

**FINANCIAL STATEMENTS AND REPORTS OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TIDIOUTE COMMUNITY CHARTER SCHOOL**

June 30, 2024

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Independent Auditor's Report

Members of the Board of Trustees
Tidioute Community Charter School

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tidioute Community Charter School as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the 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 and *Government 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedules, as listed in the table of contents, on pages 51 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of Tidioute Community 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 solely 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 effectiveness of the Charter School's 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 Tidioute Community Charter School's internal control over financial reporting and compliance.

Root, Spitznas and Smiley, LLC.

ERIE, PENNSYLVANIA
January 28, 2025

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

Our discussion and analysis of the Tidioute Community Charter School's (TCCS) financial performance provides an overview of TCCS's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

TCCS' total net position was (\$902,859) as of June 30, 2024. The negative net position is attributable to the implementation of GASB Statement #68 and #71 which requires TCCS to show their share of the Public School Employees' Retirement System (PSERS) net pension liability. Based on the PSERS actuarial valuation, TCCS reported \$4,982,475 as its share of the net pension liability. June 30, 2024, marked the end of TCCS's nineteenth year of operation. Local Sources accounted for 93.4% of total general fund revenues, State Sources contributed 2.9%, and Federal Sources contributed the remaining 3.7%.

The General Fund reported a positive fund balance of \$2,546,213.

Using the Annual Financial Report

This annual financial report consists of a series of financial statements and notes relating to those statements. The statements are developed to present the net position and the changes in it.

Reporting the Tidioute Community Charter School as a Whole

These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

Reporting the Tidioute Community Charter School's Most Significant Funds

Fund Financial Statements

TCCS utilizes three types of funds: Governmental, Proprietary and Fiduciary.

Governmental Funds

Most of TCCS's activities are reported in governmental funds, which focuses on how money flows into and out of that fund and the balance left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of TCCS's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance TCCS's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund is reconciled in the basic financial statements.

Proprietary Funds

Proprietary Funds use the accrual basis of accounting, the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government-wide statements.

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

Fiduciary Funds

TCCS is the trustee, or fiduciary, for its Endowment Fund. It is also the custodian for other assets that can only be used for the benefit of various student organizations. All of TCCS's fiduciary activities are reported on separate Statements of Fiduciary Net Position. We exclude these activities from TCCS's other financial statements because the assets cannot be utilized by TCCS to finance its operation.

Government-wide Financial Analysis

The government-wide financial statements are designed to provide a broad overview of the TCCS's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the TCCS's financial status as a whole.

The two government-wide statements report TCCS's net position and how it has changed. Net position is the difference between the TCCS's total assets and total liabilities. Measuring net position is one way to gauge the TCCS's financial condition.

As noted earlier, net position may serve over time as a useful indicator of an organization's financial position. In the case of TCCS, assets exceeded liabilities (excluding net pension liability) by \$5.21 million at the close of the most recent fiscal year. This is an increase of \$1.09 million (21.4%) over the prior year. Current Assets for 2024 increased by \$368,170, Noncurrent Assets decreased by \$44,236, Deferred Outflows decreased by \$9,870 and Current Liabilities decreased by \$28,333 accounting for a majority of this result.

The portion of TCCS's net position reflecting its investment in capital assets less any related outstanding debt used to acquire those assets is 34.3%. TCCS used capital assets to provide services; consequently, these assets are not available for future spending. Although TCCS's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An analysis of net position for fiscal years ended June 30, 2024, and 2023 follows:

	<u>Net Position</u>					
	Business-			Business-		
	Governmental Activities 2024	Type Activities 2024	Total 2024	Governmental Activities 2023	Type Activities 2023	Total 2023
Current Assets (\$)	2,993,260	111,853	3,105,113	2,612,359	124,584	2,736,943
Capital Assets	1,998,325	48,728	2,047,053	2,033,313	57,976	2,091,289
Deferred Outflows	818,368	-	818,368	828,238	-	828,238
Total Assets and Deferred Outflows	5,809,953	160,581	5,970,534	5,473,910	182,560	4,828,232
Current Liabilities.	369,967	148,789	518,756	384,864	162,225	547,089
Long Term Liabilities	5,215,280	-	5,215,280	6,387,721	-	6,387,721
Total Liabilities	5,585,247	148,789	5,734,036	6,772,585	162,225	6,934,810
Net Position						
Restricted	1,947,897	48,728	1,996,625	2,012,418	57,976	2,070,394
Unrestricted	(2,862,548)	(36,936)	(2,899,484)	(3,732,986)	(37,641)	(3,770,627)
Total Net Position	(914,651)	11,792	(902,859)	(1,720,568)	20,335	(1,700,233)

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

The results of this year's operations as a whole are reported in the Statement of Activities. The following table takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

