



**VISION HOME & COMMUNITY, INC. dba
VISION CHARTER ACADEMY**

A COMPONENT UNIT OF THE DELTA COUNTY JOINT SCHOOL DISTRICT 50

DELTA, COLORADO

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

VISION CHARTER ACADEMY

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INDEPENDENT AUDITOR'S REPORT

Board of Stewards
Vision Home & Community, Inc. dba Vision Charter Academy
Delta, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the of the Vision Home & Community, Inc. dba Vision Charter Academy (the School), a component unit of the Delta County Joint School District 50J, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements of the School, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Change in Accounting Principle

As discussed in Note 9 to the financial statements, in 2025 the School adopted new accounting guidance, GASBS No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

DMC Auditing and Consulting, LLC

December 12, 2025
Bailey, Colorado

Vision Charter Academy
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2025

As management of Vision Charter Academy (VCA), we offer readers of VCA's Annual Financial Report this narrative and analysis of the financial activities of VCA for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the basic financial statements.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2025 are as follows:

- Vision Charter Academy was reunited under one school code for the purpose of funding categories defined by the Colorado Department of Education's (CDE) Financial Division. VCA is a K12 public charter school under the governance of Vision Home and Community, Inc. Board of Stewards authorized, per its contract, by Delta County School District 50J.
- VCA Fund Balance at the end of the year grew from \$1,705,228 in FY24 to \$1,834,361 in FY25, including the revolving account which is primarily private contributions for specific activities.
- At the end of the current fiscal year, the total assets for the school's General Fund was \$2,010,528. The General Fund has recorded a liability of \$176,167 which includes: salaries of school personnel who work approximately nine months of the year and are paid over twelve months, accrued accounts payable and Full Day Kindergarten Implementation Fund. Colorado State law does not require the liability to be funded or budgeted until the year in which it is to be paid. At the direction of the Board of Stewards, the school continues to budget and fund this liability.
- In general, the school's net position increased by \$129,133 from the previous year. Due to the reporting requirements of GASB 68 and GASB 75. Vision Charter Academy's share of PERA net pension liability is \$4.05 million and \$71,912 for the Other Post-Employment Benefits (OPEB per GASB 75) thus leaving a new ending net position of negative (\$1,527,986).
- VCA expended \$105,882 to lease office space for administration, classroom space and meeting space for our Highly Qualified Coordinators from the Vision Building Corporation.
- The Vision Building Corporation, a blended component unit of the school, owns three buildings located at 263 Main Street and 45 W 3rd, Delta, CO 81416 acquired August 2020 and 257 Main Street, Delta CO 81416 acquired June 30, 2022. These buildings were remodeled and are used as one school building.
- During the current fiscal year, the school saw an increase in the funded Full Time Equivalent (FTE) pupil count from 355 to 370.5 FTE.
- General revenues from local, state and federal sources accounted for \$4.2 million.

- VCA had \$4.2 million in expenses including expenditures for both the school and building corporation, excluding the PERA pension liability obligations.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to VCA's basic financial statements. VCA's basic financial statement consists of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to financial statements. This report also includes required supplementary information in addition to the basic financial statements.

Government wide financial statements.

The *government-wide financial statements* are designed to provide the reader with a broad overview of VCA's finances as a whole (similar to the private sector businesses) and includes two types of statements –

- The statement of net position presents information about all of VCA's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, the increases and/or decreases in VCA's net position may be an indicator of whether our financial position is improving or deteriorating.
- The statement of activities presents information demonstrating how VCA's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both government-wide financial statements distinguish functions of VCA that are principally supported by grants and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). VCA currently only has governmental activities.

Governmental Activities – Governmental activities are generally financed through grants, intergovernmental revenues and other exchange revenues. Most of VCA's programs and services are reported here including instruction, support services, operation and maintenance of school building, and extracurricular activities.

Fund Financial Statements.

Fund financial statements are designed to demonstrate compliance with finance-related requirements. 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. VCA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. VCA has only one governmental fund.

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 VCA'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. Thus, readers may better understand the long-term impact of VCA's near-term financing decisions.

Special Revenue Fund

Vision Building Corporation is a component unit of Vision Charter Academy whose sole purpose is to acquire and lease facilities to Vision Charter Academy. Due to this relationship the Corporation is reported as if it were part of or blended with Vision Charter Academy's operations as a Special Revenue Fund.

Notes to the Basic Financial Statement

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

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplemental information concerning VCA. VCA adopts an annual appropriated budget for the general fund.

Government-wide Financial Analysis

Government-wide Net Position

The assets of VCA are classified as current assets. Cash and receivables are current assets. These assets are available to provide resources for the near-term operations of VCA.

Capital assets are used in the operations of VCA. VCA capital assets consist of the school building.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include account payable and accrued salaries and benefits. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2025-26 year. Long-term liabilities such as long-term debt obligations, building loan debt, technology leases, compensated absences payable and net pension liability would be liquidated from resources that become available after fiscal 2024-25. The legally required TABOR reserve has also been restricted.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of VCA, current assets exceed current liabilities by \$1,834,361 at the close of the most recent fiscal year.

