

**CIRCLE OF SEASONS CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2024**

# CIRCLE OF SEASONS CHARTER SCHOOL

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November 19, 2024

Board of Trustees  
Circle of Seasons Charter School  
8380 Mohr Lane  
Fogelsville, PA 18051

## Independent Auditor's Report

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Circle of Seasons Charter School as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Circle of Seasons Charter School at June 30, 2024, and, where applicable, cash flows and budgetary comparison of the General fund 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 Circle of Seasons Charter 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 Circle of Seasons Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Circle of Seasons Charter 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 Circle of Seasons Charter 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11, Schedule of the School's Proportionate Share of Net Pension Liability on page 44, Schedule of the School Contributions to the Pension Plan on page 45, Schedule of the School's Proportionate Share of the Net OPEB Liability on page 46 and Schedule of School Contributions to the OPEB Plan on page 47 be presented to supplement the basic financial statements. Such information, 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 the 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.

*Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Circle of Seasons Charter School’s financial statements as a whole. The other Supplementary Information is presented for purposes of additional analysis and is not a required part of the financial statements. The other Supplementary Information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the basis of accounting described in the notes to the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2024, on our consideration of the Circle of Seasons Charter School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Circle of Seasons Charter School’s internal control over financial reporting and compliance.

Respectfully submitted,

***MVA Audit PLLC***

November 19, 2024

# CIRCLE OF SEASONS CHARTER SCHOOL

Fogelsville, Pennsylvania

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Required Supplementary Information (RSI)

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For the Year Ended June 30, 2024

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This discussion and analysis of the Circle of Seasons Charter School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the financial performance as a whole; however, readers should also review the notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is a component of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and the Management's Discussion and Analysis – for State and Local governments issued in 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### ***Circle of Seasons Charter School's Mission Statement***

The Board of Trustees of Circle of Seasons Charter School (the "School") offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2024. We encourage readers to consider the information presented herein in conjunction with the School's financial statements.

### ***Financial Highlights***

- Total General Fund revenues for the year ended June 30, 2024, were \$8,399,050, representing an increase of \$530,381 from June 30, 2024.
- At June 30, 2024, the School reported an ending General Fund balance of \$4,798,567, representing an increase of \$887,506 from June 30, 2023.
- The School's cash balance at June 30, 2024, was \$3,966,815, representing an increase of \$936,773 from June 30, 2023.

### ***Financial Statements***

The discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's financial statements as presented comprise four components: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) the required supplementary information, and (4) compliance information.

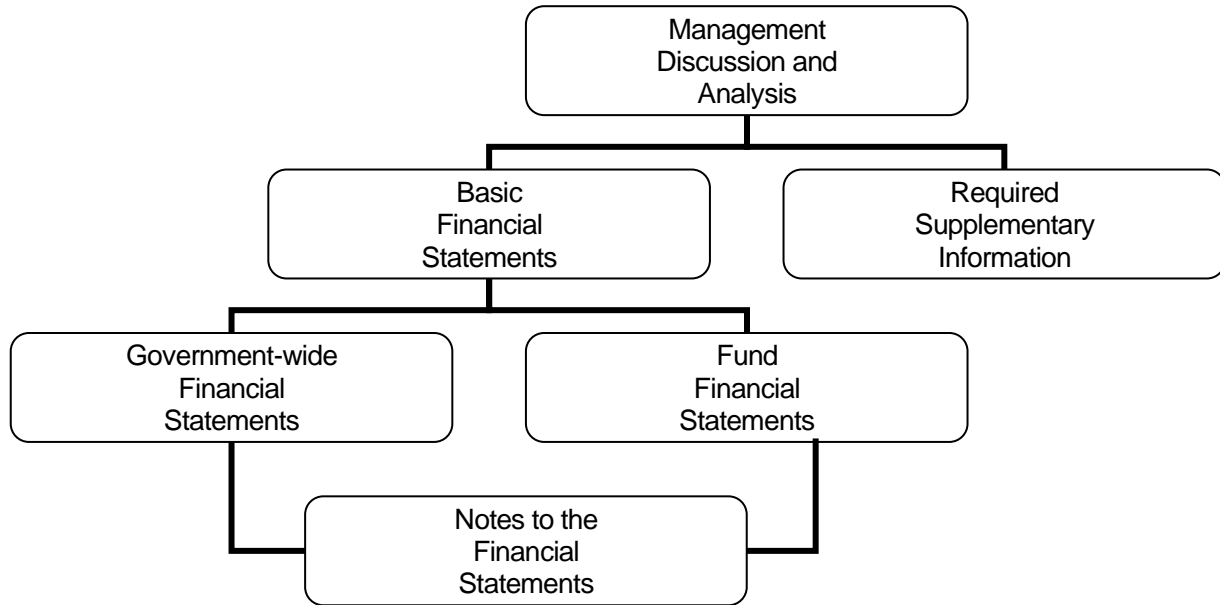
# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

For the Year Ended June 30, 2024

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another.

**Figure A-1 – Required Components of Circle of Seasons Charter School's Financial Report**



*Summary* ←————→ *Detail*

# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

For the Year Ended June 30, 2024

Figure A-2 summarizes the major features of the financial statements, including the portion of the Program they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2 – Major Features of Circle of Seasons Charter School’s Government-Wide and Fund Financial Statements.**

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School (except fiduciary funds)	The activities of the School that are not proprietary or fiduciary, such as education, administration and community services	Activities the School operates similar to private business – The School does not have any proprietary funds	Instances in which the School is the trustee or agent to someone else’s resources – The School does not have any fiduciary funds.
Required Financial Statements	Statement of Net Position, Statement of Activities	Balance Sheet, Statement of revenues, expenditures, and changes in fund balance	Statement of Net Position, Statement of revenues, expenses and changes in net position, Statement of cash flows	Statement of fiduciary net position, Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow-outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid



# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

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For the Year Ended June 30, 2024

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### **OVERVIEW OF FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements, as presented, comprise four components: Management's Discussion and Analysis (this section), the Basic Financial Statements, Supplementary Information and Single Audit Requirements (if applicable).

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

The statement of activities presents information showing how the School's net position changed during the most recent 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 only result in cash flows in future periods (i.e., expenditures accrued in one year but paid in subsequent years, and depreciation).

The government-wide financial statements reported on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School. The School's function is to provide an alternative educational opportunity.

#### ***Fund Financial Statements***

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental-type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has one fund type: the governmental general fund.

#### ***Notes to the Financial Statements***

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

#### ***Supplementary information***

The governmental fund budgetary comparison schedule, schedule of the School's proportionate share of the net pension and OPEB liabilities and schedule of School contributions are required supplementary information presented for purposes of additional analysis and are prepared using a basis consistent with accounting principles generally accepted in the United States of America ("GAAP") for state reporting requirements.

#### ***Government-Wide Financial Analysis***

Management has adopted Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, which require comparative analysis of current and prior year balances.

# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

For the Year Ended June 30, 2024

### **FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

The School's total net position was \$4,171,694 at June 30, 2024. The June 30, 2024 and June 30, 2023 net position reflects GASB-67, GASB-68 and GASB-75 implementation.

**Table 1 – Net Position – Fiscal Year Ended June 30, 2024 and June 30, 2023**

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 4,880,542	\$ -	\$ 4,880,542	\$ 3,973,376	\$ -	\$ 3,973,376
Non-current assets	4,883,176	-	4,883,176	4,919,306	-	4,919,306
<b>Total assets</b>	<u>9,763,718</u>	<u>-</u>	<u>9,763,718</u>	<u>8,892,682</u>	<u>-</u>	<u>8,892,682</u>
<b>Deferred outflows of resources</b>	<u>87,073</u>	<u>-</u>	<u>87,073</u>	<u>126,916</u>	<u>-</u>	<u>126,916</u>
Current and other liabilities	217,905	-	217,905	192,673	-	192,673
Long-term liabilities	4,780,192	-	4,780,192	5,164,286	-	5,164,286
<b>Total liabilities</b>	<u>4,998,097</u>	<u>-</u>	<u>4,998,097</u>	<u>5,356,959</u>	<u>-</u>	<u>5,356,959</u>
<b>Deferred inflows of resources</b>	<u>681,000</u>	<u>-</u>	<u>681,000</u>	<u>757,853</u>	<u>-</u>	<u>757,853</u>
Net position invested in capital assets, net of related debt	515,049	-	515,049	454,032	-	454,032
Restricted	109,682	-	109,682	181,987	-	181,987
Unrestricted	3,546,963	-	3,546,963	2,268,767	-	2,268,767
<b>Total net position</b>	<u>\$ 4,171,694</u>	<u>\$ -</u>	<u>\$ 4,171,694</u>	<u>\$ 2,904,786</u>	<u>\$ -</u>	<u>\$ 2,904,786</u>

As noted earlier, net position may, over time, serve as a useful indicator of the School's financial position. In the case of the School, assets and deferred outflows exceeded liabilities and deferred inflows by \$4,171,694 as of June 30, 2024.

# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

For the Year Ended June 30, 2024

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School's activities that are supported by other general revenues.

Table 2 takes the information from that statement and rearranges it slightly so one can see the total revenues for the year.

**Table 2 – Changes in Net Position – Fiscal Year Ended June 30, 2024 and June 30, 2023**

	2024			2023		
	Govern- mental Activities	Business- Type Activities	Total	Govern- mental Activities	Business- Type Activities	Total
<b>REVENUES</b>						
<i>Program Revenues</i>						
Charges for services	\$ 19,734	\$ -	\$ 19,734	\$ 15,134	\$ -	\$ 15,134
Operating grants and contributions	268,656	-	268,656	602,749	-	602,749
Capital grants and contributions	112,546	-	112,546	-	-	-
General revenues	8,310,270	-	8,310,270	7,494,234	-	7,494,234
<b>Total revenues</b>	8,711,206	-	8,711,206	8,112,117	-	8,112,117
<b>EXPENSES</b>						
Instructional programs	4,509,403	-	4,509,403	4,250,225	-	4,250,225
Instructional student support	520,995	-	520,995	419,900	-	419,900
Administrative & financial support	1,154,817	-	1,154,817	1,072,473	-	1,072,473
Operations and maintenance	663,036	-	663,036	534,049	-	534,049
Other support services	83,513	-	83,513	57,405	-	57,405
Student activities	166,967	-	166,967	143,473	-	143,473
Debt service	159,060	-	159,060	162,590	-	162,590
Unallocated depreciation	186,507	-	186,507	179,757	-	179,757
<b>Total expenses</b>	\$ 7,444,298	\$ -	\$ 7,444,298	\$ 6,819,872	\$ -	\$ 6,819,872
<b>Change in net position</b>	<b>\$ 1,266,908</b>	<b>\$ -</b>	<b>\$ 1,266,908</b>	<b>\$ 1,292,245</b>	<b>\$ -</b>	<b>\$ 1,292,245</b>

# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

**For the Year Ended June 30, 2024**

Table 3 shows the School's largest functions – instructional programs, instructional student support, administrative, and operation and maintenance of plant, among others, with each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies, contributions, and charges for services to show the remaining financial needs supported by local education agency revenue and other miscellaneous revenues.

**Table 3 – Governmental Activities - Fiscal Year Ended June 30, 2024 and June 30, 2023**

FUNCTIONS/PROGRAMS	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instructional programs	\$ 4,509,403	\$ 4,274,904	\$ 4,250,225	\$ 3,777,004
Instructional student support	520,995	447,230	419,900	364,955
Administrative & financial support	1,154,817	1,154,817	1,072,473	1,045,022
Operations and maintenance	663,036	590,098	534,049	486,917
Other support services	83,513	83,513	57,405	57,405
Student activities	166,967	147,233	143,473	128,339
Debt service	159,060	159,060	162,590	162,590
Unallocated depreciation	186,507	186,507	179,757	179,757
<b>Total governmental activities</b>	<b>\$ 7,444,298</b>	<b>\$ 7,043,362</b>	<b>\$ 6,819,872</b>	<b>\$ 6,201,989</b>

### ***Government Fund***

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

The School's governmental fund reported an ending fund balance of \$4,798,567. For the year ended June 30, 2024, the School's revenues of \$8,399,050 exceeded the expenditures of \$7,511,544 by \$887,506.

The School's Statement of Revenues, Expenditures and Changes in Fund Balance is reported on the modified accrual basis of accounting and the School's Changes in Net Position Schedule (Table 2) is reported on the full accrual basis of accounting. A reconciliation between the two bases of accounting is shown on page 24.

### ***General Fund Budget***

During the fiscal year, the Board authorizes revisions to the original budget to accommodate variances from the original budget estimates to the actual expenditures of the School. A schedule showing the School's original and final budget amounts compared with amounts actually paid and received is provided.

Circle of Seasons Charter School applies for federal, state and local grants and these grants cannot always be anticipated in the budgeting process and must be added to the budget during the fiscal year. In addition, grants that are anticipated during the budgeting process are based on estimates. The budget must be modified during the fiscal year based on the actual grant awards.

# CIRCLE OF SEASONS CHARTER SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI)

For the Year Ended June 30, 2024

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### *Capital Assets*

As of June 30, 2024, the School's investment in capital assets for its governmental activities totaled \$4,883,176. This investment in capital assets includes furniture, land, building and building improvements.

The School invested \$150,377 in additions to capital assets during the June 30, 2024 fiscal year and had depreciation expense of \$186,507.

**Table 4 – Capital Assets Net of Depreciation & Amortization – Governmental Activities**

	<u>2024</u>	<u>2023</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Land	\$ 239,043	\$ 239,043
Buildings and improvements	4,488,398	4,646,035
Furniture and equipment	155,735	34,228
<b>Total</b>	<b><u>\$ 4,883,176</u></b>	<b><u>\$ 4,919,306</u></b>

#### *Long-Term Debt*

As of July 1, 2023, the School had a total outstanding debt of \$4,465,274. During the year, the School paid \$97,147 in principal on this debt resulting in ending outstanding debt (Table 5) as of June 30, 2024 of \$4,368,127.

