

UPDATED 10/29/25

LIBERTY COMMON SCHOOL

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2025

LIBERTY COMMON SCHOOL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Liberty Common School

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Liberty Common School, a component unit of the Poudre School District, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Liberty Common School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Liberty Common 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Liberty Common 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, Liberty Common School implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Liberty Common 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 Liberty Common School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Liberty Common School's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
October 14, 2025

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

This section of the financial report is a required component of the annual audit for governmental organizations and is intended to help explain the financial activity for the fiscal year ended June 30, 2025, through a brief narrative overview and analysis of financial statements. All interested persons are encouraged to read this report and to review the financial statements in conjunction with the descriptions of activity as highlighted below.

Financial Highlights

- For fiscal year 2025, Liberty Common School (LCS) experienced an increase in total fund balance of \$24,120,384.
- For fiscal year 2025, Liberty Common School (the school) experienced an increase in the general fund balance of \$2,372,352.
- For fiscal year 2025, the fund balance for the LCS Building Corporation increased by \$21,054,517 due to monies borrowed and spent for the expansion project.

Overview of Financial Statements

The discussion and analysis are intended to serve as an introduction to Liberty Common School's financial statements. This report generally follows the guidelines as set forth by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This rule was intended to help make reports easier to understand for oversight bodies, in particular the Liberty Common School Board of Directors, and for the public. The report consists of two parts: Management's Discussion and Analysis (this section) and the Basic Financial Statements. The Basic Financial Statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements which provide additional and more detailed information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the school's finances in a manner similar to a private-sector business.

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

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

The government-wide financial statements include not only Liberty Common School itself (known as the *primary government*), but also blended component units of the school. Financial information for LCS Building Corporation (LCSBC), a legally separate organization, is for all practical purposes a part of the school and is blended with the primary government. The Core Knowledge Charter School Foundation (the Foundation), also legally separate, is discretely presented in the financial statements.

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Liberty Common School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The school reports ten funds, seven of which are governmental funds: the General fund, the Grants fund, the Athletics fund, the Charitable Giving fund, the Student Activities fund, the Building fund and the Capital Projects fund. The other three funds are comprised of a special revenue fund Liberty Common School Building Corporation, the Core Knowledge Charter School Foundation which is a 501(c)(3) Foundation, and a fiduciary fund for student-managed organizations and activities. Government funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the school's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact for the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The school adopts an annual appropriated budget. A budgetary comparison statement has been provided for the general fund and LCSBC fund to demonstrate compliance with this budget.

The fiduciary fund for student activities is not included in the government-wide financial statements because the resources of this fund are not available to support LCS's own operations.

Notes to Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 9 of this report.

Government-Wide Financial Analysis

The statement of net position may serve over time as a useful indicator of the school's financial position. The school's total net position decreased \$1,366,433 from a deficit of \$4,573,031 (as restated during FY24 yearend) to a deficit of \$5,939,464 during the fiscal year ending June 30, 2025, which represents a 30% increase from the prior year. The increased deficit has to do with one-time activities that occurred during the FY24 school year and the acquisition of the Aristotle and Junior High Campuses; the large deficit was caused by primarily by bond issuance costs.

The school has debt more than its investment in capital assets (site improvements, instructional equipment, computers, and other equipment). The school uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. \$745,000 of net position is restricted to comply with the TABOR amendment. The remaining net position is unrestricted and may be used to meet the school's ongoing obligations.

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Government Activities
Statement of Net Position

	Primary Government	
	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets	\$11,006,236	\$ 7,986,627
Restricted cash and investments	24,190,742	2,812,659
Receivables and Prepaids	669,603	358,786
Capital assets	<u>49,436,787</u>	<u>19,185,831</u>
Total Assets	<u>85,303,368</u>	<u>30,343,903</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred on refunding	-	3,911
Deferred pension and OPEB	<u>5,729,890</u>	<u>8,506,127</u>
Total Deferred Outflows of Resources	<u>5,729,890</u>	<u>8,510,038</u>
LIABILITIES		
Current Liabilities	3,098,384	1,182,019
Long Term Liabilities	<u>93,153,204</u>	<u>41,487,195</u>
Total Liabilities	<u>96,251,588</u>	<u>42,669,214</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension and OPEB inflows	<u>721,134</u>	<u>444,689</u>
Total Deferred Inflows of Resources	<u>721,134</u>	<u>444,689</u>
NET POSITION		
Net investment in capital assets	2,690,552	2,391,907
Restrict for:		
TABOR	745,000	600,000
Debt Service	4,878,100	2,567,721
Repair and replacement		244,938
Unrestricted	<u>(14,253,116)</u>	<u>(10,064,528)</u>
Total Net Position (deficit)	<u>(5,939,464)</u>	<u>(4,259,962)</u>

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Statement of Activities

	Primary Government	
	<u>2025</u>	<u>2024</u>
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,268,301	\$ 2,051,033
Operating Grants and Contributions	1,039,392	1,112,253
Capital Grants and Contributions	560,784	788,177
General Revenues:		
Per Pupil Operating Revenue	16,165,671	14,602,227
Mill Levy Overrides	5,609,484	3,103,034
Unrestricted Earnings on Investments	973,121	485,401
Other	622,643	102,537
Total Revenues	<u>28,239,396</u>	<u>22,244,662</u>
EXPENSES		
Instructional	12,800,007	11,050,463
Support	12,999,493	10,350,134
Interest	3,806,328	828,197
Total Expenses	<u>29,605,828</u>	<u>22,228,794</u>
OTHER FINANCING SOURCES (USES)		
Transfers in (out)		
Net Change in Net Position	<u>(1,366,432)</u>	<u>15,868</u>
Net Position Beginning	(4,259,962)	(4,803,756)
Prior period adjustment	(313,069)	527,926
Net Position Beginning Restated	(4,573,031)	(4,275,830)
Net Position Ending	<u>(5,939,463)</u>	<u>(4,259,962)</u>

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Financial Analysis of the Government's Funds

Liberty Common School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

General Fund

The general fund is used to capture all operating activities of the school. As of the end of the current fiscal year, the school's general fund reported an ending fund balance of \$8,702,366 . Of this balance, \$745,000 is restricted to indicate that it is not available for spending because it is required to be maintained to comply with the TABOR amendment.

