LIBERTY COMMON SCHOOL

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2023

LIBERTY COMMON SCHOOL
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JUNE 30, 2023

Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2023 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, 2023 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.

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

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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 6, 2023

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, 2023, 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 2023, Liberty Common School (LCS) experienced a decrease in total fund balance of $498,605.

- For fiscal year 2023, Liberty Common School (the school) experienced a decrease in the general fund balance of $780,636.

- For fiscal year 2023, the fund balance for the LCS Building Corporation increased by $165,364 due to higher interest rates and return on invested monies.

- A restatement of fiscal year 2022 was required when preparing fiscal year 2023 financial statements resulting in lowering of net position for fiscal year end 2022 from ($3,867,897) down to ($4,117,897). The restatement was due to a timing delay in a physical transfer of monies from one fund to another.

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.

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 (LCSBC), a 501(c)(3) Foundation, and a fiduciary fund for student-led organizations and activities. Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the school's near-term financing requirements.

Because the focus of 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 accounts for resources held for student activities. The fiduciary fund 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 by $685,859 from a deficit of $4,117,897 to a deficit of $4,803,756 during the fiscal year ending June 30, 2023, which represents a 16.6% decrease from the prior year. This decrease is primarily due to the opening of the Aristotle campus; the decrease in net position was anticipated in the budget and is not forecast to recur in future periods.

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. $517,000 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.

Government Activities

Statement of Net Position

	Primary Government 2023	Primary Government 2022
ASSETS		
Current Assets	$ 6,240,238	$ 6,946,887
Restricted cash and investments	2,970,963	3,052,246
Receivables and Prepaids	529,372	99,192
Capital assets	19,385,425	17,955,334
Total Assets	29,125,998	28,053,659
DEFERRED OUTLFOWS OF RESOURCES		
Deferred on refunding	10,420	-
Deferred pension and OPEB	3,906,318	3,121,372
Total Deferred Outflows of Resources	3,916,738	3,121,372
LIABILITIES		
Current Liabilities	1,335,993	952,213
Long Term Liabilities	35,500,560	28,624,202
Total Liabilities	36,836,553	29,576,415
DEFERRED INFLOWS OF RESOURCES		
Deferred pension and OPEB inflows	1,009,939	5,466,514
Total Deferred Inflows of Resources	1,009,939	5,466,514
NET POSITION		
Net investment in capital assets	1,721,367	1,148,135
Restrict for:		
TABOR	517,000	395,000
Debt Service	2,727,290	2,812,189
Repair and replacement	243,673	240,057
Unrestricted	(10,013,086)	(8,463,287)
Total Net Position (deficit)	(4,803,756)	(3,867,898)

Statement of Activities

	Primary Government 2023	Primary Government 2022
REVENUES		
Program Revenues:		
Charges for Services	$ 1,935,612	$ 1,614,325
Operating Grants and Contributions	1,455,107	1,170,845
Capital Grants and Contributions	405,805	340,305
General Revenues:		
Per Pupil Operating Revenue	12,187,706	9,666,290
Mill Levy Overrides	2,709,294	2,281,443
Unrestricted Earnings on Investments	258,710	8,650
Other	46,977	34,927
Total Revenues	18,999,211	15,116,785
EXPENSES		
Instructional	9,358,176	5,045,086
Support	8,718,843	5,815,135
Interest	1,608,051	821,049
Total Expenses	19,685,070	11,681,270
OTHER FINANCING SOURCES (USES)		
Transfers in (out)		
Net Change in Fund Balance	(685,859)	3,435,515
Fund Balance Beginning	(3,867,897)	(7,303,412)
Prior period adjustment	(250,000)	
Fund Balance Beginning Restated	(4,117,897)	(7,303,412)
Fund Balance Ending	(4,803,756)	(3,867,897)

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 $4,976,501 (note that the fund balance change was impacted due to a prior period adjustment of $250,000; for the year ended June 30, 2022, the ending fund balance has been restated as $5,757,137; the original audited financials states ending fund balance of $6,007,137. Of this balance, $517,000 is restricted to indicate that it is not available for spending because it is required to be maintained to comply with the TABOR amendment.

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 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).

- **Building Fund**

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

- **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 $1,430,090 primarily due to the lease for the Aristotle campus (GASB 87 compliance requires recognition of a leased asset over its estimated useful life).