**Table 5 – Outstanding Debt**

	<u>2024</u>	<u>2023</u>
Commercial term note	\$ 4,368,127	\$ 4,465,274
<b>Total</b>	<b><u>\$ 4,368,127</u></b>	<b><u>\$ 4,465,274</u></b>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The School does not foresee any substantial variations with next year's economic factors, budgets or rates.

### **FUTURE EVENT THAT WILL FINANCIALLY IMPACT THE SCHOOL**

No future events that will financially impact the School are anticipated at this time.

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to Chief Executive Officer, Circle of Seasons Charter School, 8380 Mohr Lane, Fogelsville, PA 18032.

## **BASIC FINANCIAL STATEMENTS**

# CIRCLE OF SEASONS CHARTER SCHOOL

## STATEMENT OF NET POSITION

**As of June 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 3,966,815	\$ -	\$ 3,966,815
Due from other governments	867,637	-	867,637
Prepaid expenses	45,090	-	45,090
Security deposit	1,000	-	1,000
<b>Total current assets</b>	<b>4,880,542</b>	-	<b>4,880,542</b>
<b>Non-Current Assets</b>			
Land	239,043	-	239,043
Building & improvements, net of depreciation	4,488,398	-	4,488,398
Furniture and equipment, net of depreciation	155,735	-	155,735
<b>Total non-current assets</b>	<b>4,883,176</b>	-	<b>4,883,176</b>
<b>Total assets</b>	<b>\$ 9,763,718</b>	\$ -	<b>\$ 9,763,718</b>
<b>Deferred outflows of resources</b>	<b>\$ 87,073</b>	\$ -	<b>\$ 87,073</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 66,842	\$ -	\$ 66,842
Current portion of long-term debt	100,652	-	100,652
Payroll accruals	15,133	-	15,133
Accrued interest	35,278	-	35,278
<b>Total current liabilities</b>	<b>217,905</b>	-	<b>217,905</b>
<b>Non-Current Liabilities</b>			
Compensated absences - long term	\$ 3,717	\$ -	\$ 3,717
Unfunded pension liability	489,000	-	489,000
Unfunded OPEB liability	20,000	-	20,000
Fixed rate term loan	4,267,475	-	4,267,475
<b>Total liabilities</b>	<b>\$ 4,998,097</b>	\$ -	<b>\$ 4,998,097</b>
<b>Deferred inflows of resources</b>	<b>\$ 681,000</b>	\$ -	<b>\$ 681,000</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	515,049	-	515,049
<b>Restricted for</b>			
Other restrictions	109,682	-	109,682
Unrestricted	3,546,963	-	3,546,963
<b>Total net position</b>	<b>\$ 4,171,694</b>	\$ -	<b>\$ 4,171,694</b>

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
<b>Governmental Activities</b>							
Instruction	\$ 4,509,403	\$ -	\$ 234,499	\$ -	\$ (4,274,904)	\$ -	\$ (4,274,904)
Instructional student support	520,995	-	14,447	59,318	(447,230)	-	(447,230)
Admin. & fin'l support services	1,154,817	-	-	-	(1,154,817)	-	(1,154,817)
Oper. & maint. of plant svcs.	663,036	-	19,710	53,228	(590,098)	-	(590,098)
Other support services	83,513	-	-	-	(83,513)	-	(83,513)
Student activities	166,967	19,734	-	-	(147,233)	-	(147,233)
Community service	-	-	-	-	-	-	-
Debt service	159,060	-	-	-	(159,060)	-	(159,060)
Unallocated depreciation expense	186,507	-	-	-	(186,507)	-	(186,507)
<b>Total governmental activities</b>	7,444,298	19,734	268,656	112,546	(7,043,362)	-	(7,043,362)
<b>Non-Business Type Activities</b>							
NONE	-	-	-	-	-	-	-
<b>Total primary government</b>	\$ 7,444,298	\$ 19,734	\$ 268,656	\$ 112,546	\$ (7,043,362)	\$ -	\$ (7,043,362)
<b>General Revenues</b>							
Investment Earnings					\$ 119,406	\$ -	\$ 119,406
Local education agencies					7,812,346	-	7,812,346
Miscellaneous items					378,518	-	378,518
<b>Total general revenues, special items extraordinary items, and transfers</b>					8,310,270	-	8,310,270
<b>Changes in net position</b>					1,266,908	-	1,266,908
<b>Net position - beginning</b>					2,904,786	-	2,904,786
<b>Net position - ending</b>					\$ 4,171,694	\$ -	\$ 4,171,694

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



# CIRCLE OF SEASONS CHARTER SCHOOL

## BALANCE SHEET – GOVERNMENTAL FUNDS

As of June 30, 2024

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,966,815	\$ 3,966,815
Due from other governments	867,637	867,637
Other accounts receivable	-	-
Prepaid expenditures	45,090	45,090
Security deposit	1,000	1,000
<b>Total assets</b>	<b>\$ 4,880,542</b>	<b>\$ 4,880,542</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable	\$ 66,842	\$ 66,842
Payroll accruals	15,133	15,133
Deferred revenues	-	-
<b>Total liabilities</b>	<b>81,975</b>	<b>81,975</b>
<b>Fund Balances</b>		
Nonspendable	46,090	46,090
Restricted	109,682	109,682
Assigned	4,642,795	4,642,795
<b>Total fund balances</b>	<b>4,798,567</b>	<b>4,798,567</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,880,542</b>	<b>\$ 4,880,542</b>

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

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As of June 30, 2024

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 4,798,567

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$6,618,040 and the accumulated depreciation is \$1,734,864. 4,883,176

Deferred Inflows and Outflows Relating to GASB-68 (Pension and OPEB Recognition):

Deferred Inflows - Pension	\$ (636,000)	
Deferred Inflows - OPEB	(45,000)	
Deferred Outflows - Pension	80,923	
Deferred Outflows - OPEB	<u>6,150</u>	(593,927)

Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Unfunded Pension Liability	(489,000)	
Unfunded OPEB Liability	(20,000)	
Fixed Term Loan	(4,368,127)	
Compensated Absences	(3,717)	
Accrued Interest	<u>(35,278)</u>	<u>(4,916,122)</u>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 4,171,694**

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

	General Fund	Total Governmental Funds
<b>REVENUES</b>		
Local sources	\$ 7,989,115	\$ 7,989,115
State sources	67,675	67,675
Federal sources	222,854	222,854
<b>Total revenues</b>	8,279,644	8,279,644
<b>EXPENDITURES</b>		
Instruction	4,513,893	4,513,893
Support services	2,573,693	2,573,693
Operation of non-instructional services	166,967	166,967
Capital outlay	-	-
Debt service	256,991	256,991
<b>Total expenditures</b>	7,511,544	7,511,544
<b>Excess (deficiency) of revenues over expenditures</b>	768,100	768,100
<b>OTHER FINANCING SOURCES (USES)</b>		
Interest Income	119,406	119,406
Refund of prior year expenditures	-	-
Refund of prior year receipts	-	-
<b>Total other financing sources (uses)</b>	119,406	119,406
<b>Net change in fund balance</b>	887,506	887,506
<b>Fund balances - beginning</b>	3,911,061	3,911,061
<b>Fund balances - ending</b>	<b>\$ 4,798,567</b>	<b>\$ 4,798,567</b>