Building Corporation Fund

The Building Corp is used to record the proceeds and related expenditures from Poudre School District bond allocations.

Nonmajor Governmental Funds

- **Grants Fund**

The grants fund is used to account for proceeds of Federal grant revenue that is legally restricted to expenditures for specified purposes. As of the end of the current fiscal year, the school's grants fund reported an ending fund balance of \$0, as grant monies are received on a reimbursement basis for expenditures incurred under the respective grants.

- **Athletics Fund**

The Athletics fund is used to record all transactions relating to athletics. The athletic participation fees and revenues recorded are used for the expenses of student athletics events and activities. Note that this fund receives direct transfers from the school's general fund.

- **Charitable Giving Fund**

The Charitable Giving Fund is used to record all transactions related to donations and expenses for associated fundraising activities and related expenditures of the school.

- **Student Activities Fund**

The Student Activities Fund is used to record all revenues and expenses associated with student participation outside of explicit instruction and athletic activities (examples include festivals, field trips, and clubs).

- **Capital Projects Fund**

The capital projects fund is used to account for revenues assigned for ongoing capital needs such as building additions, remodeling, and equipment purchases.

Capital Asset and Debt Administration

Liberty Common School's capital assets increased by \$30,250,956 primarily due to the purchase of the Aristotle and Junior High School campus properties.

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

* Additional information on capital assets can be found in Note 5 on page 21 of this report

GOVERNMENTAL ACTIVITIES	Capital Assets	
	Net of Accumulated Depreciation	
	<u>2025</u>	<u>2024</u>
Buildings	\$ 41,233,660	\$ 13,490,049
Land	2,443,720	2,443,720
Equipment	1,414,268	1,456,096
Vehicles	529,854	616,325
Land Improvements	78,411	258,447
Water Rights	12,864	12,864
Construction in Progress (CIP)	3,533,142	-
Leases	190,868	908,330
Net Capital Assets	<u>49,436,787</u>	<u>19,185,831</u>

Long-Term Debt

The school currently has no debt. LCSBC, however, carries a total bonded debt outstanding of \$69,309,595. The school is required to make an annual lease payment to the LCS Building Corp. for the use of the buildings. Additionally, a portion of Liberty Common School's per pupil allocation from the State of Colorado is withheld monthly for bond payments. The LCS Building Corporation is responsible for making the required loan payments to the Bond Trustee for payment of the bond interest and principal obligations that are due. The details of long-term debt are in Note 7.

GOVERNMENTAL ACTIVITIES	Outstanding Long-Term Debt	
	<u>2025</u>	<u>2024</u>
	Bonds Payable	\$ 70,335,000
Less Discount	<u>(1,025,405)</u>	<u>(144,099)</u>
Net	<u><u>69,309,595</u></u>	<u><u>15,860,901</u></u>

*Additional information on long-term debt and the related facility lease can be found in Note 7 on page 24 of this report.

**LIBERTY COMMON SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Economic Factors and Next Year's Budgets

Elementary and junior high enrollment is expected to increase annually over the next several years because of the continued expansion project which is ongoing through the year 2035. The school opened a third campus (the Aristotle campus) in the fall of 2022 initially starting with 2 tracks each of k-4. The second elementary campus will continue to grow and progressively increase to 3 tracks of each grade k-6 by the 2029-2030 school year.

Enrollment at the school's original campus (the Plato campus) is expected to stay consistent from prior years with full three-track enrollment for grades k-6. Future years are projected to sustain full tracks due to a strong lottery list which is updated monthly.

Enrollment at the high school campus is expected to stay consistent from prior years with full three-track enrollment for grades 7-12. The campus will move to high school only beginning in the 2025-2026 school year with the opening of the new junior high school campus. It is anticipated that the High School will be full due to the funnel of 6 tracks of k-6 moving through the Junior High School.

The school is currently in the first year of operations at the new Junior High School campus. The site houses 6 tracks of grade 7 and 5 tracks of grade 8 during the 2025-2026 school year. The new Junior High School campus will increase to full capacity in the 2026-2027 school year with 6 tracks of 7th grade and 6 tracks of 8th grade.

While Per Pupil revenue increased year over year from FY24 to FY25, financial challenges at the State of Colorado are anticipated to minimally increase the per pupil revenue for the FY26 year. The school is expected to deficit spend during the FY26 year due to completion of construction of the junior high school and anticipated costs associated with starting up a new facility. Current long-term projections show the school returning to equilibrium in FY27 with a positive outlook in future years.

As of October 2025, enrollment is not currently at capacity at the elementary schools which has historically never occurred. The school is currently working on marketing efforts to attract additional students for the remainder of the 2025-2026 school year and beyond. The school's governing board will amend the 2025-2026 operating budget and adjust for actual fall enrollment and per pupil operating revenue, in addition to adjusting other categorical expense areas when October count enrollment and funding levels are known. The amended budget process begins in October and is approved at the December Board of Director's meeting.

Requests for Information

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

Bev Hanawalt
Director of Operations
Liberty Common School
2609 Riverbend Ct
Fort Collins, CO 80525

BASIC FINANCIAL STATEMENTS

**LIBERTY COMMON SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Primary Government <u>Governmental Activities</u>	<u>Component Unit Foundation</u>
ASSETS		
Cash and investments	\$ 11,006,236	\$ 502,273
Restricted cash and investments	24,190,742	-
Receivable from Custodial Fund	571	-
Other receivables	2	-
Due from component unit	910	-
Prepays	668,120	-
Capital assets, not being depreciated	5,989,726	-
Capital assets, net of accumulated depreciation/amortization	43,447,061	-
Total Assets	<u>85,303,368</u>	<u>502,273</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	5,498,598	-
Deferred OPEB outflows	231,292	-
Total Deferred Outflows of Resources	<u>5,729,890</u>	<u>-</u>
LIABILITIES		
Accounts payable and other accrued liabilities	387,136	-
Accrued salaries and benefits	728,826	-
Compensated Absences	4,080	-
Unearned revenue	300,000	-
Accrued interest payable	1,678,342	-
Due to primary government	-	910
Long-term liabilities:		
Due within one year	63,471	-
Due in more than one year	70,009,933	-
Net pension liability	22,677,438	-
Net OPEB liability	402,362	-
Total Liabilities	<u>96,251,588</u>	<u>910</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	503,766	-
Deferred OPEB inflows	217,368	-
Total Deferred Inflows of Resources	<u>721,134</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	2,690,552	-
Restricted for:		
Emergencies	745,000	-
Debt Service	4,878,100	-
Unrestricted	(14,253,116)	501,363
Total Net Position (deficit)	<u>\$ (5,939,464)</u>	<u>\$ 501,363</u>