VCA's Net Position

	<u>Governmental Activities</u>	
<u>Assets</u>	<u>2023-2024</u>	<u>2024-2025</u>
Current Assets	\$ 1,926,727	\$ 2,010,528
Capital Assets, Net	2,314,066	2,280,087
Total Assets	4,240,793	4,290,615
 <u>Deferred Outflows of Resources</u>		
Pension Deferred Outflows	1,107,204	748,216
OPEB Deferred Outflows	21,381	14,584
Total Deferred Outflows of Resources	1,128,585	762,800
 Total Assets and Deferred Outflows of Resources	\$ 5,369,378	\$ 5,053,415
 <u>Liabilities</u>		
	<u>2023-2024</u>	<u>2024-2025</u>
Current	\$ 272,914	\$ 181,307
Noncurrent	6,413,861	6,021,804
Total Liabilities	6,686,775	6,203,111
 <u>Deferred Inflows of Resources</u>		
OPEB Deferred Inflows	50,631	55,270
Pension Deferred Inflows	429,786	323,020
Total Deferred Inflows of Resources	480,417	378,290
 <u>Net Position</u>		
Net Investment in Capital Assets	534,437	508,480
Restricted	115,000	121,096
Unrestricted	(2,447,251)	(2,157,562)
Total Net Position	(1,797,814)	(1,527,986)
 Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,369,378	\$ 5,053,415

Governmental activities increased VCA’s net position by \$337,877. Key elements of this change are as follows:

VCA’s Change in Net Position

	Governmental Activities	
Revenues:	2023-2024	2024-2025
Program Revenues:		
Charges for Services and Sales	\$ 3,011	\$ 5,426
Operating Grants and Contributions	577,534	324,491
Capital Grants and Contributions	110,891	-
Total Program Revenue	687,436	329,917
General Revenues:		
State FTE Funding	3,612,796	3,798,009
Other Revenue	25,715	67,393
Total General Revenue	3,638,511	3,865,402
Total Revenue	4,329,947	4,195,319
Expenses:		
Instruction	2,842,094	2,821,675
Supporting Services	877,494	972,749
Interest on Long-Term Debt	134,088	63,018
Total Expenses	3,853,676	3,857,442
Increase (Decrease) in Net Position	476,271	337,877
Net Position, Beginning, as Originally Stated	(2,274,085)	(1,797,814)
Change in Accounting Principle (GASB 101)	-	(68,049)
Net Position, Beginning, as Restated	(2,274,085)	(1,865,863)
Net position, Ending	\$(1,797,814)	\$(1,527,986)

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

The general fund is the only governmental fund of Vision Charter Academy and is the core of operations for VCA. As of June 30, 2025, the general fund shows an ending fund balance of \$1,834,361. The unassigned fund balance for VCA at the end of the fiscal year consists of the unassigned balance for the General Fund of \$1,706,527. This balance includes the revolving account that generates revenue through private contributions for specific extracurricular activities. The remainder of the fund balance is restricted for legally obligated funds – the TABOR amendment of \$121,096.

General Fund Budgeting Highlights

Vision Charter Academy began budget development for the 2024-2025 fiscal year in November 2023. This process began with educating the Board of Stewards and staff regarding the current and past budgets. Next, an assessment was completed and reviewed by the Budget Committee and included reviewing department needs for resources and staffing based on enrollment projections, current position requirements and strategic priorities of the school as a whole.

After reviewing enrollment projections and the most current revenue assumptions, the proposed budget was submitted to the Vision Home & Community, Inc. Board of Stewards for review and approval. Upon the May 14, 2024 approval of the BOS, VCA submitted the budget to the Delta County School District. The budget was approved by the Delta County School District 50J Board of Education on June 27, 2024.

VCA presented an initial budget to the Board of Education May 14, 2024. VCA's budget development process is consistent with current Colorado statutes that require a proposed budget to be presented to the authorizing district's Board of Education by June 1, with budget adoption by June 30. The law provides for school boards to adjust revenues and expenditures through January 31 of each fiscal year. VCA submitted the Board of Steward approved revised budget to the district on January 14, 2025. Based on a substantial increase to revenue and required liability recording for technology leases, Vision Home & Community, Inc Board of Stewards approved and submitted a Supplemental budget to the Delta County School District on November 11, 2025. Actual revenues received exceeded the budget by \$8,769 from federal, state and local sources. Actual expenditures were under budget by \$898. Due to these factors, a planned contingency fund and SBITA proceeds, the net increase to fund balance was \$129,133.

Capital Asset and Debt Administration

Capital Assets: Beginning Capital Asset net was \$2,314,066 in fiscal year 2024-2025. Capital Asset net is \$2,280,087 at the end of 2025 after depreciation.

Long-Term Debt: The debt balance as of June 30, 2025 is \$1,951,796.

VCA also implemented GASB 96, which resulted in an IT Subscription-Based Asset in FY 2025 in the amount of \$46,046 net of accumulated amortization.

Current Issues, Economic Conditions and Outlook

As a Multi District Online (MDOL) school for K-12th, VCA receives the statewide allotment for an MDOL which is less than the District's brick and mortar per pupil revenue. VCA's enrollment continues to increase based on providing a quality blended learning environment including in person classes, virtual classes, hybrid classes and in-home course opportunities facilitated by highly qualified staff. Enrollment is expected to increase slightly based on staff capacity with anticipation of potential waiting lists. VCA is a unique educational model that chooses to embrace its individualized learning model and supports learner and parent choice in education. It is predicted to maintain an enrollment of 380-400 in the coming years.

VCA continues to embrace our Strategic Plan based on overall priorities and needs gathered through a variety of processes and stakeholder groups including the Budget Committee, School Accountability Committee, Strategic Planning Committee and the Instructional Leadership Team. The committees collaborate in a meaningful way and with an ongoing dialogue in order to promote the use of school funds in order to help our school grow academically while maintaining the emphasis on individualized learning. VCA continues to focus on and devote resources to the priorities outlined within the Strategic Plan in the following categories. 1) Rigor – VCA is a school with high expectations of growth from learners and staff. One major focus for this component of the strategic plan was expanding and improving accountability measures. 2) Relationships – VCA is fully invested in the promotion of partnerships within our community that empower learners within their individualized education. Relationships continue to be a main focus within VCA. Our partnerships strive to provide accountability within a safe, supportive environment. 3) Resources – VCA offers an increasing variety of quality resources and opportunities for learners.

