

FIRESTONE CHARTER ACADEMY

BASIC FINANCIAL STATEMENTS

June 30, 2024

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JOHN CUTLER & ASSOCIATES

Board of Directors
Firestone Charter Academy
Firestone, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of Firestone Charter Academy (the "Academy") as of and for the year ended June 30, 2024, a component unit of St. Vrain Valley School District, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Firestone Charter Academy as of June 30, 2024, and the respective changes in financial position and, where applicable, thereof 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 (GAAS). 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 Firestone Charter Academy and to meet our 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 the 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 Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 40-44 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 (GASB) 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luttrell & Associates, LLC

October 11, 2024



Management’s Discussion and Analysis – Fiscal Year 2023-2024

As management of Firestone Charter Academy (hereinafter the school), we offer readers of the school’s financial statements this narrative overview and analysis of the financial activities of the school for the fiscal year ended June 30, 2024.

Financial Highlights

The year ended June 30, 2024 is the 16th year of operations for the School. Beginning with the fiscal year ended June 30, 2015 (restated), the school implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which requires the school to include its proportional share of net pension liability in the financial statements. For more information on the implementation of GASB 68, please refer to Note 7 in the Notes to the Financial Statements.

As of June 30, 2024, the school’s net position increased to (\$2,987,269) based on the implementation of new regulations under the Governmental Accounting Standards Board Statement (GASB) Number 68.

At the close of the fiscal year the School’s General Fund ending balance was \$5,977,838, an increase of \$1,380,327 from the prior year. The Building Corp. Fund reported an ending balance of \$617,233, a decrease of \$229,400 from the prior year.

ISF Building Corporation was formed in Fiscal year 2019-2020 to assist in the financing and construction of the school’s facilities. In that same year, the Building Corporation received bond proceeds in the amount of \$17,695,000. Cash in the amount of \$617,233 has been restricted in the Building Corporation Fund for payment of the debt service expenses in FY24.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the school’s basic financial statements. The school’s basic financial statements are comprised of two components: 1) government-wide financial statements and 2) notes to the 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, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the school's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods (e.g. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide statement of activities distinguishes functions/programs of the school supported primarily by per pupil operating revenue (PPR) or other revenue passed through from the District (St. Vrain Valley RE-1J). The governmental activities of the school include instruction and supporting services expense.

The government-wide financial statements can be found on pages 1-5 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The school, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the school are categorized as governmental funds.

Governmental Funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the school's near-term financing requirements.

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. By doing so, readers may better understand the long-term impact of the school's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The school maintains three individual governmental funds, however all funds are presented in one financial statement covering all funds. The Building Corporation accounts for one of those funds as 'Building Corporation', the school accounts for the other two as 'General Fund'.

The school adopts an annual appropriated budget for its funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided on pages 6-39.

Government-wide Financial Analysis - Statement of 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, liabilities exceeded assets resulting in a Net Position of (\$2,987,269) in FY2023-2024. As in each year since FY18, this is **directly related** to the new pension liability reporting requirement under GASB 68 and does not represent a claim on current financial resources.

	Governmental Activities June 30, 2024	Governmental Activities June 30, 2023
ASSETS		
Cash and Investments	6,427,642	4,964,492
Restricted Cash & Investments	617,233	846,633
Accounts Receivable	68,053	12,627
Due from District	0	0
Prepaid Expenses	120,154	33,405
Capital Assets, Not Depreciated	0	99,677
Capital Assets, Depreciated	14,818,461	15,204,224
Total Assets	22,051,543	21,161,058
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	2,716,189	1,748,669
Related to OPEB	47,636	57,498
Total Deferred Outflow of Resources	2,763,825	1,806,167
LIABILITIES		
Accounts Payable	135,616	40,176
Due to District	13,778	12,221
Accrued Salaries/Benefits	289,926	255,902
Accrued Interest	66,750	66,750
Deferred Revenues	198,691	104,714
Non-Current Liabilities:		
Due in One Year	270,000	350,000
Due in More than One Year	17,075,000	17,345,000
Net Pension Liability	9,040,715	7,233,791
Net OPEB Liability	218,297	246,458
Total Liabilities	27,308,773	25,655,012
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	425,975	830,625
Related to OPEB	67,889	175,707
Total Deferred Inflows of Resources	493,864	1,006,332
NET POSITION		
Invested in Capital Assets, Net of Related Debt	(1,639,306)	(1,194,466)
Restricted for Emergencies (TABOR)	271,000	233,200
Unrestricted	(1,618,963)	(2,732,853)
Total Net Assets	(2,987,269)	(3,694,119)

The largest portions of the school’s assets are in Capital Assets (67%) and Cash and Investments (32%). The school’s net position increased in 2024 by \$706,850.