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

**LIBERTY COMMON SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Foundation
Functions/Programs						
Primary Government						
Governmental activities:						
Instruction	\$ 12,800,008	\$ 3,161,424	\$ 954,931	\$ 560,784	\$ (8,122,869)	\$ -
Supporting services	12,999,493	106,877	84,461	-	(12,808,155)	-
Interest and issuance costs	3,806,328	-	-	-	(3,806,328)	-
Total governmental activities	<u>\$ 29,605,829</u>	<u>\$ 3,268,301</u>	<u>\$ 1,039,392</u>	<u>\$ 560,784</u>	<u>(24,737,352)</u>	<u>-</u>
Component Unit						
Foundation	<u>\$ 1,120</u>	<u>\$ -</u>	<u>\$ 10,209</u>	<u>\$ -</u>		<u>9,089</u>
General revenues:						
Per pupil revenue					16,165,671	-
District mill levy					5,609,484	-
Grants and contributions not restricted to specific programs					548,667	-
Unrestricted investment earnings					973,121	17,771
Gain on sale of assets					49,567	-
Miscellaneous					24,409	-
Total general revenues					<u>23,370,919</u>	<u>17,771</u>
Change in net position					(1,366,433)	26,860
Net position - beginning, as restated (deficit)					<u>(4,573,031)</u>	<u>474,503</u>
Net position - ending (deficit)					<u>\$ (5,939,464)</u>	<u>\$ 501,363</u>

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

**LIBERTY COMMON SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Building Corp Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments	\$ 9,396,253	\$ -	\$ 1,609,983	\$ 11,006,236
Restricted cash and investments	-	24,190,742	-	24,190,742
Receivable from Custodial Fund	-	-	571	571
Other receivables	-	-	2	2
Due from other funds	30,000	-	-	30,000
Due from component unit	-	-	910	910
Prepaid items	359,358	71,615	237,147	668,120
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,785,611</u>	<u>\$ 24,262,357</u>	<u>\$ 1,848,613</u>	<u>\$ 35,896,581</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 350,339	\$ 23,567	\$ 13,230	\$ 387,136
Accrued salaries and benefits	728,826	-	-	728,826
Compensated absences	4,080	-	-	4,080
Unearned revenue	-	300,000	-	300,000
Due to other funds	-	-	30,000	30,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,083,245</u>	<u>323,567</u>	<u>43,230</u>	<u>1,450,042</u>
FUND BALANCE				
Non-spendable	359,358	71,615	237,147	668,120
Restricted for:				
TABOR	745,000	-	-	745,000
Capital projects	-	17,310,733	-	17,310,733
Debt service	-	6,556,442	-	6,556,442
Committed	-	-	1,156,984	1,156,984
Assigned	-	-	411,252	411,252
Unassigned	7,598,008	-	-	7,598,008
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>8,702,366</u>	<u>23,938,790</u>	<u>1,805,383</u>	<u>34,446,539</u>
Total Liabilities and Fund Balances	<u>\$ 9,785,611</u>	<u>\$ 24,262,357</u>	<u>\$ 1,848,613</u>	<u>\$ 35,896,581</u>

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

**LIBERTY COMMON SCHOOL
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 Balance of Governmental Funds	\$	34,446,539
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets not being depreciated	\$	5,989,726
Capital assets, net of accumulated depreciation/amortization	<u>43,447,061</u>	49,436,787
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Long-term debt payable	\$	(69,509,687)
Compensated absences		(563,717)
Accrued interest		(1,678,342)
Net pension liability		(22,677,438)
Pension outflows		5,498,598
Pension inflows		(503,766)
Net OPEB liability		(402,362)
OPEB outflows		231,292
OPEB inflows		<u>(217,368)</u>
		<u>(89,822,790)</u>
Total Net Position of Governmental Activities	\$	<u><u>(5,939,464)</u></u>

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

LIBERTY COMMON SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Building Corp Fund	Nonmajor Governmental Funds	Total
REVENUES				
Local sources	\$ 6,437,571	\$ 3,130,907	\$ 855,504	\$ 10,423,982
State sources	17,552,167	-	-	17,552,167
Federal sources	184,782	-	-	184,782
 Total revenues	 <u>24,174,520</u>	 <u>3,130,907</u>	 <u>855,504</u>	 <u>28,160,931</u>
EXPENDITURES				
Instruction	9,758,913	-	599,720	10,358,633
Supporting services	11,032,765	33,074,913	287,269	44,394,947
Debt service				
Interest	24,005	-	-	24,005
Principal	376,008	-	-	376,008
Issuance costs	-	1,946,062	-	1,946,062
 Total expenditures	 <u>21,191,691</u>	 <u>35,020,975</u>	 <u>886,989</u>	 <u>57,099,655</u>
 Excess (deficiency) of revenues over expenditures	 <u>2,982,829</u>	 <u>(31,890,068)</u>	 <u>(31,485)</u>	 <u>(28,938,724)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(725,000)	-	725,000	-
Proceeds from leases	-	70,335,000	-	70,335,000
Premium (discount) on debt issued	-	(1,051,697)	-	(1,051,697)
Payment to refunded bond escrow agent	-	(16,338,718)	-	(16,338,718)
Insurance recoveries	114,523	-	-	114,523
 Total other financing sources (uses)	 <u>(610,477)</u>	 <u>52,944,585</u>	 <u>725,000</u>	 <u>53,059,108</u>
 Net change in fund balance	 2,372,352	 21,054,517	 693,515	 24,120,384
Fund balance, beginning	<u>6,330,014</u>	<u>2,884,273</u>	<u>1,111,868</u>	<u>10,326,155</u>
Fund balance, ending	<u>\$ 8,702,366</u>	<u>\$ 23,938,790</u>	<u>\$ 1,805,383</u>	<u>\$ 34,446,539</u>