Although VCA receives less funding per pupil than other schools within the Delta County School District, it has continued to increase opportunities and accountability while providing an individually focused education plan for each learner within budget. With VCA's funding reliant on compliance with the changing rules and regulations for administration of the Public School Finance Act of 1994 and the renewed focus at the state level for changing the funding formula, we must be vigilant in understanding funding sources, regulations, and reporting requirements. VCA strives to use its resources effectively and efficiently to provide each learner with the opportunity to succeed in their educational goals while meeting the accountability required for all public schools.

Contacting VCA

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of VCA's finances and to show VCA's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Vision Charter Academy
263 Main Street Unit 1
Delta, CO 81416
Tel: 970-874-8336

BASIC FINANCIAL STATEMENTS

VISION CHARTER ACADEMY
STATEMENT OF NET POSITION
June 30, 2025

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 1,941,651
Accounts Receivable	13,704
Grants Receivable	48,435
Prepaid Expenses	6,738
Capital Assets, <i>Net of Accumulated Depreciation / Amortization</i>	<u>2,280,087</u>
TOTAL ASSETS	<u>4,290,615</u>
DEFERRED OUTFLOW OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	748,216
OPEB, <i>Net of Accumulated Amortization</i>	<u>14,584</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>762,800</u>
LIABILITIES	
Accounts Payable	20,330
Accrued Salaries and Benefits	154,215
Unearned Revenue	1,622
Accrued Interest Payable	5,140
Noncurrent Liabilities	
Due Within One Year	65,165
Due in More Than One Year	1,831,730
Net Pension Liability	4,052,997
Net OPEB Liability	<u>71,912</u>
TOTAL LIABILITIES	<u>6,203,111</u>
DEFERRED INFLOW OF RESOURCES	
Pensions, <i>Net of Accumulated Amortization</i>	323,020
OPEB, <i>Net of Accumulated Amortization</i>	<u>55,270</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>378,290</u>
NET POSITION	
Net Investment in Capital Assets	508,480
Restricted for Emergencies	121,096
Unrestricted	<u>(2,157,562)</u>
TOTAL NET POSITION	<u>\$ (1,527,986)</u>

VISION CHARTER ACADEMY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
PRIMARY GOVERNMENT	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
Governmental Activities	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Instruction	\$ 2,821,675	\$ 5,426	\$ 223,949	\$ (2,592,300)
Supporting Services	972,749	-	100,542	(872,207)
Interest on Long-Term Debt	63,018	-	-	(63,018)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,857,442	\$ 5,426	\$ 324,491	(3,527,525)
GENERAL REVENUES				
Per Pupil Revenue				3,798,009
Interest Income				49,436
Other				17,957
TOTAL GENERAL REVENUES				3,865,402
CHANGE IN NET POSITION				337,877
NET POSITION, Beginning, as Originally Stated				(1,797,814)
Change in Accounting Principle (<i>GASB Statement No. 101</i>)				(68,049)
NET POSITION, Beginning, as Restated				(1,865,863)
NET POSITION, Ending				\$ (1,527,986)

VISION CHARTER ACADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	BUILDING CORPORATION	TOTAL
ASSETS			
Cash and Investments	\$ 1,941,651	\$ -	\$ 1,941,651
Accounts Receivable	13,704	-	13,704
Grants Receivable	48,435	-	48,435
Prepaid Expenditures	6,738	-	6,738
TOTAL ASSETS	2,010,528	-	2,010,528
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 20,330	\$ -	\$ 20,330
Accrued Salaries and Benefits	154,215	-	154,215
Unearned Revenue	1,622	-	1,622
TOTAL LIABILITIES	176,167	-	176,167
FUND BALANCES			
Nonspendable - Prepaid Expenditures	6,738	-	6,738
Restricted for Emergencies	121,096	-	121,096
Unassigned	1,706,527	-	1,706,527
TOTAL FUND BALANCES	1,834,361	-	1,834,361
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,010,528	\$ -	\$ 2,010,528

VISION CHARTER ACADEMY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	1,834,361
Capital assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,280,087
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Accrued Interest Payable		(5,140)
Lease Liability		(38,903)
Loan Payable		(1,732,704)
Accrued Compensated Absences		(125,288)
Net Pension Liability		(4,052,997)
Pension-Related Deferred Outflows of Resources		748,216
Pension-Related Deferred Inflows of Resources		(323,020)
Net OPEB Liability		(71,912)
OPEB-Related Deferred Outflows of Resources		14,584
OPEB-Related Deferred Inflows of Resources		<u>(55,270)</u>
Total Net Position of Governmental Activities	\$	<u><u>(1,527,986)</u></u>

VISION CHARTER ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	GENERAL	BUILDING CORPORATION	TOTAL
REVENUES			
Local Sources	\$ 122,819	\$ 105,882	\$ 228,701
State Sources	3,946,827	-	3,946,827
Federal Sources	125,673	-	125,673
	4,195,319	105,882	4,301,201
TOTAL REVENUES			
EXPENDITURES			
Current			
Instruction	2,993,471	-	2,993,471
Supporting Services	1,111,261	-	1,111,261
Capital Outlay	-	-	-
Debt Service			
Principal	7,143	46,925	54,068
Interest	357	58,957	59,314
	4,112,232	105,882	4,218,114
TOTAL EXPENDITURES			
EXCESS REVENUES OVER (UNDER) EXPENDITURES	83,087	-	83,087
OTHER FINANCING SOURCES			
SBITA Proceeds	46,046	-	46,046
	129,133	-	129,133
CHANGE IN FUND BALANCES			
FUND BALANCES, Beginning	1,705,228	-	1,705,228
FUND BALANCES, Ending	\$ 1,834,361	\$ -	\$ 1,834,361

VISION 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, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	129,133
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as follows:		
Depreciation Expense		(20,175)
Amortization Expense		(59,850)
Capital Outlay		46,046
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		54,068
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items.		
		(46,046)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Accrued Interest Payable		(3,704)
Accrued Compensated Absences		(12,440)
Net Pension Liability		477,033
Pension-Related Deferred Outflows of Resources		(358,988)
Pension-Related Deferred Inflows of Resources		106,766
Net OPEB Liability		37,470
OPEB-Related Deferred Outflows of Resources		(6,797)
OPEB-Related Deferred Inflows of Resources		(4,639)
		(4,639)
Change in Net Position of Governmental Activities	\$	337,877

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies

The Vision Home & Community, Inc. dba Vision Charter Academy (the School) was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school in Delta, Colorado serving students from kindergarten through high school. The School incorporated as a nonprofit corporation in September 2006 and is a component unit of Delta County School District.