School Statement of Activities
For the Years Ended June 30, 2023 and June 30, 2024

	Governmental Activities <u>June 30, 2023</u>	Governmental Activities <u>June 30, 2023</u>
Program Revenue:		
Charges for Services (tuition)	494,555	631,640
Operating Grants & Contributions (READ/PERA/CRF/ESSER, etc)	668,352	346,137
Capital Grants and Contributions	<u>244,855</u>	<u>222,000</u>
Total Program Revenue	<u>1,407,762</u>	<u>1,199,777</u>
General Revenue:		
Per Pupil Operating Revenue	6,347,979	5,809,113
Taxes (Mill Levy Override)	1,508,929	1,266,495
Unrestricted State Aid	18,158	179,758
Other (Misc, Fundraisers, Donations)	292,801	23,763
Capital Contributions from SVVSD		
Total General Revenue	<u>8,167,867</u>	<u>7,279,129</u>
Expenses (include pension related items):		
Current:		
Instruction	4,661,232	4,097,402
Supporting Services	3,406,547	2,574,960
Interest on Long Term Debt	801,000	785,173
Total Expenses	<u>8,868,779</u>	<u>7,457,535</u>
Increase (Decrease) in Net Position	706,850	1,021,371
Beginning Net Position	<u>(3,694,119)</u>	<u>(4,715,490)</u>
Ending Net Position	<u><u>(2,987,269)</u></u>	<u><u>(3,694,119)</u></u>

The largest portion of the school's revenue came from per pupil revenue: 66% in FY24.

Financial Analysis of the Government's Funds

As noted earlier, the school utilizes fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the school's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing The School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the school's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year FY24, the school's general fund reported an ending fund balance of \$5,977,838, an increase of \$1,380,327 from the prior year. Total Per Pupil Revenue increased by \$538,866 over the prior year, which is reflective of primarily an increase in Per Pupil Revenue rather than in enrollment.

The school's enrollment remained essentially the same as last year. Below are the historical enrollment numbers:

Fiscal Year	Enrollment
2010 / 2011	566
2011 / 2012	588
2012 / 2013	629
2013 / 2014	600
2014 / 2015	606
2015 / 2016	551
2016 / 2017	534
2017 / 2018	506
2018 / 2019	532
2019 / 2020	584
2020 / 2021	614
2021 / 2022	615
2022 / 2023	618
2023 / 2024	612

General Fund Budgetary Highlights

The school approves a budget in April based on enrollment projections for the following school year. In December after enrollment stabilizes, adjustments are made to the budget. The school approved an Amended budget in December to true up the beginning fund balance and adjust to the actual student count. The FY24 Amended budget did not include use of reserves, and unanticipated rebates from the bond funds along with interest on fund balances allowed the school to add \$1,380,327 to reserves.

Capital Asset and Debt Administration

Capital Assets.

The school invested \$220,675 in capital assets during the 2023-2024 fiscal year, adding an office modular and preschool playground equipment. The school leases its main building from the Building Corporation.

ISF Building Corporation received bond proceeds in the amount of \$17,695,000 in FY20 and purchased the school building. Cash in the amount of \$617,233 has been restricted in the Building Corporation Fund for payment of the debt service expenses.

Long-Term Debt.

In fiscal year 2019-2020, ISF Building Corporation took on long-term debt in the amount of \$17,695,000 in support of the building purchase project. Repayment was structured as interest-only through most of FY23, repayment of principal began in late FY23 and continued in FY24. The current bond must be refinanced in FY27.

Economic Factors and Next Year’s Budget

In November of 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth, plus inflation, plus 1% for 10 years and thereafter, growth plus inflation. This provision was thought to stabilize the school finance act and remove funding from the political process. However, with the downturn in the economy and state shortfalls the school finance act was not exempt from budget cuts. Funding for FY 2011/2012 was adjusted downward by approximately \$336 per student because of those cuts, subsequent years trended upward.