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

**LIBERTY COMMON SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

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

Net Change in Fund Balance of Governmental Funds		\$ 24,120,384
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation/amortization expense	\$ (2,059,362)	
Capital outlays	<u>32,375,274</u>	30,315,912
<p>In the statement of activities, the disposition of capital assets generates a gain or loss and is reported as such. The gain or loss on disposition is not a current financial resource or use and, thus, is not reported in the funds.</p>		
		(64,956)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Loan issued	\$ (69,283,303)	
Loan principal payments	16,338,718	
Lease principal payments	<u>736,842</u>	(52,207,743)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Accrued interest on long-term debt	\$ (1,328,240)	
Amortization of bond premiums and discounts and deferred amounts on refunding	(508,020)	
Compensated absences	(137,802)	
Changes in pension related items	(1,652,349)	
Changes in OPEB related items	<u>96,381</u>	<u>(3,530,030)</u>
Change in Net Position of Governmental Activities		<u>\$ (1,366,433)</u>

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

**LIBERTY COMMON SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025**

	Custodial Fund
ASSETS	
Cash and investments	\$ 25,312
Total assets	25,312
LIABILITIES	
Payable to Student Activities Fund	571
Total liabilities	1,142
NET POSITION	
Restricted for individuals, organizations, and other governments	24,741
Total net position	\$ 24,741

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

**LIBERTY COMMON SCHOOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Custodial Fund
ADDITIONS	
Private contributions	\$ 70,872
Total additions	70,872
DEDUCTIONS	
Administrative expenses	62,824
Total deductions	62,824
Net increase (decrease) in fiduciary net position	8,048
Net position - beginning	16,693
Net position - ending	\$ 24,741

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

NOTES TO FINANCIAL STATEMENTS

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The School was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Poudre School District (the District).

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

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

Discretely Presented Component Unit. The Core Knowledge Charter School Foundation (the Foundation) is a nonprofit entity formed exclusively for charitable and educational purposes, and currently provides support exclusively to the School. The Foundation has a separate governing board. The Foundation is discretely presented in the School's financial statements and does not issue separate financial statements.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

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

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The School reports the following major governmental funds:

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

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

Additionally, the School reports the following fund types:

Special Revenue Funds account for revenue sources that are committed or legally restricted to expenditure for specific purposes.

The *Athletics Fund* accounts for financial transactions related to school sponsored athletic activities.

The *Charitable Giving Fund* for financial transactions related to charitable contributions received and expended.

The *Student Activities Fund* accounts for financial transactions related to school sponsored pupil intrascholastic and interscholastic activities.

Capital Project Funds account for the proceeds, construction and acquisition of capital assets.

The *Building Fund* is used to account for all resources available for acquiring capital sites, buildings and equipment.

The *Capital Projects Fund* is used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment and vehicles.

Fiduciary Funds account for assets held by the School in a trustee capacity or as an agent on behalf of individuals or private organizations.

The *Custodial Fund* reports trust arrangements under which the principal and income benefit student activities and are not used as part of operations of the School.

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the School considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the School the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School.

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and cash equivalents

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

Investments

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

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

Receivables

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

Prepaid items

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

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than \$30,000 are reported as capital assets.

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Buildings	40 years
Land improvements	7-20 years
Equipment	3-15 years
Vehicles	5-7 years

Accrued Salaries and Benefits

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

Unearned Revenue

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

Deferred outflows/inflows of resources

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

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

Leases

Lessee: The School is a lessee for noncancellable leases of equipment. The School recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The School recognizes lease liabilities with an initial, individual value of \$30,000 or more.

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Long-term liabilities

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

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

Pensions

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPEB

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

Net position

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

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

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

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

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

Fund balance classification

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

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

E. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences

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

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

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. ESTIMATES

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

On or before June 30, the budget is adopted by formal resolution. After the adoption of the budget, the board may review and change the budget at any time prior to January 31 of the fiscal year for which the budget was adopted. After January 31, the board may not review or change the budget except where money for a specific purpose from other than ad valorem taxes becomes available which could not have been reasonable foreseen at the time of the adoption of the budget. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between line items within any fund rests with the Head of School. Revisions that alter the total expenditures in any fund must be approved by the Board of Directors. Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances as established by the Board of Directors.

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

Excess of Expenditures over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the General Fund by \$59,041 and the Student Activities Fund by \$40,274. These over-expenditures were funded by greater than anticipated revenues.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2025 is as follows:

Deposits	\$ 884,992
Investments	<u>34,839,571</u>
Total	<u>\$ 35,724,563</u>

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

Cash and investments – Primary Government	\$ 11,006,236
Restricted cash and investments – Primary Government	24,190,742
Cash and investments – Component Unit	502,273
Cash and investments – Fiduciary Fund	<u>25,312</u>
Total	<u>\$ 35,724,563</u>

Cash deposits with financial institutions

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

The carrying amount of the School’s deposits at June 30, 2025 was \$884,992 and the bank balances were \$1,050,193. Of the bank balances, \$500,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

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

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

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2025 the School’s investment balances were as follows:

<u>Investment Type</u>	<u>Year-end Balance</u>	<u>Measurement</u>	<u>Maturity</u>	<u>Standard & Poor’s Rating</u>
ColoTrust	\$ 10,286,424	Net asset value	Less than 90 days	AAAm
Money Market	24,438,958	Amortized cost	Less than 90 days	AAA
Municipal Bonds	<u>114,189</u>	Fair value	Up to five years	Not rated
	<u>\$ 34,839,571</u>			

Local Government Investment Pools. The Colorado Local Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools, which operate in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodians’ internal records identify the investments owned by the participating governments. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the School’s investment in a single issuer. The School places no limit on the amount it may invest in any one issuer. More than 20 percent of the School’s investments are in ColoTrust and Money Markets. These investments are 29.5% and 70.2%, respectively, of the School’s total investments.