The accounting policies of the School conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the School's more significant policies.

Reporting Entity

The financial reporting entity consists of the School, organizations for which the School is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the School. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the School. Legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the School.

The School includes the Building Corporation within its reporting entity. The entity was formed to acquire and hold real and/or personal property for, and to lease or make the same available for use by, the School, and to provide facilities, equipment and other physical infrastructure and related support to the School. The Building Corporation is blended into the School's financial statements as a special revenue fund and does not issue separate financial statements.

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 nonfiduciary activities of the School. *Governmental activities*, which are supported by intergovernmental revenues, are reported in a single column.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for the governmental funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the fund financial statements, the School reports the following major governmental funds:

The *General Fund* is the School's primary operating fund. It accounts for all financial resources of the School.

The *Building Corporation* is used to account for the financial activities of the Corporation, primarily related to capital assets and the related debt.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 year or soon enough thereafter to pay liabilities of the current year. The School considers all other revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the School.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

Cash and Investments – The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

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

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

Capital Assets – Capital assets, which include property, equipment, and subscription-based information technology arrangements, are reported in government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more 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 the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	10 - 40 years
Equipment and Vehicles	3 - 10 years
Subscription-Based IT Arrangements	Length of Contract

Deferred Outflows of Resources – Deferred outflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not recognized as a use of current financial resources.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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, are reported as a liability in the financial statements.

Compensated Absences – Compensated absence liabilities, when applicable, are reported on government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments are due upon the occurrence of employee resignations and retirements. Personnel accrue leave days based on the number of days worked in a year. Unused accumulated vacation benefits are paid upon separation/termination. Sick leave more likely to be used than not is calculated based on historical factors and employee pay rates.

Unearned Revenue – Unearned revenues include grants that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

Long-Term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities.

Subscription-Based Information Technology Arrangements (SBITAs) – SBITA agreements for noncancellable periods in excess of twelve months, including exercised extensions, are recognized as a liability. The SBITA liability is measured at the present value of lease payments expected to be paid during the lease term based on the City's implicit interest rate unless the interest rate is provided in the agreement. SBITAs are recognized at the present value of cash flows as a liability and a related right-to-use asset. Payments on the SBITA reduce the liability and amortize the right-to-use asset on a straight-line basis over the life of the SBITA agreement.

Pensions – The School participates in the School Division Trust Fund (SDTF), 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, and additions to and deductions from the SDTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – The School participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan 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, and additions to and deductions from the HCTF's fiduciary net position have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Deferred Inflows of Resources – Deferred inflows of resources in the governmental fund financial statements are related to pension and OPEB liabilities but not available as current financial resources.

Net Position/Fund Balances – In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Directors formally commits resources for a specific purpose through passage of a resolution.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, School policy requires restricted fund balance to be used first, followed by committed, assigned, and unassigned balances.

NOTE 2: Cash and Investments

At June 30, 2025, the School had the following cash and investments:

Cash on Hand	\$ 386
Deposits	677,695
Investments	1,263,570
Total	\$ 1,941,651

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The 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 uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2025, the School had bank deposits of \$461,611 collateralized with securities held by the financial institution’s agent but not in the School’s name.

Investments

The School is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements - At June 30, 2025, the School's investments in the local government investment pool are reported at the net asset value per share.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the School may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pools- At June 30, 2025, the School had \$1,263,570 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pool. The Pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pool is reported at the net asset value per share, with each share valued at \$1. The Pools is rated AAAM by Standard and Poor's. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Capital Assets

Capital asset activity for the year ended June 30, 2025, is summarized below.

	Balances 6/30/2024	Additions	Deletions	Balances 6/30/2025
Governmental Activities				
Capital Assets, Being Depreciated / Amortized				
Building	2,393,984	-	-	2,393,984
Subscription-Based IT Arrangements	40,791	46,046	-	86,837
Total Capital Assets, Being Depreciated	<u>2,434,775</u>	<u>46,046</u>	<u>-</u>	<u>2,480,821</u>
Less Accumulated Depreciation / Amortization				
Building	(103,713)	(59,850)	-	(163,563)
Subscription-Based IT Arrangements	(16,996)	(20,175)	-	(37,171)
Total Accumulated Depreciation / Amortization	<u>(120,709)</u>	<u>(80,025)</u>	<u>-</u>	<u>(200,734)</u>
Total Capital Assets, Being Depreciated / Amortized, Net	<u>2,314,066</u>	<u>(33,979)</u>	<u>-</u>	<u>2,280,087</u>
Capital Assets, Governmental Activities, Net	<u>\$ 2,314,066</u>	<u>\$ (33,979)</u>	<u>\$ -</u>	<u>\$ 2,280,087</u>

Depreciation and amortization expense of the governmental activities was charged to the supporting services of the School.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: Capital Assets (Continued)

In January 2025, the School also entered into a 3.5-year subscription based information technology arrangement for a total of \$46,046 for software with annual amortization of \$20,175.

NOTE 4: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended June 30, 2025.