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

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For the Year Ended June 30, 2024

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**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 887,506**

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

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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	\$ (186,507)	
Capital outlays	<u>150,377</u>	(36,130)

In the statement of activities, certain operating expenses -- related to pension liabilities are recorded solely on the accrual basis. The total expenditures related to the unfunded pension and OPEB liabilities and deferred inflows and outflows are:

312,157

In the statement of activities, certain expenditures - Long-Term Compensated Absences -- are recognized as expenditures at the time liabilities are incurred regardless of when the related cash flows take place. In the Governmental funds report, certain expenditures are recognized only to the extent they are normally expected to be paid from existing unrestricted net position.

5,443

In the Governmental funds report, loan proceeds are recorded as a revenue and principal payments are recorded as expenditures. In the government-wide statements, loan proceeds are recorded as a liability and the principal payments are recorded as a reduction to the liability.

Principal Payments	97,147	
Accrued Interest	<u>785</u>	<u>97,932</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 1,266,908**

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Budget to GAAP Difference	Actual Amounts GAAP Basis
	Original	Final				
<b>REVENUES</b>						
Local sources	\$ 7,003,601	\$ 7,003,601	\$ 7,989,115	\$ 985,514	\$ -	\$ 7,989,115
State sources	-	-	67,675	67,675	-	67,675
Federal sources	306,780	306,780	222,854	(83,926)	-	222,854
<b>Total revenues</b>	<u>7,310,381</u>	<u>7,310,381</u>	<u>8,279,644</u>	<u>969,263</u>	<u>-</u>	<u>8,279,644</u>
<b>EXPENDITURES</b>						
Regular programs	3,723,078	3,723,078	3,482,133	240,945	-	3,482,133
Special program	1,083,423	1,083,423	1,031,760	51,663	-	1,031,760
Pupil personnel	227,160	227,160	349,967	(122,807)	-	349,967
Support services - administration	1,049,181	1,049,181	1,008,163	41,018	-	1,008,163
Pupil health services	155,862	155,862	171,376	(15,514)	-	171,376
Support services - business	134,743	134,743	147,712	(12,969)	-	147,712
Operation of building services	505,087	505,087	812,962	(307,875)	-	812,962
Support services - IT	40,000	40,000	80,407	(40,407)	-	80,407
Support services - Other	-	-	3,106	(3,106)	-	3,106
Student activities	55,000	55,000	166,967	(111,967)	-	166,967
Food services	-	-	-	-	-	-
Facilities acquisition, construction and improvement	-	-	-	-	-	-
Debt service	157,165	157,165	256,991	(99,826)	-	256,991
<b>Total expenditures</b>	<u>7,130,699</u>	<u>7,130,699</u>	<u>7,511,544</u>	<u>(380,845)</u>	<u>-</u>	<u>7,511,544</u>
Excess (deficiency) of revenues over expenditures	<u>179,682</u>	<u>179,682</u>	<u>768,100</u>	<u>588,418</u>	<u>-</u>	<u>768,100</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Interest Income	-	-	119,406	119,406	-	119,406
Refund of prior year receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>119,406</u>	<u>119,406</u>	<u>-</u>	<u>119,406</u>
<b>Net changes in fund balances</b>	179,682	179,682	887,506	707,824	-	887,506
<b>Fund balance - July 1, 2023</b>	<u>(179,682)</u>	<u>(179,682)</u>	<u>3,911,061</u>	<u>4,090,743</u>	<u>-</u>	<u>3,911,061</u>
<b>Fund balance - June 30, 2024</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,798,567</u>	<u>\$ 4,798,567</u>	<u>\$ -</u>	<u>\$ 4,798,567</u>

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

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### Note 1 – Background and Reporting Entity

The Circle of Seasons Charter School (the “School”) is organized as a nonprofit corporation in Pennsylvania to operate a charter school in accordance with Pennsylvania Act 22 of 1997 (the “Act”) and was operating under a charter school contract through June 30, 2026. The School is located in Fogelsville, Pennsylvania. During the 2023-2024 school year, the School served children in grades K through 8th.

The School’s mission is to nourish and educate students based on the model of natural development. Using Waldorf methods instruction in combination with Howard Gardner’s theory of multiple intelligences, the School provides a whole child approach to learning.

The School has financial accountability and control over all activities related to the students’ education. The School receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The reporting entity of the School is based upon criteria set forth by Governmental Accounting Standards Board (“GASB”) Statement No. 14, The Financial Reporting Entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School. The School is not a component unit of another reporting entity. The decision to include a potential component unit in the School’s reporting entity is based on several criteria, including legal standing, fiscal dependency and financial accountability. The School has no component units.

### Note 2 – Summary of Significant Accounting Policies

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments.

#### A. *Basis of Presentation*

The School’s basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Statements** The statement of net position and the statement of activities display information about the School as a whole. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements provide information about the primary government (the School) and its component units, if any, without displaying funds. These statements also distinguish between the governmental and business-type activities, if any, of the School and between the School and its discretely presented component units, if any. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School and for each function of the School’s governmental activities.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses – expenses of the School related to the administration and support of the School's programs, such as personnel and accounting (but not interest on long-term debt) – are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues include charges paid by the recipients of goods or services offered by programs and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

**Fund Financial Statements** The fund financial statements provide information about the School's funds, including fiduciary funds and blended component units, if any. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of governmental and enterprise fund reporting (enterprise funds are a type of proprietary fund) is on major funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. All other funds are aggregated and reported by fund type.

The school reports the following major governmental fund:

**General Fund** – The General Fund is the operating fund of the School and accounts for all operating revenues and expenditures of the School.

### B. **Basis of Accounting**

The basis of accounting determines when transactions are reported on the financial statements. The government-wide, proprietary 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 at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenue available if they are collected within 60 days after year-end. Expenditures were recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due. Claims, judgments and compensated absences are recognized as expenditures only to the extent they are normally expected to be paid from existing unrestricted fund net position. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions, the School supports certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

The School has adopted the standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities and changes in net position. It requires the classification of net position into three components – invested in capital assets, net of related debt, restricted, and unrestricted.

- **Invested in capital assets, net of related debt** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The School's restricted net position represents receivables that are grantor restricted for federal grant purposes.
- **Unrestricted net position** – This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

### C. **Budgets and Budgetary Accounting**

The School adopts an annual budget in conformity with the legally enacted budgetary basis, which is not in conformity with GAAP in the budgetary other financing sources include reappropriations from fund equity previously recognized under GAAP.