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

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

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

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

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

The composition of interfund balances as of June 30, 2025, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 30,000	\$ -
Nonmajor Funds	<u>-</u>	<u>30,000</u>
Total	<u>\$ 30,000</u>	<u>\$ 30,000</u>

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2025, is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 725,000
Nonmajor Funds	<u>725,000</u>	<u>-</u>
Total	<u>\$ 725,000</u>	<u>\$ 725,000</u>

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land	\$ 2,443,720	\$ -	\$ -	\$ 2,443,720
Water rights	12,864	-	-	12,864
Construction in progress	-	3,533,142	-	3,533,142
Total capital assets not being depreciated	<u>2,456,584</u>	<u>3,533,142</u>	<u>-</u>	<u>5,989,726</u>
Capital assets being depreciated:				
Buildings	20,183,924	28,630,000	-	48,813,924
Vehicles	951,331	59,900	(180,314)	830,917
Land improvements	862,614	-	-	862,614
Equipment	2,284,951	152,232	-	2,437,183
Total capital assets being depreciated	<u>24,282,820</u>	<u>28,842,132</u>	<u>(180,314)</u>	<u>52,944,638</u>
Less accumulated depreciation for:				
Buildings	(6,693,875)	(886,389)	-	(7,580,264)
Vehicles	(335,006)	(81,415)	115,358	(301,063)
Land improvements	(604,167)	(180,036)	-	(784,203)
Equipment	(828,855)	(194,060)	-	(1,022,915)
Total accumulated depreciation	<u>(8,461,903)</u>	<u>(1,341,900)</u>	<u>115,358</u>	<u>(9,688,445)</u>
Total capital assets being depreciated, net	<u>15,820,917</u>	<u>27,500,232</u>	<u>(64,956)</u>	<u>43,256,193</u>
Lease assets being amortized:				
Buildings and improvements	1,961,520	-	(1,961,520)	-
Furniture and equipment	318,112	-	-	318,112
Total lease assets being amortized	<u>2,279,632</u>	<u>-</u>	<u>(1,961,520)</u>	<u>318,112</u>
Less accumulated amortization for:				
Buildings and improvements	(1,307,680)	(653,840)	1,961,520	-
Furniture and equipment	(63,622)	(63,622)	-	(127,244)
Total accumulated amortization	<u>(1,371,302)</u>	<u>(717,462)</u>	<u>1,961,520</u>	<u>(127,244)</u>
Total lease assets being amortized, net	<u>908,330</u>	<u>(717,462)</u>	<u>-</u>	<u>190,868</u>
Capital assets, net of accumulated depreciation/amortization	<u>16,729,247</u>	<u>26,782,770</u>	<u>(64,956)</u>	<u>43,447,061</u>
Total governmental activities capital assets	<u>\$ 19,185,831</u>	<u>\$ 30,315,912</u>	<u>\$ (64,956)</u>	<u>\$ 49,436,787</u>

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 - CAPITAL ASSETS

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

Governmental Activities

Instruction	\$ <u>2,059,362</u>
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NOTE 6 – LEASES

School as lessee

The School, as a lessee, has entered into lease agreements involving equipment and buildings with lease terms ranging from two to four years. The total costs of these right-to-use lease assets are recorded as \$318,112, less accumulated amortization of \$127,244. The School has determined that as of June 30, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2025 are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 63,471	\$ 10,005	\$ 73,476
2027	66,645	6,831	73,476
2028	<u>69,977</u>	<u>3,498</u>	<u>73,475</u>
Total	<u>\$ 200,093</u>	<u>\$ 20,334</u>	<u>\$ 220,427</u>

Building Loan

In December 2024, the US Bank issued \$70,010,000 Charter School Refunding and Improvement Revenue Bonds, Series 2024A, and \$325,000 Charter School Revenue Bonds, Series 2024B. Bond Proceeds were used to refund the Charter School Revenue Refunding and Improvement Bonds, Series 2014 and Series 2015, originally loaned to the Building Corporation to finance improvements to the School’s education facilities, and the Charter School Revenue Bonds, Series 2011, originally loaned to the Building Corporation to acquire and construct a middle/high school facility. Interest accrues on the bonds at rates ranging from 4.25% to 5 % per annum and is payable semi-annually on January 15 and July 15. Principal payments are due annually on January 15, from 2027 through 2064.

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

The School is obligated under a lease agreement to make monthly lease payments to the Building Corporation for using the facilities. The Building Corporation is required to make equal payments to the trustee, for payment of the bonds.

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ -	\$ 3,430,749
2027	375,000	3,199,663
2028	715,000	3,180,113
2029	750,000	3,143,538
2030	785,000	3,106,038
2031-2035	4,560,000	14,900,438
2036-2040	5,820,000	13,640,188
2041-2045	7,430,000	12,032,188
2046-2050	9,490,000	9,978,688
2051-2055	11,820,000	7,624,288
2056-2060	14,560,000	4,889,200
2061-2064	14,030,000	1,521,925
Total	<u>\$ 70,335,000</u>	<u>\$ 80,647,012</u>

Changes in the School’s long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Due Within One year
<i>Governmental Activities</i>					
Loan payable	\$ 16,005,000	\$ 70,335,000	\$(16,005,000)	\$ 70,335,000	\$ -
Discount	(144,099)	(1,051,697)	170,391	(1,025,405)	-
Total loan payable	<u>15,860,901</u>	<u>69,283,303</u>	<u>(15,834,609)</u>	<u>69,309,595</u>	<u>-</u>
Compensated absences	429,418	138,379	-	567,797	4,080
Leases	936,934	-	(736,842)	200,092	63,471
Net pension liability	23,997,081	2,093,744	(3,413,387)	22,677,438	-
Net OPEB liability	<u>579,433</u>	<u>36,270</u>	<u>(213,341)</u>	<u>402,362</u>	<u>-</u>
Total Governmental Activities	<u>\$ 41,803,767</u>	<u>\$ 71,551,696</u>	<u>\$(20,198,179)</u>	<u>\$ 93,157,284</u>	<u>\$ 67,551</u>

The change in the compensated absences liability is presented as a net change.