	Balance as Restated 6/30/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Governmental Activities					
Loan Payable - 2021	\$ 462,127	\$ -	\$ 14,604	\$ 447,523	\$ 15,099
Loan Payable - 2023	1,317,502	-	32,321	1,285,181	36,461
SBITA	-	46,046	7,143	38,903	13,605
Compensated Absences	112,848	12,440	-	125,288	-
Total	\$ 1,892,477	\$ 58,486	\$ 54,068	\$ 1,896,895	\$ 65,165

Loans

On June 26, 2014, the School entered into a line of credit agreement with Bank of the West in the amount of \$100,000 to secure additional funding if necessary. Under the line of credit agreement, interest only payments are required on any unpaid principal balances. Interest accrues on any principal balance at the Bank of West Prime Rate (the Index) with an additional 0.25% over the Index, not to be less than 4% per annum. The School currently has no principal balance associated with the line of credit.

On August 17, 2020, the School entered into a loan agreement with Bank of the West in the amount of \$513,000 to purchase property located at 263 Main Street and 45 W 3rd Street Ste 103 in Delta, CO. The loan is secured by these properties and by assignment of rents, if any, related to these properties. Under the loan agreement, monthly principal and interest payments of \$2,647 were required beginning September 17, 2020, with interest accruing at a fixed rate of 3.73%.

On August 31, 2025, the School entered into a loan agreement with Colorado Charter Facility Solutions in the amount of \$1,346,000 to renovate existing property. Under the loan agreement, monthly principal and interest payments of \$6,738 are required beginning September 1, 2025, with interest accruing at a fixed rate of 3.5% until maturity on January 1, 2028. The following schedule reflects the debt service requirements to maturity of the loans:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 51,560	\$ 61,061	\$ 112,621
2027	53,437	59,183	112,620
2028	55,341	57,279	112,620
2029	1,188,771	25,054	1,213,825
2030	17,559	14,205	31,764
2031	366,036	2,310	368,346
Total	\$ 1,732,704	\$ 219,092	\$ 1,951,796

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 4: Long-Term Debt (Continued)

Subscription-Based Information Technology Arrangement

On January 1, 2025, the School entered into a subscription-based information technology arrangement (SBITA) for cloud-based software and related IT services. The subscription asset is amortized on a straight-line basis over the 3.5-year subscription term. Interest expense related to the subscription liability is recognized based on an implied interest rate of 5%. Annual payments of \$15,000 are due at the beginning of each of the next three years.

The following schedule reflects the minimum lease payments of the SBITA:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 13,605	\$ 1,395	\$ 15,000
2027	12,958	2,042	15,000
2028	12,340	2,660	15,000
Total	<u>\$ 38,903</u>	<u>\$ 6,097</u>	<u>\$ 45,000</u>

NOTE 5: Defined Benefit Pension Plan

General Information

Plan Description - The School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). All employees of the School participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), administrative rules set at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code assign the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available annual comprehensive financial report, that includes information on the SDTF, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

Benefits Provided as of December 31, 2024 - The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement, and age at retirement. The retirement benefit is the greater of the a) highest average salary over five years multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant's contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In all case can the benefit amount exceed the highest average salary, or the amount allowed by applicable federal regulations.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, while 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 of employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Defined Benefit Pension Plan (Continued)

General Information (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the CRS Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1% 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% 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). The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of 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 in place, and the qualified survivor receiving the benefits.

Contributions provisions as of June 30, 2025 – The School, State, and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees was 11% for the period from July 1, 2024, through June 30, 2025. The School's contribution rate for the fiscal year was 21.40% of covered salaries. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (Note 6). The School's contributions to the SDTF for the year ended June 30, 2025, were \$380,984, equal to the required contributions at a contribution rate of 20.38%.

For the purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in CRS § 24-51-414, the State of Colorado is required to contribute a \$225 million direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF.

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

The net pension liability was measured at December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The School's proportion of the net pension liability was based on the School's contributions to the SDTF for the calendar year ended December 31, 2024, relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At December 31, 2024, the School's proportion was 0.0234889620%, which was a decrease of 0.0021284228% from its proportion measured at December 31, 2023.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Defined Benefit Pension Plan (Continued)

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

At June 30, 2025, the School reported a liability for its proportionate share of the net pension liability that reflected an increase for State pension support provided to the School. The amount recognized by the School as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 4,052,997
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the School	364,023
	\$ 4,417,020
Total	\$ 4,417,020

For the year ended June 30, 2025, the School recognized pension expense of \$155,987 and a revenue of (\$38,389) for support from the State as a nonemployer contributing entity. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 229,516	\$ -
Changes of assumptions and other inputs	30,386	-
Net difference between projected and actual earnings on plan investments	76,468	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	221,954	323,020
Contributions subsequent to the measurement date	189,892	-
Total	\$ 748,216	\$ 323,020

School contributions subsequent to the measurement date \$189,892 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ 199,161
2027	243,877
2028	(153,197)
2029	(54,537)
Total	\$ 235,304

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total pension liability using the following actuarial assumptions and other inputs.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Defined Benefit Pension Plan (Continued)

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

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 plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/07	
thereafter, compounded annually	1.00%
Hired after 12/31/06	Financed by the AIR

Post-retirement benefit increases are provided by the annual increase reserve, accounted for separately in SDTF, and subject to resources being available. Therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Mortality assumptions were developed on a benefit-weighted basis and apply generational mortality, as follows. All categories of the mortality tables are generationally projected using scale MP-2019.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 97% of the rates for all ages, and 2) females: 105% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages.

The actuarial assumptions used in the December 31, 2023, valuation were based on the results of 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 of Directors at their November 20, 2020, meeting.

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

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: 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 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. All of the following categories for the mortality tables are generationally projected using the 2024 adjusted MP-2021 projected scale.

- Pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table.
- Post-retirement (retiree) non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.
- Post-retirement (beneficiary) non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows: 1) males: 92% of the rates for all ages, and 2) females: 100% of the rates for all ages.
- Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 95% of the rates for all ages.