Changes in Net Position

	Governmental Activities 2024	Business- Type Activities 2024	Total 2024	Governmental Activities 2023	Business- Type Activities 2023	Total 2023
Revenues						
Program Revenues (\$)						
Charges for Services	-	13,830	13,830	-	22,043	22,043
Operating Grants & Contributions	5,363,272	309,825	5,673,097	5,522,484	329,068	5,851,552
Capital Grants & Contributions		-	-		-	-
Total Program Revenues	5,363,272	323,655	5,686,927	5,522,484	351,111	5,873,595
General Revenues						
Grants, Subsidies and Contributions not Restricted	14,065	-	14,065	-	-	-
Investment Earnings	60,308	5	60,313	50,414	4	50,418
Miscellaneous Income	81,187	-	81,187	18,032	15	18,047
Transfers In/(Out)	(40,000)	40,000	-	(70,000)	70,000	-
Total General Revenues	115,560	40,005	155,565	(1,554)	70,019	68,465
Total Revenues	5,478,832	363,660	5,842,492	5,520,930	421,130	5,942,060
Expenses						
Instruction	2,989,297		2,989,297	3,375,460		3,375,460
Instruction Support	421,488		421,488	355,777		355,777
Administration	615,860		615,860	722,860		722,860
Business Services	120,709		120,709	116,400		116,400
Operation of Plant Services	463,850		463,850	468,058		468,058
Student Transportation	-		-	-		-
Student Activities	58,915		58,915	51,063		51,063
Community Services	107		107	-		-
Scholarships and Awards	-		-	-		-
Interest on Debt	2,690		2,690	-		-
Food Services		372,203	372,203		341,242	341,242
Total Expenses	4,672,916	372,203	5,045,119	5,089,618	341,242	5,430,860
Change in Net Position (\$)	805,916	(8,543)	797,373	431,312	79,888	511,200

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

Business-Type Activities

Business-Type activity includes Food Service. This program had a change in net position of (\$8,543) for the fiscal year. For 2024, program expenses were \$372,203 and program revenues from Charges for Service, Operating Grants and Contributions totaled \$363,660. The 2024 change in net position is a decrease of \$88,431 (110.7%) from 2023. A \$30,000 reduction in the budgetary transfer from the General Fund, a \$19,242 decrease in state and federal subsidies and a \$34,679 increase in supply costs were the primary drivers of this result. TCCS transitioned from self-operated to a Food Service Management Company (FSMC) in 2018. TCCS participates in the National School Lunch Program's Community Eligibility Provision (CEP) serving breakfast and lunch at no cost to enrolled students. Food Service is considered an essential service for student well-being and enrollment by TCCS.

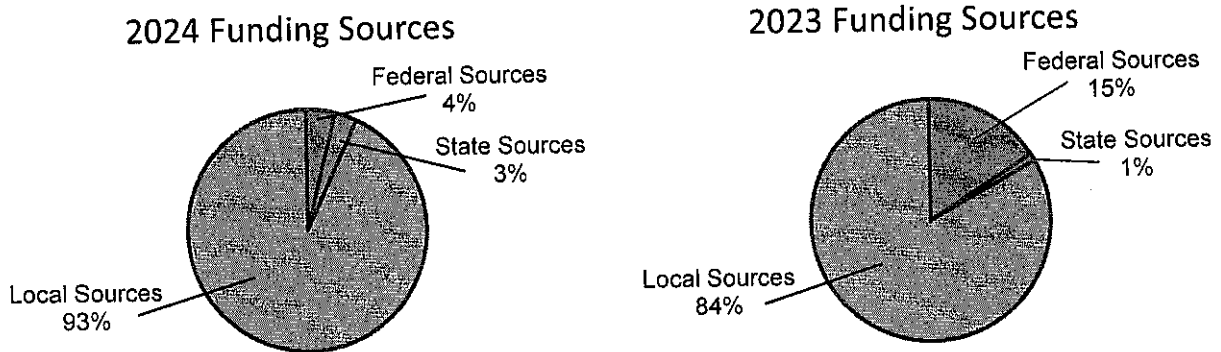
Tidioute Community Charter School's Funds

The fund financial statements provide a more detailed look at the TCCS's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The TCCS, like all other governmental entities in Pennsylvania, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements.

Governmental Funds

TCCS's governmental funds (as presented on the balance sheet) reported a fund balance of \$2,623,083. The General Fund accounts for 97.1% of the total while the Capital Projects Reserve Fund accounts for 2.9%.

TCCS's reliance upon Local Revenues is demonstrated by the graph below that indicates approximately 93% of total general fund revenues come from district payments for per pupil revenue.