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

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

Contributions provisions as of June 30, 2025: Eligible employees of, Liberty Common School and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2024 through June 30, 2025. Employer contribution requirements are summarized in the table below:

	July 1, 2024 Through June 30, 2025
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Liberty Common School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Liberty Common School were \$2,194,880 for the year ended June 30, 2025.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million direct distribution each year to PERA starting on July 1, 2018. For 2024, a portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund.

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

The net pension liability for the SCHDTF was measured as of December 31, 2024, and the total pension liability (TPL) 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 TPL to December 31, 2024. The Liberty Common School proportion of the net pension liability was based on Liberty Common School contributions to the SCHDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2025, the Liberty Common School reported a liability of \$22,677,438 for its proportionate share of the net pension liability that reflected a decrease for support from the State as a nonemployer contributing entity. The amount recognized by the Liberty Common School as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Liberty Common School were as follows:

Liberty Common School proportionate share of the net pension liability	\$ 22,677,438
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the Liberty Common School	2,036,794
Total	\$ 24,714,232

At December 31, 2024, the Liberty Common School proportion was 0.1314260836%, which was a decrease of 0.0042777496% from its proportion measured as of December 31, 2023.

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2025, the Liberty Common School recognized pension expense of \$1,652,349 and revenue of \$214,796 for support from the State as a nonemployer contributing entity. At June 30, 2025, the Liberty Common School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,284,189	\$ -
Changes of assumptions or other inputs	170,015	-
Net difference between projected and actual earnings on pension plan investments	427,860	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,502,734	503,766
Contributions subsequent to the measurement date	1,113,800	N/A
Total	<u>\$ 5,498,598</u>	<u>\$ 503,766</u>

\$1,113,800 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 2,865,924
2027	2,022,244
2028	(701,987)
2029	(305,149)
2030	-
Thereafter	-

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% – 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older
		Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023, valuation were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

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 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.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Salary increases, including wage inflation: 4.00%-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.

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. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	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 weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 30,745,350	\$ 22,677,438	\$ 15,919,434

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- There were no changes made to the plan provisions.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

Subsequent Events

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

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

General Information about the OPEB Plan

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

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

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

PERA Benefit Structure

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

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Liberty Common School is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Liberty Common School were \$109,853 for the year ended June 30, 2025.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

At June 30, 2025, the Liberty Common School reported a liability of \$402,362 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability (TOL) 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 TOL to December 31, 2024.

The Liberty Common School proportion of the net OPEB liability was based on Liberty Common School contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

At December 31, 2024, the Liberty Common School proportion was 0.0841467066%, which was an increase of 0.0029625372% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the Liberty Common School recognized OPEB expense of \$(96,381). At June 30, 2025, the Liberty Common School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 88,753
Changes of assumptions or other inputs	4,614	128,615
Net difference between projected and actual earnings on OPEB plan investments	1,364	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	169,568	-
Contributions subsequent to the measurement date	55,746	N/A
Total	\$ 231,292	\$ 217,368

\$55,746 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (4,340)
2027	3,574
2028	(14,025)
2029	(8,124)
2030	(9,818)
Thereafter	(9,089)

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Actuarial assumptions. The December 31, 2023 actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) 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.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, 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 were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Age-Related Morbidity Assumptions

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$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 Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$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 \$505 per month.

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

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

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare 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 to reflect the estimated impact of the Inflation Reduction Act for that plan option. enrollees not eligible for premium-free Medicare Part A.

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

Year	PERACare Medicare Plans¹	MAPD PPO #21	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%

¹ Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Healthy Retiree	Males: 112% of the rates prior to age 80/ 94% of the rates age 80 and older Females: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages

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

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the 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 date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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 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.

Salary increases, including wage inflation 4.00%-13.40%

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

- 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 adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, 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 State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	Mortality Table	Adjustments, as Applicable
School Division	PubT-2010 Healthy Retiree	Males: 106% of the rates for all ages Females: 86% of the rates prior to age 85/ 115% of the rates age 85 and older
Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages

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

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

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

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

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

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate ¹	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate ¹	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate ¹	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 391,521	\$ 402,362	\$ 414,630

¹For the January 1, 2025, plan year.

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Discount rate. The discount rate used to measure the TOL was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). 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 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health 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.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 493,101	\$ 402,362	\$ 324,134

LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

Significant Changes in Plan Provisions Affecting Trends in Actuarial Information
2024 Changes in Plan Provision Since 2023

- As of the December 31, 2024, measurement date, the FNP 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.

Significant Changes in Assumptions or Other Inputs Affecting Trends in Actuarial Information
2024 Changes in Assumptions or Other Inputs Since 2023

- 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.

NOTE 10 - RISK MANAGEMENT

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

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

**LIBERTY COMMON SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 12 - TAX, SPENDING, AND DEBT LIMITATIONS

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

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The School is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2025 there is a \$745,000 reservation of fund balance in the General Fund for the amendment.