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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, PERA's Board of Directors reaffirmed the assumed rate of return at the PERA Board of Director'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:

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 5: Defined Benefit Pension Plan (Continued)

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

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

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 total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied to 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 Senate Bill (SB) 18-200, required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan participants were used to reduce the estimated amount of total service costs for future plan members.
- School 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, required adjustments resulting from the 2018 and 2020 AAP assessments. School 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 School contributions reflect reductions for the funding of the annual increase reserve and retiree health care benefits. For future plan members, School 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 PERA Division Trust Funds, including SDTF, based upon the covered payroll. The annual direct distribution ceases when all PERA Division Trust Funds are fully funded.
- School contributions and the amount of total service costs for future plan participants were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 5: Defined Benefit Pension Plan (Continued)

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

- The annual increase reserve balance was excluded from the initial fund net position, as, per statute, annual increase reserve amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. Annual increase reserve transfers to the fiduciary net position and the subsequent annual increase reserve benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current participants. 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 total pension liability. 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 School’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the School’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, as follows:

	<u>1% Decrease</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>Rate (7.25%)</u>	<u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 5,494,924</u>	<u>\$ 4,052,997</u>	<u>\$ 2,845,181</u>

Pension Plan Fiduciary Net Position - Detailed information about the SDTF’s fiduciary net position is available in PERA’s separately issued annual comprehensive financial report, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

NOTE 6: Postemployment Healthcare Benefits

General Information

Plan Description - All employees of the School are eligible to receive postemployment benefits other than pensions (OPEB) through the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the Public Employees’ Retirement Association of Colorado (PERA). Title 24, Article 51, Part 12 of the Colorado Revised Statutes (CRS), 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. CRS provisions may be amended by the Colorado General Assembly. PERA issues a publicly available financial report, that includes information on the HCTF, which may be obtained at <https://www.copera.org/forms-resources/financial-reports-and-studies>.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

General Information (Continued)

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating benefit recipients and retirees who choose to enroll in one of the PERA health care plans. However, the subsidy is not available if benefit recipients or retirees are only enrolled in the dental and/or vision plan(s). Eligibility to enroll is voluntary and includes benefit recipients, their eligible dependents and surviving spouses, among others. Eligible benefit recipients may enroll in the HCTF upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period. The health care premium subsidy is based on the benefit structure under which the member retires and the member's years of service credit. The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contributions account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 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 are eligible for a premium subsidy, if enrolled in a health care plan under PERACare.

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

PERA Benefit Structure - The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare, and \$115 per month for benefit recipients who are over 65 years of age or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on 20 or more years of service. The subsidy is reduced by 5% for each year of service less than 20 years. The benefit recipient pays the remaining portion of the premium not covered by the subsidy.

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, CRS § 24-51-12-6(4) provides an additional subsidy. According to the State 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 on behalf of recipients not covered by Medicare Part A.

Contributions - As established by Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, 1.02% of the School's contributions to the School Division Trust Fund (SDTF) (Note 5) are apportioned to the HCTF. No employee contributions are required. These contribution requirements are established and may be amended by the State Legislature. The School's apportionment to the HCTF for the year ended June 30, 2025, was \$19,068, equal to the required amount.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

At June 30, 2025, the School reported a net OPEB liability of \$71,912, representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024. The School's proportion of the net OPEB liability was based on the School's contributions to the HCTF for the calendar year ended December 31, 2024, relative to the contributions of all participating employers.

At December 31, 2024, the School's proportion was 0.0150390082%, which was a decrease of 0.0002864871% from its proportion measured at December 31, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense of (\$6,967). At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 15,863
Changes of assumptions and other inputs	824	22,986
Net difference between projected and actual earnings on plan investments	245	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,011	16,421
Contributions subsequent to the measurement date	<u>9,504</u>	<u>-</u>
Total	<u>\$ 14,584</u>	<u>\$ 55,270</u>

School contributions subsequent to the measurement date of \$9,504 will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (12,535)
2027	(11,415)
2028	(13,209)
2029	(6,343)
2030	(4,409)
2031	<u>(2,279)</u>
Total	<u>\$ (50,190)</u>

Actuarial Assumptions - The actuarial valuation as of December 31, 2023, determined the total OPEB liability using the following actuarial cost method, actuarial assumptions, and other inputs, applied to all periods included in the measurement.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

Actuarial Cost Method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Heath care cost trend rates:	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
16% in 2024, then 6.75% in 2025, gradually decreasing to 4.5% in 2034	
MAPD PPO #2	
105% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034	
Medicare Part A premiums:	
3.5% in 2024, gradually increasing to 4.5% in 2033	

The total OPEB liability for the HCTF, as of the December 31, 2024, measurement date, was adjusted to reflect the disaffiliation of Tri-County Health Department (Tri-County Health), effective December 31, 2022. The additional employer disaffiliation payment allocation to the HCTF and the Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Annually, the per capita health care costs are developed by plan option. At December 31, 2023, actuarial valuation and costs are based on 2024 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 to 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

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

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2023, valuation, the following monthly costs/premium are assumed for 2024 for the PERA Benefit Structure:

Sample Age	MAPD PPO #1 with Medicare		MAPD PPO #2 with Medicare		MAPD HMO (Kaiser) with Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 1,710	\$ 1,420	\$ 585	\$ 486	\$ 1,897	\$ 1,575
70	\$ 1,921	\$ 1,589	\$ 657	\$ 544	\$ 2,130	\$ 1,763
75	\$ 2,122	\$ 1,670	\$ 726	\$ 571	\$ 2,353	\$ 1,853

Sample Age	MAPD PPO #1 without Medicare		MAPD PPO #2 without Medicare		MAPD HMO (Kaiser) without Medicare	
	Part A for Retiree / Spouse		Part A for Retiree / Spouse		Part A for Retiree / Spouse	
	Male	Female	Male	Female	Male	Female
65	\$ 6,536	\$ 5,429	\$ 4,241	\$ 3,523	\$ 7,063	\$ 5,866
70	\$ 7,341	\$ 6,073	\$ 4,764	\$ 3,941	\$ 7,933	\$ 6,563
75	\$ 8,110	\$ 6,385	\$ 5,262	\$ 4,143	\$ 8,763	\$ 6,900

The 2024 Medicare Part A premium is \$506 per month. All costs are subject to the health care cost trend rates.