### D. **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### E. **Cash**

The School's cash consists of cash on hand and demand deposits.

### F. **Prepaid Expenses**

Prepaid expenses include payments to vendors for services applicable to future accounting periods such as rental payments and insurance premiums.

### G. **Receivables**

Receivables primarily consist of amounts due from the Pennsylvania Department of Education for federal, state and local grants and subsidies. Receivables are stated at the amount management expects to collect. As of June 30, 2024, no allowance has been established.

### H. **Capital Assets**

Capital assets, which include a building, building improvements, equipment, and software, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. All assets purchased with a useful life greater than one year and costing more than \$2,500 would be capitalized. This does not include textbooks. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.



# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### I. **Deferred Outflows/Inflows of Resources**

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. In compliance with Statement No. 63, the statement of net position includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

### J. **Advertising Costs**

All costs associated with advertising and promotions are expenses in the year incurred.

### K. **Income Tax Status**

The School is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Service Code. The School did not have any unrelated business taxable income in the fiscal year presented. The School has reviewed the tax positions for each of the open tax years (2020-21 through 2022-23) or expected to be taken in its 2023-24 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

### L. **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public-School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. 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.

### M. **Other Postemployment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEBs, and OPEB expense, information about the fiduciary net position of the Public-School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### N. **Net Position**

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

### O. **Fund Balance**

The Governmental Accounting Standards Board has established accounting and financial reporting standards for all governments that report governmental funds. They established criteria for classifying fund balances in the following specifically defined classifications:

- **Nonspendable** fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** fund balance includes amounts that are restricted externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed that constraint originally. The School's highest level of decision making is the Board of Directors.
- **Assigned** fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The School expresses this intent through board action and has not delegated this authority.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

### P. **Implementation of New Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that were scheduled to take effect for fiscal year 2023-2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Effective for the year 2023-2024

The School has already adopted and implemented all applicable above referenced Statements.

### Q. **Future Changes in Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards with future effective dates:

GASB Statement No. 101, *Compensated Absences* – Effective for fiscal year 2024-2025

GASB Statement No. 102, *Certain Risk Disclosures* – Effective for fiscal year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements* – Effective for fiscal year 2025-2026

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – Effective for fiscal year 2025-2026

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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The School will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable.

### **Note 3 – Reconciliation of Government-wide and Fund Financial Statements**

#### *A. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities*

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and School-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

The amounts shown in columns on the following page represent:

- a) Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording of depreciation or amortization expense on those items as recorded in the statement of activities.
- c) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability; principal payments are recorded as a reduction of liabilities.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

**Fiscal Year Ended June 30, 2024**

	Total Govern- mental Funds	Long- Term Revenues/ Expenses	Capital Related Items	Long-Term Debt Transactions	Total for Statement of Activities
<b>REVENUES AND OTHER SOURCES</b>					
<b>Local Sources</b>					
Revenues from student activities	\$ 19,734	\$ -	\$ -	\$ -	\$ 19,734
Miscellaneous	185,768	312,156	-	-	497,924
Contributions and donations	20,539	-	-	-	20,539
Local education agencies	7,812,346	-	-	-	7,812,346
<b>Intermediate Sources</b>					
Operating and capital grants and contributions	70,134	-	-	-	70,134
<b>State Sources</b>					
Operating and capital grants and contributions	67,675	-	-	-	67,675
<b>Federal Sources</b>					
Operating and capital grants and contributions	222,854	-	-	-	222,854
<b>Other Financing Sources (Uses)</b>					
Proceeds from borrowing	-	-	-	-	-
<b>Total revenues</b>	<u>8,399,050</u>	<u>312,156</u>	<u>-</u>	<u>-</u>	<u>8,711,206</u>
<b>EXPENDITURES/EXPENSES</b>					
Instruction	4,513,893	(4,490)	-	-	4,509,403
Instructional student support	521,343	(348)	-	-	520,995
Admin. & fin'l support services	1,155,875	(1,058)	-	-	1,154,817
Oper. & maint. of plant services	812,962	451	(150,377)	-	663,036
Other support services	83,513	-	-	-	83,513
Facilities acquisition, construction & improvement	-	-	-	-	-
Student activities	166,967	-	-	-	166,967
Capital outlay	-	-	-	-	-
Debt service	256,991	-	-	(97,931)	159,060
Depreciation/amortization - unallocated	-	-	186,507	-	186,507
<b>Total expenditures / expenses</b>	<u>7,511,544</u>	<u>(5,445)</u>	<u>36,130</u>	<u>(97,931)</u>	<u>7,444,298</u>
<b>Net change for the year</b>	<u>\$ 887,506</u>	<u>\$ 317,601</u>	<u>\$ (36,130)</u>	<u>\$ 97,931</u>	<u>\$ 1,266,908</u>

### Note 4 – Stewardship, Compliance, and Accountability

#### A. *Compliance with finance related legal and contractual provisions*

The School has no material violations of finance related legal and contractual provisions.

#### B. *Deficit fund balance or net position of individual funds*

The School has no deficit fund balances and no deficit net position.

#### C. *Excess of expenditures over appropriations in individual funds*

The General Fund, which has a legally adopted budget, had an excess of expenditures over appropriations.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

### D. Budgetary Compliance

The School's only legally adopted budget is for the General Fund. All budgetary transfers were made within the last nine months of the fiscal year. The School does not have any outstanding encumbrances at June 30, 2024.

### Note 5 – Detailed Notes on All Funds and Account Groups

#### Assets

#### Cash

#### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposits may not be returned to the School. The School monitors custodial credit risk by periodically reviewing the Federal Deposit Insurance Corporation's ("FDIC") limits and the published credit ratings of its depository banks. Accounts are insured by the FDIC up to \$250,000 for all accounts kept at one financial institution. Under Pennsylvania Act 72, financial institutions pledge collateral on a pooled basis to secure public deposits in excess of FDIC insurance limits. The School has not elected for its accounts to be covered under this act. As of June 30, 2024, the custodial risk is as follows:

Uninsured and uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		-
Uninsured and collateral held by the pledging bank's trust department not in the School's name		3,913,768
<b>Total</b>	<b>\$</b>	<b><u>3,913,768</u></b>

#### Reconciliation to Financial Statements

Uninsured amount above	\$	3,913,768
Plus: insured amount		250,000
Deposits in transit		-
Less: outstanding checks		<u>(196,953)</u>
Carrying amount		3,966,815
Plus: petty cash		-
Less: certificates of deposit considered investments by school code		-
<b>Total cash per financial statements</b>	<b>\$</b>	<b><u>3,966,815</u></b>

#### Investments

Permitted investments for Pennsylvania Schools are defined in the Public-School Code of 1949, as amended by Act 10 of 2016, as:

1. United States Treasury Bills;
2. Short-term obligations of the United States Government or its agencies or instrumentalities;
3. Deposits in savings accounts, time deposits or share accounts of institutions insured by the F.D.I.C., and,
4. Obligations, participations or other instruments of any Federal Agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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- by Federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
5. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government sponsored enterprise.
  6. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
  7. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
  8. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
  9. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:
    - The investments of the company are the authorized investments listed above.
    - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds).
    - The investment company is rated in the highest category by a nationally recognized rating agency.
  10. Savings or demand deposits placed in accordance with the following conditions:
    - The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.
    - The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, or the account of the public corporation or municipal authority.
    - The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.
    - On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

**Fiscal Year Ended June 30, 2024**

### *Fair Value Reporting*

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

As of June 30, 2024, the School did not have any investments.

### *Due from Other Governments*

Due from other governments represent receivables for revenues earned by the School. As of June 30, 2024, the following amounts are due from other governmental units:

	<b>Due From</b>	<b>General Fund</b>
Local		\$ 697,527
State		60,428
Federal		109,682
<b>Total</b>		<b><u>\$ 867,637</u></b>

### *Capital Assets*

Capital asset balances and activity for the year ending June 30, 2024, were:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital assets not being depreciated:				
Land	\$ 239,043	\$ -	\$ -	\$ 239,043
<b>Total capital assets not being depreciated or amortized</b>	<u>239,043</u>	<u>-</u>	<u>-</u>	<u>239,043</u>
Capital assets being depreciated:				
Building & improvements	6,121,332	13,218	-	6,134,550
Furniture and equipment	107,289	137,159	-	244,448
<b>Total capital assets being depreciated or amortized</b>	<u>6,228,621</u>	<u>150,377</u>	<u>-</u>	<u>6,378,998</u>
Less Accumulated Depreciation/Amortization for:				
Building & improvements	(1,475,297)	(170,855)	-	(1,646,152)
Furniture and equipment	(73,061)	(15,652)	-	(88,713)
<b>Total accumulated depreciation / amortization</b>	<u>(1,548,358)</u>	<u>(186,507)</u>	<u>-</u>	<u>(1,734,865)</u>
<b>Total capital assets being depreciated, net of accumulated depreciation / amortization</b>	<u>4,680,263</u>	<u>(36,130)</u>	<u>-</u>	<u>4,644,133</u>
<b>Governmental activities capital assets, net of accumulated depreciation / amortization</b>	<b><u>\$ 4,919,306</u></b>	<b><u>\$ (36,130)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,883,176</u></b>

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

### DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:

Regular programs	\$	-
Other programs		-
Special education		-
Guidance services		-
Psychological services		-
Social services		-
Support services - instructional staff		-
Support services - administration		-
Board services		-
Legal services		-
Office of the executive director services		-
Community relations services		-
Office of the principal services		-
Pupil health services		-
Support services - business		-
Operation of building services		-
Student transportation services		-
Support services - central		-
System-wide technology services		-
Human resources		-
Temporary services		-
Student activities		-
Depreciation / amortization - unallocated		186,507
<b>Total depreciation for governmental activities</b>	<b>\$</b>	<b><u>186,507</u></b>

### ***Deferred Outflows and 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 outflow of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The School has the following items that qualify for reporting in this category:

Deferred outflows related to pensions (see detailed pension note)	\$	80,923
Deferred outflows related to OPEB (see detailed OPEB note)		6,150
<b>Total deferred outflows of resources</b>	<b>\$</b>	<b><u>87,073</u></b>

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 for fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.



# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

**Fiscal Year Ended June 30, 2024**

The School has the following items that qualify for reporting in this category.

Deferred inflows related to pensions (see detailed pension note)	\$ 636,000
Deferred inflows related to OPEB (see detailed OPEB note)	<u>45,000</u>
<b>Total deferred inflows of resources</b>	<b><u>\$ 681,000</u></b>

### **Long-Term Liabilities**

Long-term liabilities balances and activity for the year ended June 30, 2024 were:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One-Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
<b>General Obligation Debt:</b>					
Fixed rate term loan	\$ -	\$ -	\$ -	\$ -	\$ -
Construction fixed rate term loan	-	-	-	-	-
Commercial term note	4,465,274	-	97,147	4,368,127	100,652
Bank line-of-credit	-	-	-	-	-
<b>Total general obligation debt</b>	<b>4,465,274</b>	<b>-</b>	<b>97,147</b>	<b>4,368,127</b>	<b>100,652</b>
<b>Other Liabilities:</b>					
Compensated Absences	9,160	-	5,443	3,717	-
Unfunded OPEB	31,000	-	11,000	20,000	-
Unfunded Pension	756,000	-	267,000	489,000	-
<b>Total other liabilities</b>	<b>796,160</b>	<b>-</b>	<b>283,443</b>	<b>512,717</b>	<b>-</b>
<b>Total governmental activity long-term liabilities</b>	<b><u>\$ 5,261,434</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 380,590</u></b>	<b><u>\$ 4,880,844</u></b>	<b><u>\$ 100,652</u></b>

Payments on the fixed rate term loans and line-of-credit are made by the General Fund. Total interest paid during the year by the General Fund was \$154,844.

### **Commercial Term Note**

On June 4, 2021, the School entered into fixed term note agreement with Peoples Security Bank and Trust Company for \$4,649,537. The purpose of this loan was to pay off the construction and fixed rate term loans the School had with Reinvestment Fund, Inc., which were used in the purchase and construction of the School's building. The loan is secured by the mortgage on the building. The interest rate is fixed at 3.55% with quarterly principal and interest payments. The loan matures in May of 2026 with a balloon payment of \$4,267,474. The outstanding debt service requirements at June 30, 2024 are:

Fiscal Year	Principal	Interest
2025-2026	\$ 100,652	\$ 155,623
2026-2027	<u>4,267,475</u>	<u>174,902</u>
<b>Total outstanding</b>	<b><u>\$ 4,368,127</u></b>	<b><u>\$ 330,525</u></b>

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### ***Bank Line of Credit***

On January 7, 2019, the School entered into a \$200,000 line-of-credit with Peoples Security Bank & Trust. The line-of-credit, which requires monthly payments of interest and renews on a year-to-year basis and is secured by a mortgage on the building acquired by the School. As of June 30, 2024, there was no outstanding balance on the line-of-credit.

### ***Compensated Absences***

#### *Paid Time-Off Days*

Circle of Seasons Charter School provides paid leave benefits (herein referred to as Paid Time Off or PTO) to all full-time employees for periods of temporary absence due to illnesses, injuries or personal needs.

Full-time salaried employees receive 10 to 20 paid PTO days from July 1 to June 30. PTO days must be approved in accordance with the guidelines established by COS. If the employee does not use all of their days by June 30, they may carry over 5 days and will be paid out at their daily rate.

In accordance with GASB Statement No. 16, the portion of unused PTO earned at June 30, 2024, that will use currently available financial resources is \$0, including fica tax and retirement contributions.

The remaining unused paid time-off earned at June 30, 2024, of \$3,717, including fica tax and retirement contributions is recorded as a long-term liability in the governmental activities' column of the government-wide statement of net position.