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

NOTE 13 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

The School implemented GASB Statement No. 101, *Compensated Absences*, effective July 1, 2024. This statement establishes specific criteria for identifying activities that should be reported as compensated absences. The effect of implementing this new standard is shown in the table below.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Government-Wide	
	Governmental Activities	
June 30, 2024, as previously reported	\$	(4,259,962)
<i>Adoption of new accounting standard</i>		
GASB 101 implementation		(313,069)
June 30, 2024, as restated	\$	(4,573,031)

REQUIRED SUPPLEMENTARY INFORMATION

LIBERTY COMMON SCHOOL
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2025

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's proportion of the net pension liability (asset)	0.1314260836%	0.1357038332%	0.0946713530%	0.0967193508%	0.1046955898%	0.0871846372%	0.0810177821%	0.0906632641%	0.0900054997%	0.0872008066%
School's proportionate share of the net pension liability (asset)	\$ 22,677,438	\$ 23,997,081	\$ 17,239,147	\$ 11,255,585	\$ 15,827,861	\$ 13,025,196	\$ 14,345,862	\$ 29,317,277	\$ 26,798,118	\$ 13,336,748
State's proportionate share of the net pension liability (asset) associated with the School	2,036,794	526,185	5,023,661	1,290,309	-	1,652,080	1,961,598	-	-	-
Total	<u>\$ 24,714,232</u>	<u>\$ 24,523,266</u>	<u>\$ 22,262,808</u>	<u>\$ 12,545,894</u>	<u>\$ 15,827,861</u>	<u>\$ 14,677,276</u>	<u>\$ 16,307,460</u>	<u>\$ 29,317,277</u>	<u>\$ 26,798,118</u>	<u>\$ 13,336,748</u>
School's covered payroll	\$ 10,155,902	\$ 8,971,249	\$ 7,302,802	\$ 6,044,655	\$ 5,599,267	\$ 5,123,519	\$ 4,453,983	\$ 4,182,189	\$ 4,039,608	\$ 3,800,191
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	223.29%	267.49%	236.06%	186.21%	282.68%	254.22%	322.09%	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	67.2%	64.7%	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%

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

See the accompanying independent auditors' report.

LIBERTY COMMON SCHOOL
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,194,880	\$ 1,942,491	\$ 1,683,856	\$ 1,281,724	\$ 1,133,295	\$ 1,079,423	\$ 890,411	\$ 798,849	\$ 756,696	\$ 695,577
Contributions in relation to the contractually required contribution	<u>(2,194,880)</u>	<u>(1,942,491)</u>	<u>(1,683,856)</u>	<u>(1,281,724)</u>	<u>(1,133,295)</u>	<u>(1,079,423)</u>	<u>(890,411)</u>	<u>(798,849)</u>	<u>(756,696)</u>	<u>(695,577)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 10,769,775	\$ 9,531,361	\$ 8,262,297	\$ 6,447,304	\$ 5,700,679	\$ 5,569,778	\$ 4,654,527	\$ 4,231,192	\$ 4,116,953	\$ 3,923,164
Contributions as a percentage of covered payroll	20.38%	20.38%	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%

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

See the accompanying independent auditors' report.

**LIBERTY COMMON SCHOOL
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2025**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School's proportion of the net OPEB liability (asset)	0.0841467066%	0.0811841694%	0.0718861558%	0.0631432769%	0.0605549602%	0.0569498652%	0.0526619978%	0.0515145210%
School's proportionate share of the net OPEB liability (asset)	\$ 402,362	\$ 579,433	\$ 586,935	\$ 544,488	\$ 575,408	\$ 640,115	\$ 716,489	\$ 669,483
School's covered payroll	\$ 10,155,902	\$ 8,971,249	\$ 7,302,802	\$ 6,044,655	\$ 5,599,267	\$ 5,123,519	\$ 4,453,983	\$ 4,182,189
School's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	3.96%	6.46%	8.04%	9.01%	10.28%	12.49%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	59.8%	46.2%	38.6%	39.4%	32.8%	24.5%	17.0%	17.5%

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

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

See the accompanying independent auditors' report.

LIBERTY COMMON SCHOOL
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 109,853	\$ 97,219	\$ 84,278	\$ 65,890	\$ 58,139	\$ 56,812	\$ 47,476	\$ 43,151
Contributions in relation to the contractually required contribution	<u>(109,853)</u>	<u>(97,219)</u>	<u>(84,278)</u>	<u>(65,890)</u>	<u>(58,139)</u>	<u>(56,812)</u>	<u>(47,476)</u>	<u>(43,151)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 10,769,775	\$ 9,531,361	\$ 8,262,297	\$ 6,447,304	\$ 5,700,679	\$ 5,569,778	\$ 4,654,527	\$ 4,231,192
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

See the accompanying independent auditors' report.

LIBERTY COMMON SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	\$ 3,638,400	\$ 5,514,963	\$ 6,437,571	\$ 922,608
State sources	16,937,631	17,126,116	17,552,167	426,051
Federal sources	200,000	184,783	184,782	(1)
 Total revenues	 <u>20,776,031</u>	 <u>22,825,862</u>	 <u>24,174,520</u>	 <u>1,348,658</u>
EXPENDITURES				
Instruction	9,992,283	9,839,219	9,758,913	80,306
Supporting Services	8,138,760	8,532,701	11,032,765	(2,500,064)
Debt service				
Interest	-	-	24,005	(24,005)
Principal	740,500	390,000	376,008	13,992
Facilities acquisition and construction	100,000	50,000	-	50,000
Appropriated reserves	1,299,728	2,320,730	-	2,320,730
 Total expenditures	 <u>20,271,271</u>	 <u>21,132,650</u>	 <u>21,191,691</u>	 <u>(59,041)</u>
Excess (deficiency) of revenues over expenditures	<u>504,760</u>	<u>1,693,212</u>	<u>2,982,829</u>	<u>1,289,617</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(235,000)	(545,000)	(725,000)	(180,000)
Insurance recoveries	-	-	114,523	114,523
 Total other financing sources (uses)	 <u>(235,000)</u>	 <u>(545,000)</u>	 <u>(610,477)</u>	 <u>(65,477)</u>
 Net change in fund balances	 269,760	 1,148,212	 2,372,352	 1,224,140
 Fund balances - beginning, as restated	 <u>6,022,344</u>	 <u>6,330,014</u>	 <u>6,330,014</u>	 <u>-</u>
 Fund balance - ending	 <u>\$ 6,292,104</u>	 <u>\$ 7,478,226</u>	 <u>\$ 8,702,366</u>	 <u>\$ 1,224,140</u>

See the accompanying Independent Auditors' Report.