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. Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend, because the first year rates are still below the maximum subsidy and reflect the estimated impact of the Inflation Reduction Act for that plan option.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (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 total OPEB liability are summarized in the table below:

Measurement Year	PERACare Medicare Plans *	PERACare Medicare Plans *	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

Mortality assumptions used in the December 31, 2023, valuation for the determination of the total pension liability, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. SDTF participates in the HCTF (Note 6). All categories of the mortality tables are generationally projected using scale MP-2019. Mortality assumptions used were as follows:

- The pre-retirement mortality assumptions for the SDTF were based upon the PubT-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, and 2) females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older.

The health care costs assumptions were updated and used in the roll-forward calculation for the HCTF. Per capita health care costs as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the costs for the 2024 plan year. The healthcare cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option. The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation rate based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board of Directors at their November 20, 2020, meeting.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA’s Board of Directors on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

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

- Salary increases, including wage inflation for the SDTF were 4% - 13.40%.
- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO#1	\$ 1,824	\$ 6,972
MAPD PPO #2	\$ 624	\$ 4,524
MAPD HMO (Kaiser)	\$ 2,040	\$ 7,596

The long-term expected return on plan assets is reviewed as part of regular 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.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All categories in the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the SDTF participate in the HCTF (Note 5).

- The pre-retirement mortality assumptions for the SDTF were based upon the PubG-2010 Employee Table.
- Post-retirement non-disabled mortality assumptions for the SDTF were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows: 1) males: 106% of the rates for all ages, and 2) females: 86% of the rates prior to age 85 and 115% of the rates for ages 85 and older.

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

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

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing 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 PERA Board of Director’s meetings on November 15, 2019, and the September 20, 2024.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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 total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions. 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, 2024, 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%.
- 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.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of December 31, 2023, measurement date, the fiduciary net position, and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, 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 HCTF's fiduciary net position 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 total OPEB liability. 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 School'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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates (7.25%)</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate**	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate**	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate**	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 69,974</u>	<u>\$ 71,912</u>	<u>\$ 74,104</u>

** For the January 1, 2025, plan year.

Sensitivity of the School'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 one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net OPEB liability	<u>\$ 88,129</u>	<u>\$ 71,912</u>	<u>\$ 57,930</u>

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2025

NOTE 6: Postemployment Healthcare Benefits (Continued)

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

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

NOTE 7: Claims and Judgments

The School participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. 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. At June 30, 2025, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

NOTE 8: Commitments and Contingencies

Tabor Amendment

In November 1992, Colorado voters approved the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to many interpretations, but the School believes it is in substantial compliance with the Amendment.

The Amendment requires the School to establish a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2025, the School's emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$121,096.

Litigation

The School is periodically involved in various legal matters. In the opinion of the School's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the School.

NOTE 9: Change in Accounting Principle

At June 30, 2025, the School applied a change in accounting principle as a result of the required implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101, *Compensated Absences*, required a retroactive application that involved a restatement to the beginning net position for a single period for the fiscal year ended June 30, 2024. The School allows for sick leave to accumulate for full-time and part-time employees, which required a calculation of the liability and impact to the beginning net position for the financial statements as follows.

	Governmental Activities
Net Position, Beginning, as Originally Stated	\$ (1,797,814)
Compensated Absences	(68,049)
Net Position/Fund Balance, Beginning, as Restated	\$ (1,865,863)

REQUIRED SUPPLEMENTARY INFORMATION

VISION CHARTER ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 52,700	\$ 114,600	\$ 122,819	\$ 8,219
State Sources	3,705,043	3,945,850	3,946,827	977
Federal Sources	124,883	126,100	125,673	(427)
TOTAL REVENUES	3,882,626	4,186,550	4,195,319	8,769
EXPENDITURES				
Current				
Instruction	2,785,202	3,008,001	2,993,471	14,530
Supporting Services				
Student Support	19,500	25,000	14,872	10,128
Instructional Staff Support	108,192	99,310	96,876	2,434
General Administration	79,500	86,607	75,622	10,985
School Administration	152,584	161,506	155,892	5,614
Business Support	139,500	163,314	155,848	7,466
Operation and Maintenance	175,162	168,471	167,972	499
Student Transportation	500	500	500	
Central Support	264,922	282,421	281,545	876
Property	118,000	118,000	162,134	(44,134)
Debt Service				
Principal	-	-	7,143	(7,143)
Interest	-	-	357	(357)
TOTAL EXPENDITURES	3,843,062	4,113,130	4,112,232	898
EXCESS REVENUES OVER (UNDER) EXPENDITURES	39,564	73,420	83,087	7,871
OTHER FINANCING SOURCES				
SBITA Proceeds	-	-	46,046	46,046
CHANGE IN FUND BALANCE	39,564	73,420	129,133	53,917
FUND BALANCE, Beginning	1,580,110	1,712,444	1,705,228	(7,216)
FUND BALANCE, Ending	\$ 1,619,674	\$ 1,785,864	\$ 1,834,361	\$ 48,497