### Defined Benefit Pension Plans

#### ***General Information about the Pension Plan***

##### *Plan Description*

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public-school employees, part-time hourly public-school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 5 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

**Fiscal Year Ended June 30, 2024**

service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

### Contributions

#### **Member Contributions:**

The contributions rates based on qualified member compensation for virtually all members are presented below:

<b>Member Contributions Rates</b>				
<b>Membership Class</b>	<b>Continuous Employment Since</b>	<b>Defined Benefit (DB) Contribution Rate</b>	<b>DC Contribution Rate</b>	<b>Total Contribution Rate</b>
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.3% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions:

The school districts' contractually required contributions rate for the fiscal year ended June 30, 2024 was 33.09% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount of finance any unfunded accrued liability. Contributions to the pension plan from the School were \$59,923 for the year ended June 30, 2024.

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

At June 30, 2024, the School reported a liability of \$489,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the School's proportion was 0.0011%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School recognized pension expenses of \$59,923. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$ -	\$ 7,000
Changes in assumptions	7,000	-
Net difference between projected and actual investment earnings	14,000	-
Changes in proportions	-	629,000
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date	59,923	-
<b>Total</b>	<b>\$ 80,923</b>	<b>\$ 636,000</b>

\$59,923 reported as deferred outflows of resources related to pensions resulting from School 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:

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

<u>Year Ended June 30:</u>	<u>Amount</u>
2024	\$ (319,000)
2025	(249,000)
2026	(52,000)
2027	5,000
Thereafter	-
<b>Total</b>	<b><u>\$ (615,000)</u></b>

### ***Changes in Actuarial Assumptions***

The Total Pension Liability at June 30, 2023 was determined by rolling forward the System's Total Pension Liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2022 actuarial valuation:
  - Salary growth rate – decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five-year the period ending June 30, 2020.

The long-term expected rate of return on pension plan investment was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

**Fiscal Year Ended June 30, 2024**

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Public Equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real Estate	11.0%	5.7%
Absolute Return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5)%	1.2%
<b>TOTAL</b>	<b>100%</b>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

### Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position as projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6%	Current Discount Rate 7.00%	1% Increase 8%
School's proportionate share of the net pension liability	<b>\$ 634,000</b>	<b>\$ 489,000</b>	<b>\$ 367,000</b>

### Pension plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### Other Post-Employment Benefits

#### ***General Information about the Health Insurance Premium Assistance Program***

##### *Health Insurance Premium Assistance Program*

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Option Program. As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

##### *Premium Assistance Eligibility Criteria*

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions

##### *Pension Plan Description*

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public-school employees, part-time hourly public-school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

##### *Benefits Provided*

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

##### *Employer Contributions:*

The school districts' contractually required contributions rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School were \$1,150 for the year ended June 30, 2024.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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

At June 30, 2024, the School reported a liability of \$20,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School's proportion was 0.0011%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School recognized OPEB expense of \$1,150. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	2,000	4,000
Net difference between projected and actual investment earnings	-	-
Changes in proportions	8,000	41,000
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date	1,150	-
<b>Total</b>	<b>\$ 11,150</b>	<b>\$ 45,000</b>

\$1,150 reported as deferred outflows of resources related to OPEBs resulting from School 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:	Amount
2024	\$ (9,000)
2025	(9,000)
2026	(9,000)
2027	(10,000)
2028	(2,000)
Thereafter	(1,000)
<b>Total</b>	<b>\$ (40,000)</b>

### ***Actuarial Assumptions***

The total OPEB liability at June 30, 2023 was determined by rolling forward the System's total OPEB liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:



# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.13% - S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Pre age 65 at 70%

The actuarial assumption used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five year the period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
<b>Total</b>	<b>100.0%</b>	

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

### Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

### Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the net OPEB liability for June 30, 2023, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if the health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	Dollar Amounts in Thousands		
	Current Trend		
	1% Decrease	Rate	1% Increase
System Net OPEB liability	\$ 20,000	\$ 20,000	\$ 20,000

### Sensitivity of the School's proportionate share of the net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	3.09%	4.09%	5.09%
School's proportionate share of net OPEB liability	\$ 23,000	\$ 20,000	\$ 18,000

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### OPEB plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

### **Defined Contribution Retirement Plan Alternative to Pennsylvania School Employees' Retirement System**

All new employees (hired on or after July 1, 2016) whether or not they were previously members of PSERS will be enrolled in the alternative retirement program and are not eligible to be enrolled in PSERS. All current employees (hired prior to July 1, 2016) of the Charter School who are currently members of PSERS shall remain members of PSERS but can contribute to the alternative retirement plan without the School matching those contributions. In the 2024 fiscal year, the School contributed \$177,301 to the plan.

### **Note 6 – 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 such risks. There has been no significant reduction in insurance coverage from inception in any of the School's policies.

### **Note 7 – Local Educational Agencies Revenues**

Charter Schools are funded by the local public-school districts in which each student resides. The rate per student is determined annually and is based on the budgeted total expenditure per average daily membership of the prior school year for each school district. The annual rate is paid monthly by each sending school district and is prorated if a student enters or leaves during the year. Total tuition revenue from other local education agencies was \$7,812,346.

### **Note 8 – Government Grants and Reimbursement Programs**

The School participates in numerous state and federal grant and reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs for retirement expenses, and facility lease costs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants and reimbursement programs, refunds of any money received may be required and the collectability of any related receivables may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

### **Note 9 – Contingencies**

From time to time the School is a party to legal proceedings including claims involving employment and other matters. The School carries insurance coverage against all such claims. Any such claims are vigorously defended by the School and its indemnities. Management believes that such legal proceedings to which it may become party to would not have a material adverse effect upon its financial position or results of operations. According to the School's legal counsel, as of June 30, 2024, there was no material pending or threatened litigation.

# CIRCLE OF SEASONS CHARTER SCHOOL

## NOTES TO BASIC FINANCIAL STATEMENTS

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Fiscal Year Ended June 30, 2024

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### Note 10 – Restricted Net Position

#### *Invested in Capital Assets, Net of Related Debt*

The component of this restriction in the governmental activities' column is total capital assets (net of depreciation and amortization) of \$4,883,176 less related debt of \$4,368,127.

#### *Other Restrictions*

This restriction of \$109,682 pertains to federal grant receivables at year-end.

### Note 11 – Governmental Fund Balances

Detailed information about aggregated fund balances:

#### *Nonspendable Fund Balance*

Prepaid expenditures	\$	45,090
Security deposit		<u>1,000</u>
<b>Total</b>	<b>\$</b>	<b><u>46,090</u></b>

#### *Restricted Fund Balance*

Restricted for use in Federal Programs is \$109,682.

#### *Assigned Fund Balance*

The Board has assigned \$4,642,795 of the school fund balance to be used for the following purpose:

Debt service	\$	4,368,352
Future contingencies		<u>274,443</u>
<b>Total</b>	<b>\$</b>	<b><u>4,642,795</u></b>

The School's highest level of decision making is the Board of Directors.