In early 2020, the COVID-19 pandemic struck, significantly impacting the Colorado economy and the school reduced budgeted expenses and revenues in anticipation of funding cuts. The revenue for 2020-2021 was reduced by 5.7% from the prior year, however additional anticipated cuts have not occurred. The Colorado economy is having a strong recovery, and school funding for the 2023-2024 school year increased significantly over 2022-2023.

Prior to COVID, funding had been trending slightly upward from FY12 through FY20. Funding in FY21 was reduced to offset the economic impacts of the pandemic. Subsequent to FY21, Colorado has been able to restore funding. See the table below for gross annual Per Pupil Revenue. Per Statute, the local school district may retain up to 5% of this amount for specific expenditures.

Fiscal Year	PPR
2010 / 2011	\$6663
2011 / 2012	\$6327
2012 / 2013	\$6332
2013 / 2014	\$6506
2014 / 2015	\$6898
2015 / 2016	\$7122
2016 / 2017	\$7223
2017 / 2018	\$7496
2018 / 2019	\$7916
2019 / 2020	\$8272
2020 / 2021	\$7844
2021 / 2022	\$8670
2022 / 2023	\$9347
2023 / 2024	\$10,381

The FY 2023/2024 budget projected minimal use of fund balances, which along with aggressive cost controls and unanticipated interest and bond rebate revenue allowed the school to significantly increase fund balances.

The Approved FY24/25 budget projects use of the some of the school’s reserve for capital projects. The school is actively engaged in marketing activities to increase enrollment for FY24 and beyond.

Requests for Information

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

Lori Olson, Finance Director
Firestone Charter Academy
5753 Twilight Avenue
Firestone, CO 80504

BASIC FINANCIAL STATEMENTS

FIRESTONE CHARTER ACADEMY

STATEMENT OF NET POSITION

As of June 30, 2024

	Governmental Activities	
	2024	2023
ASSETS		
Cash and Investments	\$ 6,427,642	\$ 4,964,492
Restricted Cash and Investments	617,233	846,633
Accounts Receivable	68,053	12,627
Due from District	-	-
Prepaid Expenses	120,154	33,405
Capital Assets, not Depreciated	-	99,677
Capital Assets, Depreciated	14,818,461	15,204,224
TOTAL ASSETS	22,051,543	21,161,058
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	2,716,189	1,748,669
Related to OPEB	47,636	57,498
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,763,825	1,806,167
LIABILITIES		
Accounts Payable	135,616	40,176
Accrued Salaries and Benefits	289,926	255,902
Accrued Interest	66,750	66,750
Due to District	13,778	12,221
Unearned Revenues	198,691	104,714
Noncurrent Liabilities		
Due in One Year	270,000	350,000
Due in More Than One Year	17,075,000	17,345,000
Net Pension Liability	9,040,715	7,233,791
Net OPEB Liability	218,297	246,458
TOTAL LIABILITIES	27,308,773	25,655,012
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	425,975	830,625
Related to OPEB	67,889	175,707
TOTAL DEFERRED INFLOWS OF RESOURCES	493,864	1,006,332
NET POSITION		
Invested in Capital Assets, Net of Related Debt	(1,639,306)	(1,194,466)
Restricted for Emergencies	271,000	233,200
Unrestricted	(1,618,963)	(2,732,853)
TOTAL NET POSITION	\$ (2,987,269)	\$ (3,694,119)

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

FIRESTONE CHARTER ACADEMY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2024	2023
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 4,661,232	\$ 494,555	\$ 668,352	\$ -	\$ (3,498,325)	\$ (3,119,625)
Supporting Services	3,406,547	-	-	244,855	(3,161,692)	(2,352,960)
Interest on Long-term Debt	801,000	-	-	-	(801,000)	(785,173)
 Total Governmental Activities	 <u>\$ 8,868,779</u>	 <u>\$ 494,555</u>	 <u>\$ 668,352</u>	 <u>\$ 244,855</u>	 (7,461,017)	 (6,257,758)
 GENERAL REVENUES						
					6,347,979	5,809,113
					1,508,929	1,266,495
					18,158	179,758
					292,801	23,763
					<u>8,167,867</u>	<u>7,279,129</u>
					706,850	1,021,371
					<u>(3,694,119)</u>	<u>(4,715,490)</u>
					<u>\$ (2,987,269)</u>	<u>\$ (3,694,119)</u>