VISION CHARTER ACADEMY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
School's Proportion of the Net Pension Liability	0.0234889620%	0.0256173848%	0.0219777191%	0.0276878889%
School's Proportionate Share of the Net Pension Liability	\$ 4,052,997	\$ 4,530,030	\$ 4,002,025	\$ 3,222,141
State's Proportionate Share of the Net Pension Liability Associated with the School	\$ <u>364,023</u>	\$ <u>99,330</u>	<u>1,166,230</u>	<u>331,388</u>
Total	<u>4,417,020</u>	<u>4,629,360</u>	<u>5,168,255</u>	<u>3,553,529</u>
School's Covered Payroll	\$ 1,815,099	\$ 1,693,540	\$ 1,694,685	\$ 1,581,372
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	223%	267%	236%	204%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67%	65%	62%	75%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>	<u>6/30/22</u>
SCHOOL CONTRIBUTIONS				
Statutorily Required Contribution	\$ 380,984	\$ 355,318	\$ 346,604	\$ 329,194
Contributions in Relation to the Statutorily Required Contribution	<u>(380,984)</u>	<u>(355,318)</u>	<u>(346,604)</u>	<u>(329,194)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered Payroll	\$ 1,869,400	\$ 1,743,464	\$ 1,700,706	\$ 1,655,906
Contributions as a Percentage of Covered Payroll	20.38%	20.38%	20.38%	19.88%

<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
0.0327923144%	0.0263756246%	0.0273248105%	0.0312260301%	0.0302804524%	0.0316444367%
\$ 4,957,537	\$ 3,940,461	\$ 4,838,419	\$ 10,097,388	\$ 9,015,662	\$ 4,839,793
<u>-</u>	<u>443,540</u>	<u>582,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,957,537</u>	<u>4,384,001</u>	<u>5,420,424</u>	<u>10,097,388</u>	<u>9,015,662</u>	<u>4,839,793</u>
\$ 1,641,883	\$ 1,549,636	\$ 1,502,506	\$ 1,440,483	\$ 1,358,992	\$ 1,381,224
302%	254%	322%	701%	663%	350%
67%	65%	57%	44%	43%	59%
<u>6/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/16</u>
\$ 374,071	\$ 321,796	\$ 285,658	\$ 279,476	\$ 260,934	\$ 231,334
<u>(374,071)</u>	<u>(321,796)</u>	<u>(285,658)</u>	<u>(279,476)</u>	<u>(260,934)</u>	<u>(231,334)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,789,808	\$ 1,660,453	\$ 1,493,244	\$ 1,479,855	\$ 1,419,471	\$ 1,304,577
20.90%	19.38%	19.13%	18.89%	18.38%	17.73%

VISION CHARTER ACADEMY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO HEALTH CARE TRUST FUND
June 30, 2025

MEASUREMENT YEAR	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY			
School's Proportion of the Net OPEB Liability	0.0150390082%	0.0153254953%	0.0167002725%
School's Proportionate Share of the Net OPEB Liability	\$ 71,912	\$ 109,382	\$ 136,354
School's Covered-Employee Payroll	\$ 1,815,099	\$ 1,693,540	\$ 1,694,685
School's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	4%	6%	8%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	60%	46%	39%
FISCAL YEAR	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/23</u>
SCHOOL CONTRIBUTIONS			
Statutorily Required Contribution	\$ 19,068	\$ 17,783	\$ 17,347
Contributions in Relation to the Statutorily Required Contribution	<u>(19,068)</u>	<u>(17,783)</u>	<u>(17,347)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered-Employee Payroll	\$ 1,869,400	\$ 1,743,464	\$ 1,488,276
Contributions as a Percentage of Covered-Employee Payroll	1.02%	1.02%	1.17%

This schedule is presented to show information for 10 years.
Information will be presented for the years it is available.

<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
0.0180780959%	0.0189597890%	0.0172342997%	0.0177612828%	0.0177424840%
\$ 155,888	\$ 180,161	\$ 193,713	\$ 241,650	\$ 230,581
\$ 1,581,372	\$ 1,641,883	\$ 1,549,636	\$ 1,502,506	\$ 1,440,483
10%	11%	13%	16%	16%
39%	33%	24%	17%	18%
<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>
\$ 16,890	\$ 18,256	\$ 16,937	\$ 15,231	\$ 15,095
<u>(16,890)</u>	<u>(18,256)</u>	<u>(16,937)</u>	<u>(15,231)</u>	<u>(15,095)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,315,399	\$ 1,376,229	\$ 1,451,678	\$ 1,482,408	\$ 1,479,902
1.28%	1.33%	1.17%	1.03%	1.02%

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The School adheres to the following procedures to establish the budgetary information reflected in the financial statements.

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

NOTE 2: Significant Changes in Plan Provisions Affecting Trends in Actuarial Information

STDF Plan - Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the \$225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within HB 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash Fund, created in §24-51-416, plus \$10 million from the General Fund, totaling \$14.561 million.

As of the December 31, 2023, measurement date, the total pension liability (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12-pay" method to a "non-12-pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to, positions in the School and DPS Divisions) receive a higher ratio of service credit for each month worked, up to a maximum of 12 months of service credit per year.

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

As of the December 31, 2024, measurement date, the fiduciary net position, and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

For RSI disclosures reported in previous years, refer to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information at the following link: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

VISION CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2025

NOTE 3: Changes in Assumptions and Other Inputs

STDF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021. The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

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

HCTF Plan – Salary scale assumptions were altered to better reflect actual experience. Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience. The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups. Participation rates were reduced. MAPD premium costs are no longer age graded.

For RSI disclosures reported in previous years to the PERA's annual comprehensive financial report (ACFR) notes to the required supplementary information may be obtained as follows: <https://www.copera.org/forms-resources/financial-reports-and-studies>.

VISION CHARTER ACADEMY
BUDGETARY COMPARISON SCHEDULE
BUILDING CORPORATION
Year Ended June 30, 2025

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Local Sources	\$ 113,000	\$ 113,000	\$ 105,882	\$ (7,118)
EXPENDITURES				
Debt Service				
Principal	113,000	113,000	46,925	66,075
Interest and Fiscal Charges	-	-	58,957	(58,957)
TOTAL EXPENDITURES	113,000	113,000	105,882	7,118
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -