52,640	\$ 37,744	\$ 32,518	\$ 25,683	\$ 19,795	\$ 15,097
Contributions in relation to the contractually required contribution	<u>(52,640)</u>	<u>(37,744)</u>	<u>(32,518)</u>	<u>(25,683)</u>	<u>(19,795)</u>	<u>(15,097)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 5,160,645	\$ 3,700,239	\$ 3,187,871	\$ 2,517,821	\$ 1,940,592	\$ 1,479,996
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

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

See the accompanying independent auditors' report.

LEMAN CLASSICAL SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 1,398,697	\$ 3,034,764	\$ 3,225,147	\$ 190,383
State sources	11,135,041	11,718,850	11,781,452	62,602
Total revenues	<u>12,533,738</u>	<u>14,753,614</u>	<u>15,006,599</u>	<u>252,985</u>
EXPENDITURES				
Salaries	4,544,580	5,769,899	5,322,672	447,227
Benefits	1,396,122	1,510,834	1,449,115	61,719
Purchased services	4,652,577	4,940,896	5,319,835	(378,939)
Supplies	555,960	549,351	545,666	3,685
Property	-	120,000	-	120,000
Other	39,120	94,076	50,258	43,818
Debt service	485,000	485,000	-	485,000
Total expenditures	<u>11,673,359</u>	<u>13,470,056</u>	<u>12,687,546</u>	<u>782,510</u>
Excess (deficiency) of revenues over expenditures	860,379	1,283,558	2,319,053	1,035,495
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	(305,889)	(305,889)
Net change in fund balances	860,379	1,283,558	2,013,164	729,606
Fund balances - beginning	<u>6,456,733</u>	<u>6,873,476</u>	<u>6,873,476</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,317,112</u>	<u>\$ 8,157,034</u>	<u>\$ 8,886,640</u>	<u>\$ 729,606</u>

See the accompanying Independent Auditors' Report.