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

FIRESTONE CHARTER ACADEMY

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Building Corporation	TOTAL	
			2024	2023
ASSETS				
Cash and Investments	\$ 6,427,642	\$ -	\$ 6,427,642	\$ 4,964,492
Restricted Cash and Investments	-	617,233	617,233	846,633
Accounts Receivable	68,053	-	68,053	12,627
Due from District	-	-	-	-
Prepaid Expenses	120,154	-	120,154	33,405
TOTAL ASSETS	\$ 6,615,849	\$ 617,233	\$ 7,233,082	\$ 5,857,157
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 135,616	\$ -	\$ 135,616	\$ 40,176
Accrued Salaries and Benefits	289,926	-	289,926	255,902
Due to the District	13,778	-	13,778	12,221
Unearned Revenues	198,691	-	198,691	104,714
TOTAL LIABILITIES	638,011	-	638,011	413,013
FUND BALANCES				
Nonspendable	120,154	-	120,154	33,405
Restricted for Emergencies	271,000	-	271,000	233,200
Restricted for Debt Service	-	617,233	617,233	846,633
Unassigned	5,586,684	-	5,586,684	4,330,906
TOTAL FUND BALANCES	5,977,838	617,233	6,595,071	5,444,144
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,615,849	\$ 617,233		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

14,818,461 15,303,901

Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds. This liability includes bonds payable (\$17,345,000), accrued interest (\$66,750), net pension liability (\$9,040,715), net OPEB liability (\$218,297), deferred outflows related to pensions and OPEB \$2,763,825, and deferred inflows related to pensions and OPEB (\$493,864).

(24,400,801) (24,442,164)

Net Position of governmental funds

\$ (2,987,269) \$ 20,748,045

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

FIRESTONE CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General Fund	Building Corporation	TOTAL	
			2024	2023
REVENUES				
Local Sources	\$ 8,833,146	\$ 1,191,451	\$ 10,024,597	\$ 8,802,910
State Sources	639,605	-	639,605	479,203
Federal Sources	84,720	-	84,720	48,948
TOTAL REVENUES	<u>9,557,471</u>	<u>1,191,451</u>	<u>10,748,922</u>	<u>9,331,061</u>
EXPENDITURES				
Current				
Instruction	4,514,175	-	4,514,175	4,285,631
Supporting Services	3,930,535	2,285	3,932,820	3,586,486
Debt Service				
Principal	-	350,000	350,000	-
Interest	-	801,000	801,000	801,000
TOTAL EXPENDITURES	<u>8,444,710</u>	<u>1,153,285</u>	<u>9,597,995</u>	<u>8,673,117</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,112,761</u>	<u>38,166</u>	<u>1,150,927</u>	<u>657,944</u>
OTHER FINANCING SOURCES				
Transfer To Other Funds	<u>267,566</u>	<u>(267,566)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>267,566</u>	<u>(267,566)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,380,327	(229,400)	1,150,927	657,944
FUND BALANCES, Beginning	<u>4,597,511</u>	<u>846,633</u>	<u>5,444,144</u>	<u>4,786,200</u>
FUND BALANCES, Ending	<u>\$ 5,977,838</u>	<u>\$ 617,233</u>	<u>\$ 6,595,071</u>	<u>\$ 5,444,144</u>

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

FIRESTONE CHARTER ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,150,927
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount depreciation expense (\$606,438), exceeded capital outlay \$120,998 for the year.	(485,440)
Repayment of long-term principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the change in accrued interest.	350,000
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.	<u>(308,637)</u>
Change in net position of governmental activities	<u><u>\$ 706,850</u></u>

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Firestone Charter Academy (the “Academy”) was formed in June 2008, pursuant to the Colorado Charter Schools Act to form and operate a charter school. The School’s focus is to provide a Core-Knowledge curriculum that encourages students to become well-educated, virtuous citizens who will embody the following attributes: Competence, Curiosity, Courage, Conscience, Compassion, and Citizenship.

Reporting Entity

The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity. Financial accountability exists if the Academy appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Academy.

Based upon the application of these criteria, the following organization should be included in the Academy’s reporting entity:

ISF Building Corporation

The ISF Building Corporation. (“Corporation”) is considered to be financially accountable to the Academy. The purpose of the Corporation is to provide a mechanism to issue and pay debt on behalf of the Academy. The Corporation is considered to be part of the Academy for financial reporting purposes because its resources are entirely for the direct benefit of the Academy and is blended into the Academy’s financial statements a special revenue fund. Separate financial statements are not available.

The Academy is a component unit of the St. Vrain Valley School District (the “District”).

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest 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. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

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

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position

The Academy reports the following major governmental funds:

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

Building Corporation Fund – This fund accounts for the activity of the ISF Building Corporation.

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

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position in the government-wide financial statements. Depreciation is taken on the building on a straight line basis over 30 years..

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position and balance sheets 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 and fund balance 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 and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unearned Revenues – Unearned revenues include tuition payments that have been collected for the following school year.

Net Position – The government-wide fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted. Investment in capital assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. Restricted net position is liquid assets, which have third party limitations on their use. Unrestricted net position represents assets that do not have any third party limitations on their use.

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

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The Academy considers prepaid expenses to be nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. They also consider the fund balance of the Building Corporation Fund to be restricted for debt service.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2024.
- 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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Position (Continued)

The Academy 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.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Academy's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for General Fund on a basis consistent with generally accepted accounting principles.

Academy management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2024 consisted of the following:

Deposits	\$ 3,887,853
Investments	<u>3,157,022</u>
Total	<u>\$ 7,044,875</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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. At June 30, 2024, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories. 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 Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2024, the Academy had deposits with financial institutions with a carrying amount of \$3,887,853. The bank balances with the financial institutions were \$3,908,286. Of these balances, \$250,000 was covered by federal depository insurance and \$3,658,286 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

Investments

Interest Rate Risk

The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 3: *CASH AND INVESTMENTS* (Continued)

Local Government Investment Pools

The Academy had invested \$617,233 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Academy had invested \$2,539,789 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 3: CASH AND INVESTMENTS (Continued)

Fair Value (Continued)

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. As of June 30, 2024, the Academy does not hold investments subject to these inputs. The Academy has no policy for managing credit risk or interest rate risk.

Restricted Cash

Cash and investments in the amount of \$617,233 are restricted for debt service.

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2024 is summarized below.

	Balance <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2024</u>
Governmental Activities				
Capital assets, Not Depreciated				
Construction in Progress	\$ 99,677	\$ -	\$ 99,677	\$ -
Capital Assets, Being Depreciated				
Buildings	16,743,186	211,280	-	16,954,466
Improvements	88,204	9,395	-	97,599
Equipment	<u>45,302</u>	<u>-</u>	<u>-</u>	<u>45,302</u>
Total Capital Assets, Depreciated	<u>16,876,692</u>	<u>220,675</u>	<u>-</u>	<u>17,097,367</u>
Accumulated Depreciation				
Buildings	1,639,408	590,871	-	2,230,279
Improvements	5,880	6,507	-	12,387
Equipment	<u>27,180</u>	<u>9,060</u>	<u>-</u>	<u>36,240</u>
Total Accumulated Depreciation	<u>1,672,468</u>	<u>606,438</u>	<u>-</u>	<u>2,278,906</u>
Capital Assets, Depreciated, net	<u>15,204,224</u>	<u>(385,763)</u>	<u>-</u>	<u>14,818,461</u>
Governmental Capital Assets, Net	<u>\$ 15,303,901</u>	<u>\$ (385,763)</u>	<u>\$ 99,677</u>	<u>\$ 14,818,461</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2024, were \$289,926. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 6: LONG-TERM DEBT

Following is a summary of the Academy’s long-term debt transactions for the year ended June 30, 2024:

	<u>Balance</u>		<u>Balance</u>	<u>Due In</u>
	<u>June 30, 2023</u>	<u>Additions</u>	<u>June 30, 2024</u>	<u>One Year</u>
Revenue Bonds 2020AB	<u>\$ 17,695,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 17,345,000</u>
				<u>\$ 270,000</u>

Revenue Bonds

In May 2020, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$17,695,000 Charter School Revenue Bonds (Series 2020). Proceeds from the bonds were used to purchase the Academy’s existing building. The Academy is obligated to make monthly lease payments to the Building Corporation for use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at rates ranging from 4.5% to 6.00% per annum and is paid monthly. Principal payments are due annually beginning June 1, 2024, with a balloon payment of \$16,795,000 due on June 1, 2027.

In January 2024, the Academy chose not to accept the second draw of the bond resulting in a revised repayment schedule. The accrued interest rates remain the same as well as the conclusion of the debt repayment date.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 270,000	\$ 780,525	\$ 1,050,525
2026	280,000	768,375	1,048,375
2027	<u>16,795,000</u>	<u>755,775</u>	<u>17,550,775</u>
Total	<u>\$ 17,345,000</u>	<u>\$ 2,304,675</u>	<u>\$ 19,649,675</u>

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the Academy are provided with pensions through the 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 cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

General Information about the 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.

FIRESTONE CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

General Information about the Pension Plan (Continued)

Contributions provisions as of June 30, 2024: Eligible employees of the Academy and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 11.00% 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 Throug h 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).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Academy is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Academy were \$762,028 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 a \$225 million direct distribution each year to PERA starting on July 1, 2018.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 Academy’s proportion of the net pension liability was based on the Academy’s 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 Academy reported a liability of \$9,040,715 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 Academy as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Academy were as follows:

Academy’s proportionate share of the net pension liability	\$9,040,715
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Academy	193,983
Total	\$9,234,698

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2023, the Academy's proportion was 0.05113%, which was an increase of 0.0114% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Academy recognized pension expense of \$1,214,940 and revenue of \$18,158 for support from the State as a nonemployer contributing entity. At June 30, 2024, the Academy 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	\$428,701	N/A
Changes of assumptions or other inputs	N/A	N/A
Net difference between projected and actual earnings on pension plan investments	648,079	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,253,027	\$425,975
Contributions subsequent to the measurement date	386,382	N/A
Total	\$2,716,189	\$425,975

\$386,382 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	\$172,919
2026	782,394
2027	673,930
2028	274,589

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

FIRESTONE CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: **DEFINED BENEFIT PENSION PLAN**(Continued)

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN(Continued)

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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 Academy’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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	\$12,088,940	\$9,040,715	\$6,498,868

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.

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

Summary of Significant Accounting Policies

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan

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

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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

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 Academy is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Academy were \$38,140 for the year ended June 30, 2024.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: 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 Academy reported a liability of \$218,297 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 Academy's proportion of the net OPEB liability was based on the Academy's 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 Academy's proportion was 0.0305855%, which was an increase of 0.0004% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the Academy recognized OPEB income of \$87,977. At June 30, 2024 the Academy 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	N/A	\$44,742
Changes of assumptions or other inputs	\$2,567	23,147
Net difference between projected and actual earnings on OPEB plan investments	6,751	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	18,978	N/A
Contributions subsequent to the measurement date	19,340	N/A
Total	\$47,636	\$67,889

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

\$19,340 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	(\$18,733)
2026	(\$8,208)
2027	(\$2,963)
2028	(\$6,965)
2029	(\$2,259)
Thereafter	(\$465)

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

	School Division
Actuarial cost method	<u>Entry age</u>
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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.

Age-Related Morbidity Assumptions

<u>Participant Age</u>	<u>Annual Increase (Male)</u>	<u>Annual Increase (Female)</u>
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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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.

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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
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 on 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 State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Healthy Retiree 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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table 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 for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table 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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- 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.

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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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 Academy’s 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	3.50%	4.50%	5.50%
Net OPEB Liability	\$212,031	\$218,297	\$225,112

¹For the January 1, 2024, plan year.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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%.
- 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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 8: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

- 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 Academy’s 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	\$257,836	\$218,297	\$184,471

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.

FIRESTONE CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2024, the reserve of \$271,000 was recorded as a reservation of fund balance in the General Fund.

NOTE 10: DEFICIT NET POSITION

The School reported a deficit Net Position of the government type activities in the amount of \$2,910,444. This is due to the School including the Net Pension Liability per GASB No. 68 and the Net OPEB Liability per the requirements of GASB Statement No. 75.

NOTE 11: SUBSEQUENT EVENTS

Potential subsequent events were considered through October 11, 2021. It was determined that no events were required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2024

	2024			VARIANCE Positive (Negative)	2023 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 6,446,601	\$ 6,384,315	\$ 6,347,979	\$ (36,336)	\$ 5,809,113
Mill Levy Override	1,266,495	1,266,495	1,508,929	242,434	1,266,495
Tuition and Fees	473,657	472,955	494,555	21,600	631,640
Grants and Donations	100,000	100,000	188,882	88,882	39,986
Other	-	-	292,801	292,801	23,763
State and Federal Sources					
Grants and Donations	486,879	484,962	724,325	239,363	528,151
TOTAL REVENUES	8,773,632	8,708,727	9,557,471	848,744	8,299,148
EXPENDITURES					
Instruction					
Salaries	3,068,182	3,130,382	3,043,147	87,235	2,655,093
Employee Benefits	1,389,689	1,391,555	1,211,477	180,078	1,221,283
Purchased Services	172,622	185,922	81,009	104,913	208,232
Supplies and Materials	206,920	206,368	158,733	47,635	151,474
Property	34,380	34,380	18,929	15,451	49,549
Other	1,000	1,000	880	120	-
Total Instruction	4,872,793	4,949,607	4,514,175	435,432	4,285,631
Supporting Services					
School Administration					
Salaries	885,589	815,589	853,676	(38,087)	847,138
Employee Benefits	398,349	368,669	373,528	(4,859)	354,894
Purchased Services	1,976,760	1,988,767	2,098,129	(109,362)	1,935,116
Supplies and Materials	398,589	405,699	459,011	(53,312)	262,934
Property	20,000	170,000	136,171	33,829	167,789
Other	9,670	9,576	10,020	(444)	16,926
Total Supporting Services	3,688,957	3,758,300	3,930,535	(172,235)	3,584,797
TOTAL EXPENDITURES	8,561,750	8,707,907	8,444,710	263,197	7,870,428
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	211,882	820	1,112,761	1,111,941	428,720
OTHER FINANCING SOURCES (USES)					
Transfer (To)From Other Funds	-	-	267,566	267,566	-
CHANGE IN FUND BALANCE	211,882	820	1,380,327	1,379,507	428,720
FUND BALANCE, Beginning	4,168,791	4,597,511	4,597,511	-	4,168,791
FUND BALANCE, Ending	\$ 4,380,673	\$ 4,598,331	\$ 5,977,838	\$ 1,379,507	\$ 4,597,511

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
SCHOOL DISTRICT TRUST FUND

Years Ended December 31,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School's proportionate share of the Net Pension Liability	0.047%	0.048%	0.042%	0.049%	0.042%	0.412%	0.485%	0.445%	0.040%	0.051%
School's proportionate share of the Net Pension Liability	\$ 6,352,906	\$ 7,401,431	\$ 14,343,581	\$ 15,948,377	\$ 7,448,238	\$ 6,147,018	\$ 7,327,940	\$ 5,175,821	\$ 7,233,791	\$ 9,040,715
School's covered payroll	\$ 2,104,809	\$ 2,153,001	\$ 2,162,183	\$ 2,267,151	\$ 2,338,137	\$ 2,417,613	\$ 2,590,838	\$ 2,779,602	\$ 3,063,114	\$ 3,413,823
School's proportionate share of the Net Pension Liability as a percentage of its covered payroll	301.8%	343.8%	663.4%	703.5%	318.6%	254.3%	282.8%	186.2%	236.2%	264.8%
Plan fiduciary net position as a percentage of the total pension liability	62.8%	59.2%	43.1%	44.0%	57.0%	64.5%	67.0%	74.9%	61.8%	64.7%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statutorily required contributions	\$ 367,378	\$ 404,061	\$ 425,305	\$ 463,008	\$ 470,506	\$ 479,288	\$ 534,759	\$ 581,543	\$ 642,427	\$ 762,028
Contributions in relation to the Statutorily required contributions	<u>367,378</u>	<u>404,061</u>	<u>425,305</u>	<u>463,008</u>	<u>470,506</u>	<u>479,288</u>	<u>534,759</u>	<u>581,543</u>	<u>642,427</u>	<u>762,028</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 2,037,811	\$ 2,153,001	\$ 2,170,036	\$ 2,326,870	\$ 2,338,137	\$ 2,473,106	\$ 2,689,944	\$ 2,925,263	\$ 3,152,237	\$ 3,739,405
Contributions as a percentage of covered payroll	18.03%	18.77%	19.60%	19.90%	20.12%	19.38%	19.88%	19.88%	20.38%	20.38%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
 SCHOOL DISTRICT TRUST FUND