LIBERTY COMMON SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING CORP FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 1,386,675	\$ 2,663,330	\$ 3,130,907	\$ 467,577
EXPENDITURES				
Supporting Services	5,309	33,370,153	33,074,913	295,240
Debt service				
Issuance costs	-	-	1,946,062	(1,946,062)
Appropriated reserves	1,253,856	2,005,324	-	2,005,324
 Total expenditures	 1,259,165	 35,375,477	 35,020,975	 354,502
 Excess (deficiency) of revenues over expenditures	 127,510	 (32,712,147)	 (31,890,068)	 822,079
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	69,283,303	70,335,000	1,051,697
Premium (discount) on debt issued	-	-	(1,051,697)	(1,051,697)
Payment to refunded bond escrow agent	-	(16,720,646)	(16,338,718)	381,928
 Total other financing sources (uses)	 -	 52,562,657	 52,944,585	 381,928
 Net change in fund balances	 127,510	 19,850,510	 21,054,517	 1,204,007
Fund balances - beginning	3,190,607	2,884,273	2,884,273	(163,643)
Fund balance - ending	\$ 3,318,117	\$ 22,734,783	\$ 23,938,790	\$ 1,040,364

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

**LIBERTY COMMON SCHOOL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Athletics Fund	Charitable Giving Fund	Student Activities Fund	Building Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	\$ 56,875	\$ 964,935	\$ 56,255	\$ 120,666	\$ 411,252	\$ 1,609,983
Receivable from Custodial Fund	-	-	571	-	-	571
Other receivables	-	2	-	-	-	2
Due from component unit	-	910	-	-	-	910
Prepaid items	-	7,562	1,250	-	228,335	237,147
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 56,875</u>	<u>\$ 973,409</u>	<u>\$ 58,076</u>	<u>\$ 120,666</u>	<u>\$ 639,587</u>	<u>\$ 1,848,613</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 298	\$ 5,503	\$ 7,429	\$ -	\$ -	\$ 13,230
Due to other funds	-	-	30,000	-	-	30,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>298</u>	<u>5,503</u>	<u>37,429</u>	<u>-</u>	<u>-</u>	<u>43,230</u>
FUND BALANCE						
Non-spendable	-	7,562	1,250	-	228,335	237,147
Committed	56,577	960,344	19,397	120,666	-	1,156,984
Assigned	-	-	-	-	411,252	411,252
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>56,577</u>	<u>967,906</u>	<u>20,647</u>	<u>120,666</u>	<u>639,587</u>	<u>1,805,383</u>
Total Liabilities and Fund Balance	<u>\$ 56,875</u>	<u>\$ 973,409</u>	<u>\$ 58,076</u>	<u>\$ 120,666</u>	<u>\$ 639,587</u>	<u>\$ 1,848,613</u>

See the accompanying independent auditors' report

**LIBERTY COMMON SCHOOL
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Athletics Fund	Charitable Giving Fund	Student Activities Fund	Building Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES						
Local sources	\$ 160,995	\$ 466,720	\$ 227,789	\$ -	\$ -	\$ 855,504
EXPENDITURES						
Instruction	351,253	19,196	220,855	-	8,416	599,720
Supporting services	5,707	90,282	3,369	-	187,911	287,269
Total expenditures	356,960	109,478	224,224	-	196,327	886,989
Excess (deficiency) of revenues over expenditures	(195,965)	357,242	3,565	-	(196,327)	(31,485)
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	225,000	-	-	-	500,000	725,000
Net change in fund balance	29,035	357,242	3,565	-	303,673	693,515
Fund balance, beginning	27,542	610,664	17,082	120,666	335,914	1,111,868
Fund balance, ending	\$ 56,577	\$ 967,906	\$ 20,647	\$ 120,666	\$ 639,587	\$ 1,805,383

See the accompanying independent auditors' report.

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ATHLETICS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	\$ 156,489	\$ 160,995	\$ 4,506
EXPENDITURES			
Instruction	393,882	351,253	42,629
Supporting Services	5,000	5,707	(707)
Total expenditures	398,882	356,960	41,922
Excess (deficiency) of revenues over expenditures	(242,393)	(195,965)	46,428
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	245,000	225,000	(20,000)
Net change in fund balances	2,607	29,035	26,428
Fund balances - beginning	27,543	27,542	\$ (1)
Fund balance - ending	\$ 30,150	\$ 56,577	\$ 26,427

See the accompanying Independent Auditors' Report.

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHARITABLE CONTRIBUTIONS FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	\$ 406,110	\$ 466,720	\$ 60,610
EXPENDITURES			
Instruction	19,532	19,196	336
Supporting Services	119,595	90,282	29,313
Total expenditures	139,127	109,478	29,649
Net change in fund balances	266,983	357,242	90,259
Fund balances - beginning	610,664	610,664	-
Fund balance - ending	\$ 877,647	\$ 967,906	\$ 90,259

See the accompanying Independent Auditors' Report.

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STUDENT ACTIVITIES FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	\$ 187,255	\$ 227,789	\$ 40,534
EXPENDITURES			
Instruction	179,950	220,855	(40,905)
Supporting Services	4,000	3,369	631
Total expenditures	183,950	224,224	(40,274)
Net change in fund balances	3,305	3,565	260
Fund balances - beginning	17,082	17,082	-
Fund balance - ending	\$ 20,387	\$ 20,647	\$ 260

See the accompanying Independent Auditors' Report.

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	\$ -	\$ -	\$ -
EXPENDITURES			
Supporting Services	-	-	-
Total expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning	120,666	120,666	-
Fund balance - ending	<u>\$ 120,666</u>	<u>\$ 120,666</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report.

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	\$ -	\$ -	\$ -
EXPENDITURES			
Instruction	-	8,416	(8,416)
Supporting Services	221,600	187,911	33,689
Facilities acquisition and construction	281,317	-	281,317
 Total expenditures	 502,917	 196,327	 306,590
 Excess (deficiency) of revenues over expenditures	 (502,917)	 (196,327)	 306,590
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	300,000	500,000	200,000
 Net change in fund balances	 (202,917)	 303,673	 506,590
 Fund balances - beginning	 335,914	 335,914	 -
 Fund balance - ending	 \$ 132,997	 \$ 639,587	 \$ 506,590

See the accompanying Independent Auditors' Report.