A resolution of the Board of Directors is required to establish, modify or rescind a fund balance commitment or assignment.

As of June 30, 2024, there was no unassigned fund balance.

### Note 12 – Subsequent Events

Subsequent events have been evaluated through November 19, 2024, which is the date the financial statements were available to be issued.

November 19, 2024

Board of Trustees  
Circle of Seasons Charter School  
8380 Mohr Lane  
Fogelsville, PA 18051

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the basic financial statements of the governmental activities and the general fund of The Circle of Seasons Charter School, as of and for the year ended June 30, 2024, which collectively comprise the Circle of Seasons Charter School's basic financial statements and have issued our report thereon dated November 19, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered the Circle of Seasons Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Circle of Seasons Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Circle of Seasons Charter School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Circle of Seasons Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

***Hutchinson, Gillahan & Freeh, P.C.***

November 19, 2024

**REQUIRED SUPPLEMENTARY INFORMATION**

# CIRCLE OF SEASONS CHARTER SCHOOL

## SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

**Last 10 Fiscal Years**

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School's Proportionate of the Net Pension Liability	0.0011%	0.0017%	0.0032%	0.0039%	0.0036%	0.0037%	0.0035%	0.0044%	0.0061%	0.0046%
School's Proportionate Share of the Net Pension Liability	\$ 489,000	\$ 756,000	\$ 1,314,000	\$ 1,920,000	\$ 1,684,000	\$ 1,776,000	\$ 1,729,000	\$ 2,181,000	\$ 2,642,000	\$ 1,821,000
School's Covered Employee Payroll	\$ 179,374	\$ 167,127	\$ 252,536	\$ 451,484	\$ 526,157	\$ 517,039	\$ 501,916	\$ 463,960	\$ 786,160	\$ 584,369
School's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	272.61%	452.35%	520.32%	425.26%	320.06%	343.49%	344.48%	470.08%	336.06%	311.62%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%



# CIRCLE OF SEASONS CHARTER SCHOOL

## SCHEDULE OF SCHOOL CONTRIBUTIONS TO THE PENSION PLAN

**Last 10 Fiscal Years**

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 59,923	\$ 57,663	\$ 87,420	\$ 153,196	\$ 175,996	\$ 167,255	\$ 162,160	\$ 135,476	\$ 170,050	\$ 353,501
Contributions in Relation to Contractually Required Contributions	(59,923)	(57,663)	(87,420)	(153,196)	(175,996)	(167,255)	(162,160)	(135,476)	(170,050)	(353,501)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's Covered Payroll	179,374	167,127	252,536	451,484	526,157	517,039	501,916	463,960	786,160	584,369
Pension Contributions as a Percentage of Covered Employee Payroll	33.41%	34.35%	34.62%	33.93%	33.45%	32.35%	32.31%	29.20%	21.63%	27.77%

# CIRCLE OF SEASONS CHARTER SCHOOL

## SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

**Last 10 Fiscal Years\*\***

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School's Proportionate of the Net OPEB Liability	0.0011%	0.0017%	0.0032%	0.0039%	0.0036%	0.0037%	0.0035%	-	-	-
School's Proportionate Share of the Net OPEB Liability	\$ 20,000	\$ 31,000	\$ 76,000	\$ 84,000	\$ 77,000	\$ 77,000	\$ 71,000	-	-	-
School's Covered Employee Payroll	\$ 179,374	\$ 167,127	\$ 252,536	\$ 451,484	\$ 526,157	\$ 517,039	\$ 501,916	-	-	-
School's Proportionate Share of the Net OPEB Liability as a percentage of its Covered Employee Payroll	11.15%	18.55%	30.09%	18.61%	14.63%	14.89%	14.15%	-	-	-
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	7.22%	6.86%	5.30%	5.56%	5.56%	5.56%	5.47%	-	-	-

\*\* Due to the recent reporting requirement implementation, this schedule is shown to prospectively using information available at the implementation date.

# CIRCLE OF SEASONS CHARTER SCHOOL

## SCHEDULE OF SCHOOL CONTRIBUTIONS TO THE OPEB PLAN

**Last 10 Fiscal Years\*\***

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,150	\$ 1,253	\$ 2,049	\$ 3,729	\$ 4,420	\$ 4,308	4,240	-	-	-
Contributions in Relation to Contractually Required Contributions	(1,150)	(1,253)	(2,049)	(3,729)	(4,420)	(4,308)	(4,240)	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
School's Covered Payroll	179,374	167,127	252,536	451,484	526,157	517,039	501,916	-	-	-
OPEB Contributions as a Percentage Of Covered-Employee Payroll	0.64%	0.75%	0.81%	0.83%	0.84%	0.83%	0.84%	-	-	-

\*\* Due to the recent reporting requirement implementation, this schedule is shown to prospectively using information available at the implementation date.

## **SUPPLEMENTARY INFORMATION**

# CIRCLE OF SEASONS CHARTER SCHOOL

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GENERAL FUND

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For the Year Ended June 30, 2024

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### REVENUES

#### Local Sources

Revenues from student activities	\$	19,734	
Revenue received from intermediate sources - federal		70,134	
Revenue received from other LEAs		7,812,346	
Contributions / fundraising		20,539	
Parent circle		65,200	
Miscellaneous		<u>1,162</u>	
<b>Total local sources revenue</b>	\$		7,989,115

#### State Sources

Health		14,447	
PCCD Grant		<u>53,228</u>	
<b>Total state sources revenue</b>			67,675

#### Federal Sources

Title I		72,782	
Title II		9,269	
Title III		-	
Title IV		10,000	
ESSER 7%		6,997	
ESSER III		<u>123,806</u>	
<b>Total federal sources revenue</b>			<u>222,854</u>

<b>Total revenues</b>	\$		<b>8,279,644</b>
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**EXPENDITURES**

Instruction	\$	3,482,133	
Special program		1,031,760	
Pupil personnel		48,093	
Pupil personnel - guidance		146,898	
Pupil personnel - psychological services		57,300	
Pupil personnel - speech		97,676	
Support services - legal services		26,987	
CEO		181,185	
Office of the principal services		359,086	
Other administrative services		440,905	
Pupil health services		171,376	
Support services - business		147,712	
Operation of building services		812,962	
Support services - IT		80,407	
Support services - Other		3,106	
Student activities		166,967	
Facilities acquisition, construction and improvement		-	
Debt service		256,991	
<b>Total expenditures</b>			<b>\$ 7,511,544</b>
<b>Excess (deficiency) of revenues over expenditures</b>			<b>\$ 768,100</b>

**OTHER FINANCING SOURCES (USES)**

Interest Income	\$	119,406	
Refund of prior year expenditures		-	
Refund of prior year receipts		-	
<b>Total other financing sources (uses)</b>			<b>\$ 119,406</b>
<b>Net change in fund balance</b>			<b>\$ 887,506</b>
<b>Fund balance - July 1, 2023</b>			<b>3,911,061</b>
<b>Fund balance - June 30, 2024</b>			<b>\$ 4,798,567</b>