Years Ended December 31,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School's proportionate share of the Net OPEB Liability	0.027%	0.028%	0.027%	0.268%	0.280%	0.280%	0.030%	0.031%
School's proportionate share of the Net OPEB Liability	\$ 363,337	\$ 364,197	\$ 371,994	\$ 302,215	\$ 266,217	\$ 250,409	\$ 246,458	\$ 218,297
School's covered payroll	\$ 2,162,183	\$ 2,267,151	\$ 2,590,838	\$ 2,417,613	\$ 2,417,613	\$ 2,590,838	\$ 2,779,602	\$ 3,063,114
School's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.8%	16.1%	14.4%	12.5%	11.0%	9.7%	8.9%	7.1%
Plan fiduciary net position as a percentage of the total pension liability	16.7%	17.5%	17.0%	24.5%	32.8%	32.8%	38.6%	46.2%

See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY
 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
 SCHOOL DISTRICT TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statutorily required contributions	\$ 22,134	\$ 23,734	\$ 23,851	\$ 25,226	\$ 27,437	\$ 29,837	\$ 32,153	\$ 38,140
Contributions in relation to the Statutorily required contributions	<u>22,134</u>	<u>23,734</u>	<u>23,851</u>	<u>25,226</u>	<u>27,437</u>	<u>29,837</u>	<u>32,153</u>	<u>38,140</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 2,170,036	\$ 2,326,870	\$ 2,338,137	\$ 2,473,106	\$ 2,689,944	\$ 2,925,263	\$ 3,152,237	\$ 3,739,405
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

COMBINING SCHEDULES

FIRESTONE CHARTER ACADEMY

COMBINING BALANCE SHEET

June 30, 2024

	<u>GENERAL</u> <u>FUND</u>	<u>PUPIL</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 6,420,915	\$ 6,727	\$ 6,427,642
Accounts Receivable	68,053	-	68,053
Prepaid Expenditures	120,154	-	120,154
	<u>120,154</u>	<u>-</u>	<u>120,154</u>
TOTAL ASSETS	<u>\$ 6,609,122</u>	<u>\$ 6,727</u>	<u>\$ 6,615,849</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 135,616	\$ -	\$ 135,616
Accounts Payable - District	13,778	-	13,778
Due to Other Funds	-	-	-
Accrued Expenses	289,926	-	289,926
Unearned Revenues	198,691	-	198,691
	<u>198,691</u>	<u>-</u>	<u>198,691</u>
TOTAL LIABILITIES	<u>638,011</u>	<u>-</u>	<u>638,011</u>
FUND BALANCES			
Nonspendable	120,154	-	120,154
Restricted for Emergencies	271,000	-	271,000
Unassigned	5,579,957	6,727	5,586,684
	<u>5,579,957</u>	<u>6,727</u>	<u>5,586,684</u>
TOTAL FUND BALANCES	<u>5,971,111</u>	<u>6,727</u>	<u>5,977,838</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,609,122</u>	<u>\$ 6,727</u>	<u>\$ 6,615,849</u>

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See the accompanying independent auditors' report.

FIRESTONE CHARTER ACADEMY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2024

	GENERAL FUND	PUPIL ACTIVITIES	TOTAL
REVENUES			
Local Sources			
Per pupil revenue	\$ 6,347,979	\$ -	\$ 6,347,979
Mill Levy	1,508,929	-	1,508,929
Tuition and Fees	483,050	11,505	494,555
Grants and Contributions	188,882	-	188,882
Other	292,801	-	292,801
State and Federal			
Grants and Contributions	724,325	-	724,325
TOTAL REVENUES	<u>9,545,966</u>	<u>11,505</u>	<u>9,557,471</u>
EXPENDITURES			
Current			
Salaries	3,895,273	1,550	3,896,823
Employee Benefits	1,585,005	-	1,585,005
Purchased Services	2,178,266	872	2,179,138
Supplies and Materials	615,388	2,356	617,744
Property	155,100	-	155,100
Other	10,900	-	10,900
TOTAL EXPENDITURES	8,439,932	4,778	8,444,710
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,106,034</u>	<u>6,727</u>	<u>1,112,761</u>
OTHER FINANCING SOURCES (USES)			
Transfer (To)From Other Funds	<u>267,566</u>	<u>-</u>	<u>267,566</u>
NET CHANGE IN FUND BALANCES	1,373,600	6,727	1,380,327
FUND BALANCES, Beginning	<u>4,597,511</u>	<u>-</u>	<u>4,597,511</u>
FUND BALANCES, Ending	<u>\$ 5,971,111</u>	<u>\$ 6,727</u>	<u>\$ 5,977,838</u>

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See the accompanying independent auditors' report.