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	Capital Assets Net of Accumulated Depreciation	
	2023	2022
GOVERNMENTAL ACTIVITIES		
Buildings	$ 13,232,936	$ 13,774,423
Land	2,433,720	2,433,720
Equipment	1,763,192	1,010,119
Vehicles	134,146	332,778
Land Improvements	447,740	303,763
Water Rights	12,864	12,864
Construction in Progress (CIP)	18,430	33,999
Leases	1,342,397	53,669
Net Capital Assets	19,385,425	17,955,335

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

Long-Term Debt

The school currently has no debt. LCSBC, however, carries a total bonded debt outstanding of $16,323,809. The school is required to make monthly lease payments to the LCS Building Corp. for the use of the buildings. 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.

	Outstanding Long-Term Debt	
	2023	2022
GOVERNMENTAL ACTIVITIES		
Bonds Payable	$ 16,475,000	$ 16,930,000
Less Discount	(151,191)	(158,283)
Net	16,323,809	16,771,717

**Additional information on long-term debt and the related facility lease can be found in Note 7 on pages 23 and 24 of this report.*

Economic Factors and Next Year's Budgets

Elementary School enrollment is expected to increase in the 2023-2024 school year because of the continued expansion project. The school opened a third campus (the Aristotle campus) in the fall of 2022 to enroll two additional tracks of students in each of grades k-4. In the fall of 2023, the Aristotle campus added a 3rd track of kindergarten and added 5th grade. The school will continue to expand into 6th grade during the 2024-2025 school year and progressively increase to 3 tracks of each grade 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. Future years years are projected to sustain full tracks due to a strong lottery.

The growth of the Aristotle campus creates an additional pipeline of incoming 7th graders into the Junior High School. A task force with school staff and LCSBC members is currently assessing additional expansion options that will eventually allow for 6 tracks of grades 7-12 to match the incoming 3 tracks per elementary campus of 6th graders. While there will be additional per pupil funding as enrollment increases, additional buildings and debt will be required in future years to accommodate the expected student numbers.

More than 800 prospective students were on either the priority list or the lottery list as of September 28, 2023. Prospective students include kindergarten students enrolling for fall 2025 through 10th-grade students graduating in 2026. The school's governing board will amend the 2023-2024 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:

Noelle Currell
Director of Finance
Liberty Common School
2130 W. Horsetooth Rd
Fort Collins, CO 80526

BASIC FINANCIAL STATEMENTS

LIBERTY COMMON SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government	Component Unit
	Governmental Activities	Foundation
ASSETS		
Cash and investments	$ 6,240,238	$ 382,259
Restricted cash and investments	2,970,963	-
Intergovernmental receivable	345,766	
Due from primary government	-	4,746
Prepaids	183,606	-
Capital assets, not being depreciated	2,475,014	-
Capital assets, net of accumulated depreciation/amortization	16,910,411	-
Total Assets	29,125,998	387,005
DEFERRED OUTFLOWS OF RESOURCES		
Deferred on refunding	10,420	-
Deferred pension outflows	3,658,907	-
Deferred OPEB outflows	247,411	-
Total Deferred Outflows of Resources	3,916,738	-
LIABILITIES		
Accounts payable and other accrued liabilities	303,884	-
Accrued salaries and benefits	598,316	-
Unearned revenue	71,238	-
Due to component unit	4,746	
Accrued interest payable	357,809	-
Long-term liabilities:		-
Due within one year	1,139,041	-
Due in more than one year	16,535,437	-
Net pension liability	17,239,147	-
Net OPEB liability	586,935	-
Total Liabilities	36,836,553	-
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	803,219	-
Deferred OPEB inflows	206,720	-
Total Deferred Inflows of Resources	1,009,939	-
NET POSITION		
Net investment in capital assets	1,721,367	-
Restricted for:		-
Emergencies	517,000	-
Debt Service	2,727,290	-
Repair and replacement	243,673	-
Unrestricted	(10,013,086)	387,005
Total Net Position (deficit)	$ (4,803,756)	$ 387,005

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

LIBERTY COMMON SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenue			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Foundation
<u>Functions/Programs</u>						
Primary Government						
Governmental activities:						
Instruction	$ 9,358,176	$ 1,935,612	$ 1,455,107	$ 405,805	$ (5,561,652)	$ -
Supporting services	8,718,843	-	-	-	(8,718,843)	-
Interest	1,608,051	-	-	-	(1,608,051)	-
Total governmental activities	$19,685,070	$ 1,935,612	$ 1,455,107	$ 405,805	(15,888,546)	-
Component Unit						
Foundation	$ 259,842	$ -	$ 37,642	$ -		(222,200)
	General revenues:					
	Per pupil revenue				12,187,706	-
	District mill levy				2,709,294	-
	Unrestricted investment earnings				258,710	3,886
	Miscellaneous				46,977	-
	Total general revenues				15,202,687	3,886
	Change in net position				(685,859)	(218,314)
	Net position - beginning (deficit)				(3,867,897)	605,319
	Prior period adjustment				(250,000)	-
	Net position - beginning, as restated (deficit)				(4,117,897)	605,319
	Net position - ending (deficit)				$ (4,803,756)	$ 387,005

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

LIBERTY COMMON SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Building Corp Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and investments	$ 5,695,769	$ -	$ 544,469	$ 6,240,238
Restricted cash and investments	-	2,970,963	-	2,970,963
Intergovernmental receivables	345,766	-	-	345,766
Due from other funds	24,487	8,939	250,000	283,426
Due from component unit	3,324	-	-	3,324
Prepaid items	111,992	71,614	-	183,606
Total Assets	$ 6,181,338	$ 3,051,516	$ 794,469	$ 10,027,323
LIABILITIES				
Accounts payable and other accrued liabilities	$ 276,344	$ 3,600	$ 23,940	$ 303,884
Accrued salaries and benefits	598,316	-	-	598,316
Unearned revenue	71,238	-	-	71,238
Due to other funds	258,939	-	24,487	283,426
Due to component unit	-	-	8,070	8,070
Total Liabilities	1,204,837	3,600	56,497	1,264,934
FUND BALANCE				
Non-spendable	111,992	71,614	-	183,606
Restricted for:				
Debt service	-	2,732,629	-	2,732,629
Repair and replacement	-	243,673	-	243,673
TABOR	517,000	-	-	517,000
Committed	-	-	336,430	336,430
Assigned	-	-	401,542	401,542
Unassigned	4,347,509	-	-	4,347,509
Total Fund Balance	4,976,501	3,047,916	737,972	8,762,389
Total Liabilities and Fund Balances	$ 6,181,338	$ 3,051,516	$ 794,469	$ 10,027,323

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, 2023

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

Total Fund Balance of Governmental Funds		$ 8,762,389
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	$ 2,475,014	
Capital assets, net of accumulated depreciation/amortization	16,910,411	19,385,425
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	$ (17,674,478)	
Accrued interest	(357,809)	
Deferred on refunding	10,420	
Net pension liability	(17,239,147)	
Pension outflows	3,658,907	
Pension inflows	(803,219)	
Net OPEB liability	(586,935)	
OPEB outflows	247,411	
OPEB inflows	(206,720)	(32,951,570)
Total Net Position of Governmental Activities		$ (4,803,756)

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, 2023

	General Fund	Building Corp Fund	Nonmajor Governmental Funds	Total
REVENUES				
Local sources	$ 3,649,791	$ 1,425,437	$ 577,899	$ 5,653,127
State sources	13,703,477	-	-	13,703,477
Federal sources	-	-	75,090	75,090
Total revenues	17,353,268	1,425,437	652,989	19,431,694
EXPENDITURES				
Instruction	8,465,367	-	625,107	9,090,474
Supporting services	7,892,858	8,967	952,553	8,854,378
Debt service				
Interest	71,078	796,106	-	867,184
Principal	663,263	455,000	-	1,118,263
Facilities acquisition and construction	1,961,520	-	-	1,961,520
Total expenditures	19,054,086	1,260,073	1,577,660	21,891,819
Excess (deficiency) of revenues over expenditures	(1,700,818)	165,364	(924,671)	(2,460,125)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(1,041,338)	-	1,041,338	-
Proceeds from leases	1,961,520	-	-	1,961,520
Total other financing sources (uses)	920,182	-	1,041,338	1,961,520
Net change in fund balance	(780,636)	165,364	116,667	(498,605)
Fund balance - beginning	6,007,137	2,882,552	621,305	9,510,994
Prior period adjustment	(250,000)	-	-	(250,000)
Fund balance, beginning, as restated	5,757,137	2,882,552	621,305	9,260,994
Fund balance, ending	$ 4,976,501	$ 3,047,916	$ 737,972	$ 8,762,389

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, 2023

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

Net Change in Fund Balance of Governmental Funds		$ (498,605)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation/amortization expense	$ (1,478,726)	
Capital outlays	2,908,816	1,430,090
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Loan principal payments	$ 455,000	
Lease principal payments	663,263	
Loan proceeds	(1,961,520)	(843,257)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	$ 7,073	
Amortization of bond premiums and discounts and deferred amounts on refunding	(13,601)	
Changes in pension related items	(815,259)	
Changes in OPEB related items	47,700	(774,087)
Change in Net Position of Governmental Activities		$ (685,859)

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

LIBERTY COMMON SCHOOL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	Custodial Fund
ASSETS	
Cash and investments	$ 10,378
Total assets	10,378
LIABILITIES	
Due to other funds	-
Total liabilities	-
NET POSITION	
Restricted for individuals, organizations, and other governments	10,378
Total net position	$ 10,378

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, 2023

	Custodial Fund
ADDITIONS	
Private contributions	$ 49,121
Total additions	49,121
DEDUCTIONS	
Administrative expenses	48,093
Total deductions	48,093
Net increase (decrease) in fiduciary net position	1,028
Net position - beginning	9,350
Net position - ending	$ 10,378

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

NOTES TO FINANCIAL STATEMENTS

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.

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 Designated Purpose Grants Fund is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Buildings	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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance classification

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

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

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

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

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

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

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. 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, 2023, expenditures exceeded appropriations in the General Fund by $51,459, the Athletics Fund by $22,338, the Charitable Contributions Fund by $25,769, and the Student Activity fund by $11,972. These over-expenditures were funded by greater than anticipated revenues and available beginning fund balances.

NOTE 3 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of June 30, 2023 is as follows:

Deposits	$ 3,314,330
Investments	6,289,508
Total	$ 9,603,838

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

Cash and investments – Primary Government	$ 6,240,238
Restricted cash and investments – Primary Government	2,970,963
Cash and investments – Component Unit	382,259
Cash and investments – Fiduciary Fund	10,378
Total	$ 9,603,838

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, 2023 was $3,314,330 and the bank balances were $3,741,291. 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.

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023 the School's investment balances were as follows:

Investment Type	Year-end Balance	Measurement	Maturity	Standard & Poor's Rating
ColoTrust	$ 3,273,548	Net asset value	Less than 90 days	AAAm
Money Market	2,971,096	Amortized cost	Less than 90 days	AAA
Municipal Bonds	44,864	Fair value	Up to five years	Not rated
	$ 6,289,508			

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 52% and 47%, 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.

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, 2023, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	$ 24,487	$ 258,939
Building Corp Fund	8,939	-
Nonmajor Funds	250,000	24,487
Total	$ 283,426	$ 283,426

Interfund transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	$ -	$ 1,041,338
Building Corp Fund	-	-
Nonmajor Funds	1,041,338	-
Total	$ 1,041,338	$ 1,041,338

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.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 2,443,720	$ -	$ -	$ 2,443,720
Water rights	12,864	-	-	12,864
Construction in progress	33,999	175,531	(191,100)	18,430
Total capital assets not being depreciated	2,490,583	175,531	(191,100)	2,475,014
Capital assets being depreciated:				
Buildings	19,311,688	-	-	19,311,688
Vehicles	491,299	273,158	-	764,457
Land improvements	862,614	-	-	862,614
Equipment	1,409,445	689,707	-	2,099,152
Total capital assets being depreciated	22,075,046	962,865	-	23,037,911
Less accumulated depreciation for:				
Buildings	(5,537,265)	(541,487)	-	(6,078,752)
Vehicles	(158,521)	(71,460)	-	(229,981)
Land improvements	(558,851)	(5,548)	-	(564,399)
Equipment	(409,326)	(177,439)	-	(586,765)
Total accumulated depreciation	(6,663,963)	(795,934)	-	(7,459,897)
Total capital assets being depreciated, net	15,411,083	166,931	-	15,578,014
Lease assets being amortized:				
Buildings and improvements	-	1,961,520	-	1,961,520
Equipment	82,621	-	-	82,621
Total lease assets being amortized	82,621	1,961,520	-	2,044,141
Less accumulated amortization for:				
Buildings and improvements	-	(653,840)	-	(653,840)
Equipment	(28,952)	(28,952)	-	(57,904)
Total accumulated amortization	(28,952)	(682,792)	-	(711,744)
Total lease assets being amortized, net	53,669	1,278,728	-	1,332,397
Capital assets, net of accumulated depreciation/amortization	15,464,752	1,445,659	-	16,910,411
Total governmental activities capital assets	$ 17,955,335	$ 1,621,190	$ (191,100)	$ 19,385,425

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Instruction	$ 1,478,726

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 $2,044,141, less accumulated amortization of $711,744. The School has determined that as of June 30, 2023, 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, 2023 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$ 669,041	$ 47,451	$ 716,492
2025	681,628	23,868	705,496
Total	$ 1,350,669	$ 71,319	$ 1,421,988

NOTE 7 – LONG-TERM LIABILITIES

Building Loan

In March 2014, the Colorado Educational and Cultural Facilities Authority (CECFA) issued $15,150,000 Charter School Refunding and Improvement Revenue Bonds, Series 2014A, and $1,640,000 Charter School Revenue Bonds, Series 2014B. Bond Proceeds were used to refund the Charter School Revenue Refunding and Improvement Bonds, Series 2003, 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 3% to 5.625% per annum and is payable semi-annually on January 15 and July 15. Principal payments are due annually on January 15, from 2015 through 2044.

In December 2015, CECFA issued $3,125,000 Charter School Revenue Bonds, Series 2015. Bond proceeds were loaned to the Building Corporation to finance improvements to the School's education facilities. Interest accrues on the bonds at rates ranging from 2% to 4% per annum and is payable semi-annually on January 15 and July 15. Principal payments are due annually on January 15, from 2017 through 2046.

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:

	Governmental Activities	
Fiscal Year Ending June 30	Principal	Interest
2024	$ 470,000	$ 780,675
2025	490,000	763,856
2026	510,000	740,706
2027	540,000	716,556
2028	560,000	690,975
2029 – 2033	3,220,000	3,041,000
2034 –2038	4,040,000	2,231,644
2039 –2043	5,135,000	1,138,625
2044 –2046	1,510,000	91,337
Total	$ 16,475,000	$ 10,195,374

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Changes in the School's long-term liabilities for the year ended June 30, 2023, are as follows:

	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Due Within One year
Governmental Activities					
Loans payable	$ 16,930,000	$ -	$ (455,000)	$ 16,475,000	$ 470,000
Discounts	(158,283)	-	7,092	(151,191)	-
Total loans payable	16,771,717	-	(447,908)	16,323,809	470,000
Leases	52,412	1,961,520	(663,263)	1,350,669	669,041
Net pension liability	11,255,585	7,815,865	(1,832,303)	17,239,147	-
Net OPEB liability	544,488	140,820	(98,373)	586,935	-
Total Governmental Activities	$ 28,624,202	$ 9,918,205	$ (3,041,847)	$ 35,500,560	$ 1,139,041

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

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/investments/pera-financial-reports.

Benefits provided as of December 31, 2022. 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

Contributions provisions as of June 30, 2023: 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, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
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).

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Liberty Common School is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Liberty Common School were $1,683,856 for the year ended June 30, 2023.

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 (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

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, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The Liberty Common School proportion of the net pension liability was based on Liberty Common School contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the Liberty Common School reported a liability of $17,239,147 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the 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	$ 17,239,147
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Liberty Common School	5,023,661
Total	$ 22,262,808

At December 31, 2022, the Liberty Common School proportion was 0.0946713530%, which was a decrease of 0.0020479978% from its proportion measured as of December 31, 2021.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2023, the Liberty Common School recognized pension expense of $815,259 and revenue of $590,752 for support from the State as a nonemployer contributing entity. At June 30, 2023, the Liberty Common School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 163,150	$ -
Changes of assumptions or other inputs	305,362	-
Net difference between projected and actual earnings on pension plan investments	2,315,853	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	803,219
Contributions subsequent to the measurement date	874,542	N/A
Total	$ 3,658,907	$ 803,219

$874,542 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, 2024. 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:	
2024	$ (312,084)
2025	137,544
2026	817,657
2027	1,347,029
2028	-
Thereafter	-

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), 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.

- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.

- 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 one percentage point lower (6.25%) or one 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	$ 22,560,114	$ 17,239,147	$ 12,795,595

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

NOTE 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/investments/pera-financial-reports.

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

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

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.

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 $84,278 for the year ended June 30, 2023.

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

At June 30, 2023, the Liberty Common School reported a liability of $586,935 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The Liberty Common School proportion of the net OPEB liability was based on Liberty Common School contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

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

At December 31, 2022, the Liberty Common School proportion was 0.0718861558%, which was an increase of 0.0087428789% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Liberty Common School recognized OPEB expense of $(47,700). At June 30, 2023, the Liberty Common School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 76	$ 141,941
Changes of assumptions or other inputs	9,434	64,779
Net difference between projected and actual earnings on OPEB plan investments	35,849	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	158,281	-
Contributions subsequent to the measurement date	43,771	N/A
Total	$ 247,411	$ 206,720

$43,771 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, 2024. 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:	
2024	$ (19,748)
2025	(16,179)
2026	13,226
2027	17,442
2028	1,785
Thereafter	394

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

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 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	$1,704	$1,450	$583	$496	$1,923	$1,634
70	$1,976	$1,561	$676	$534	$2,229	$1,761
75	$2,128	$1,681	$728	$575	$2,401	$1,896

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	$6,514	$5,542	$4,227	$3,596	$6,752	$5,739
70	$7,553	$5,966	$4,901	$3,872	$7,826	$6,185
75	$8,134	$6,425	$5,278	$4,169	$8,433	$6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 13, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 570,322	$ 586,935	$ 605,012

[1]For the January 1, 2023, plan year.

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.

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

- 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.

Based on the above assumptions and methods, the HCTF'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the 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 one-percentage-point lower (6.25%) or one-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	$ 680,432	$ 586,935	$ 506,966

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

NOTE 10 - RISK MANAGEMENT

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

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

The School has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under 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, 2023 there is a $517,000 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 – RESTATEMENT FOR CORRECTION OF ERROR

The School has restated the financial statements for the year ended June 30, 2022 to correct an expense double booked in prior year within the General Fund.

These restatements had the following effect on the net position of governmental activities:

Governmental Activities:	
Net position, June 30, 2022, as originally stated	$ (3,867,897)
Prior period adjustment	(250,000)
Net position, June 30, 2022, as Restated	$ (4,117,897)

NOTE 13 – RESTATEMENT FOR CORRECTION OF ERROR (CONTINED)

General Fund:	
Fund balance, June 30, 2022, as originally stated	$ 6,007,137
Prior period adjustment	(250,000)
Fund balance, June 30, 2022, as Restated	$ (5,757,137)

REQUIRED SUPPLEMENTARY INFORMATION

LIBERTY COMMON SCHOOL
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion of the net pension liability (asset)	0.0946713530%	0.0967193508%	0.1046955898%	0.0871846372%	0.0810177821%	0.0906632641%	0.0900054997%	0.0872008066%	0.0877874598%
School's proportionate share of the net pension liability (asset)	$ 17,239,147	$ 11,255,585	$ 15,827,861	$ 13,025,196	$ 14,345,862	$ 29,317,277	$ 26,798,118	$ 13,336,748	$ 11,898,150
State's proportionate share of the net pension liability (asset) associated with the School	5,023,661	1,290,309		1,652,080	1,961,598	-	-	-	-
Total	$ 22,262,808	$ 12,545,894	$ 15,827,861	$ 14,677,276	$ 16,307,460	$ 29,317,277	$ 26,798,118	$ 13,336,748	$ 11,898,150
School's covered payroll	$ 7,302,802	$ 6,044,655	$ 5,599,796	$ 5,107,383	$ 4,453,983	$ 4,182,189	$ 4,039,608	$ 3,800,191	$ 3,677,665
School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.06%	186.21%	282.65%	255.03%	322.09%	701.00%	663.38%	350.95%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	74.9%	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%

* 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 - PENSION
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,683,856	$ 1,281,724	$ 1,133,295	$ 1,079,423	$ 890,411	$ 798,849	$ 756,696	$ 695,577	$ 621,305
Contributions in relation to the contractually required contribution	(1,683,856)	(1,281,724)	(1,133,295)	(1,079,423)	(890,411)	(798,849)	(756,696)	(695,577)	(621,305)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 8,262,297	$ 6,447,304	$ 5,699,891	$ 5,569,772	$ 4,654,525	$ 4,230,479	$ 4,116,967	$ 3,920,951	$ 3,708,370
Contributions as a percentage of covered payroll	20.38%	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.74%	16.75%

* 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
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2023

	2022	2021	2020	2019	2018	2017
School's proportion of the net OPEB liability (asset)	0.0718861558%	0.0631432769%	0.0605549602%	0.0569498652%	0.0526619978%	0.0515145210%
School's proportionate share of the net OPEB liability (asset)	$ 586,935	$ 544,488	$ 575,408	$ 640,115	$ 716,489	$ 669,483
School's covered payroll	$ 7,302,802	$ 6,044,655	$ 5,599,796	$ 5,107,383	$ 4,453,983	$ 4,182,189
School's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.04%	9.01%	10.28%	12.53%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	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, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 84,278	$ 65,890	$ 58,139	$ 56,812	$ 47,476	$ 43,151
Contributions in relation to the contractually required contribution	(84,278)	(65,890)	(58,139)	(56,812)	(47,476)	(43,151)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's covered payroll	$ 8,262,297	$ 6,447,304	$ 5,699,891	$ 5,569,772	$ 4,654,525	$ 4,230,479
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

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

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

See the accompanying independent auditors' report.

LIBERTY COMMON SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Local sources	$ 3,003,738	$ 3,349,864	$ 3,649,791	$ 299,927
State sources	13,122,010	13,366,999	13,703,477	336,478
Total revenues	16,125,748	16,716,863	17,353,268	636,405
EXPENDITURES				
Instruction	7,968,656	8,040,255	8,465,367	(425,112)
Supporting Services	8,633,867	7,181,873	7,892,858	(710,985)
Debt service				
Interest	-	-	71,078	(71,078)
Principal	-	-	663,263	(663,263)
Facilities acquisition and construction	-	1,243,934	1,961,520	(717,586)
Appropriated reserves	-	2,524,044	-	2,524,044
Total expenditures	16,602,523	18,990,106	19,054,086	(63,980)
Excess (deficiency) of revenues over expenditures	(476,775)	(2,273,243)	(1,700,818)	572,425
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(100,000)	(816,663)	(1,041,338)	(224,675)
Proceeds from leases	-	-	1,961,520	1,961,520
Total other financing sources (uses)	(100,000)	(816,663)	920,182	1,736,845
Net change in fund balances	(576,775)	(3,089,906)	(780,636)	2,309,270
Fund balances - beginning	5,579,079	6,007,137	5,757,137	(250,000)
Fund balance - ending	$ 5,002,304	$ 2,917,231	$ 4,976,501	$ 2,059,270

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, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Local sources	$ 1,316,057	$ 1,292,544	$ 1,425,437	$ 132,893
EXPENDITURES				
Supporting Services	1,330,000	255,493	8,967	246,526
Debt service				
Interest	-	775,930	796,106	(20,176)
Principal	-	455,000	455,000	-
Total expenditures	1,330,000	1,486,423	1,260,073	226,350
Excess (deficiency) of revenues over expenditures	(13,943)	(193,879)	165,364	359,243
Fund balances - beginning	2,882,552	2,882,552	2,882,552	-
Fund balance - ending	$ 2,868,609	$ 2,688,673	$ 3,047,916	$ 359,243

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

LIBERTY COMMON SCHOOL
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Grants Fund	Athletics Fund	Charitable Giving Fund	Student Activities Fund	Building Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and investments	$ -	$ 35,075	$ 188,302	$ 42,926	$ 120,666	$ 157,500	$ 544,469
Due from other funds	-	-	-	-	-	250,000	250,000
Total Assets	$ -	$ 35,075	$ 188,302	$ 42,926	$ 120,666	$ 407,500	$ 794,469
LIABILITIES							
Accounts payable and other accrued liabilities	$ -	$ 16,947	$ 1,000	$ 35	$ -	$ 5,958	$ 23,940
Due to other funds	-	-	10,667	13,820	-	-	24,487
Due to component unit	-	-	-	8,070	-	-	8,070
Total Liabilities	-	16,947	11,667	21,925	-	5,958	56,497
FUND BALANCE							
Committed	-	18,128	176,635	21,001	120,666	-	336,430
Assigned	-	-	-	-	-	401,542	401,542
Total Fund Balance	-	18,128	176,635	21,001	120,666	401,542	737,972
Total Liabilities and Fund Balance	$ -	$ 35,075	$ 188,302	$ 42,926	$ 120,666	$ 407,500	$ 794,469

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, 2023

	Grants Fund	Athletics Fund	Charitable Giving Fund	Student Activities Fund	Building Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES							
Local sources	$ -	$ 158,969	$ 208,276	$ 143,589	$ -	$ 67,065	$ 577,899
Federal sources	75,090	-	-	-	-	-	75,090
Total revenues	75,090	158,969	208,276	143,589	-	67,065	652,989
EXPENDITURES							
Instruction	75,090	378,709	-	171,308	-	-	625,107
Supporting services	-	3,629	31,641	1,450	-	915,833	952,553
Total expenditures	75,090	382,338	31,641	172,758	-	915,833	1,577,660
Excess (deficiency) of revenues over expenditures	-	(223,369)	176,635	(29,169)	-	(848,768)	(924,671)
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	-	166,662	-	-	-	874,676	1,041,338
Net change in fund balance	-	(56,707)	176,635	(29,169)	-	25,908	116,667
Fund balance, beginning	-	74,835	-	50,170	120,666	375,634	621,305
Fund balance, ending	$ -	$ 18,128	$ 176,635	$ 21,001	$ 120,666	$ 401,542	$ 737,972

LIBERTY COMMON SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Federal sources	$ 75,038	$ 75,090	$ 52
EXPENDITURES			
Instruction	87,226	75,090	12,136
Total expenditures	87,226	75,090	12,136
Net change in fund balances	(12,188)	-	12,188
Fund balances - beginning	-	-	$ -
Fund balance - ending	$ (12,188)	$ -	$ 12,188

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, 2023

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	$ 158,969	$ 158,969	$ -
EXPENDITURES			
Instruction	356,371	378,709	(22,338)
Supporting Services	3,629	3,629	-
Total expenditures	360,000	382,338	(22,338)
Excess (deficiency) of revenues over expenditures	(201,031)	(223,369)	(22,338)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	166,662	166,662	-
Net change in fund balances	(34,369)	(56,707)	(22,338)
Fund balances - beginning	74,835	74,835	$ -
Fund balance - ending	$ 40,466	$ 18,128	$ (22,338)

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, 2023

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	$ 206,617	$ 208,277	$ 1,660
EXPENDITURES			
Supporting Services	5,872	31,641	(25,769)
Total expenditures	5,872	31,641	(25,769)
Net change in fund balances	200,745	176,636	(24,109)
Fund balances - beginning	-	-	-
Fund balance - ending	$ 200,745	$ 176,636	$ (24,109)

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, 2023

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	$ 140,361	$ 143,589	$ 3,228
EXPENDITURES			
Instruction	160,786	171,308	(10,522)
Supporting Services	-	1,450	(1,450)
Total expenditures	160,786	172,758	(11,972)
Net change in fund balances	(20,425)	(29,169)	(8,744)
Fund balances - beginning	50,170	50,170	-
Fund balance - ending	$ 29,745	$ 21,001	$ (8,744)

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, 2023

	Budgeted Amounts		
	Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	$ -	$ -	$ -
EXPENDITURES			
Supporting Services	-	-	-
Net change in fund balances	-	-	-
Fund balances - beginning	120,666	120,666	-
Fund balance - ending	$ 120,666	$ 120,666	$ -

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, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
REVENUES			
Local sources	$ 67,065	$ 67,065	$ -
EXPENDITURES			
Supporting Services	1,062,001	915,833	146,168
Excess (deficiency) of revenues over expenditures	(994,936)	(848,768)	146,168
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	874,676	874,676	-
Net change in fund balances	(120,260)	25,908	146,168
Fund balances - beginning	375,634	375,634	-
Fund balance - ending	$ 255,374	$ 401,542	$ 146,168

See the accompanying Independent Auditors' Report.