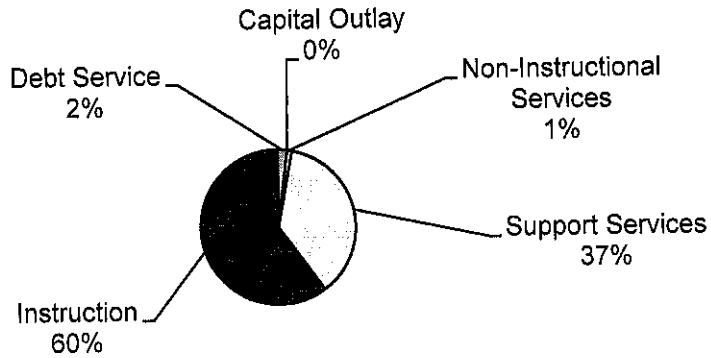


Over 95% of local revenues consist of these district payments. Other local revenues include interest earned on investments, revenue from athletics and other special events, as well as donations. Revenue from State Sources includes Pass-through funds and food service subsidies. Revenue from Federal Sources consists of Title I, Title II, IDEA, REAP, ESSER funding and food service subsidies.

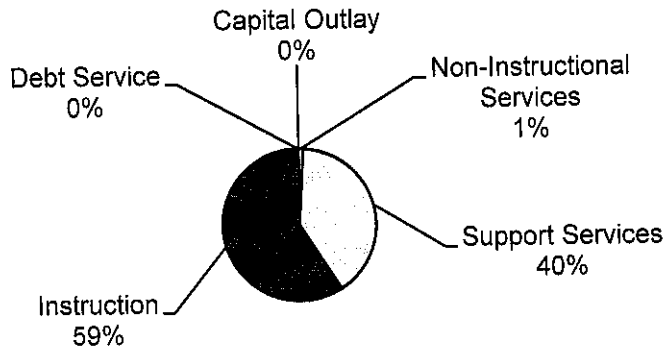
Tidoute Community Charter School
 Management's Discussion & Analysis
 For the Fiscal Year Ended June 30, 2024
 Required Supplementary Information

As the graph below illustrates, the largest portions of general fund expenditures are student instruction related expenses.

2024 Expenditures



2023 Expenditures



	2024 Amount	2023 Amount
<i>Expenditures by Function</i>		
Instruction	3,104,125	3,301,976
Support Services	1,920,034	2,284,287
Non-Instructional Services	59,022	51,063
Capital Outlay	0	0
Debt Service	95,845	7,139
Total	5,179,026	5,644,465

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

Revenues exceeded Expenditures during the fiscal year resulting in an increase in the fund balance. Cash and Cash Equivalents and Investments totaled \$2,323,736 as of June 30, 2024, which is an increase of \$77,504 (3.5%) over 2023. Cash and Cash Equivalents increased by \$21,042. The receipt of Elementary and Secondary School Emergency Relief Fund (ESSER) revenue in 2023-2024 that was expended in the 2022-2023 fiscal year influenced this result. TCCS' Cash and Cash Equivalents and Investments provide an indication of TCCS's solid financial health upon completion of its eighteenth year of operation.

Fiduciary Funds

TCCS's Fiduciary Fund (Custodial Funds) showed a net position of \$90,582 as of June 30, 2024. Custodial Funds are raised by various student clubs and used to support club activities.

General Fund Budget Information

TCCS's budget is prepared in accordance with Pennsylvania law and is based on the cash basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual for the General Fund shows the performance of actual versus budgeted revenues and expenses. The fiscal year ended with a \$575,792 positive variance. Total Revenues ended with a \$405,992 positive variance (actual greater than budget). A positive variance in Total Expenditures (actual less than budget) of \$3,454 reduced the negative revenue variance. Positive expenditure variances included Regular Programs, \$43,079, Special Programs, \$53,865, Instructional Staff Services \$25,761, and Student Activities \$30,585. Negative expenditure variances including Operation and Maintenance of Plant Services, (\$61,543), Lease Payments, (\$81,892) reduced the positive expenditure variance.

Capital Assets

TCCS has \$2,047,053 in capital assets net of depreciation, with 98% of that amount attributed to governmental activities.

Debt

TCCS has no outstanding debt. Conservative debt management is a key to TCCS's financial strength.

Factors Expected to have an Effect on Future Operations

TCCS completed the fourth year of its current five-year term. TCCS has completed its third charter term and was successful in renewing for a fourth five-year term. Renewing the charter for a fourth term provides stability for all TCCS stakeholders including staff, students and communities ensuring TCCS will continue providing unique and meaningful educational opportunities.

Enrollment at TCCS continues to be strong. The 2023-2024 school year concluded with grades K-5 through 12 at full enrollment with a waiting list of potential students. With the current renewal, enrollment is capped at 293 students for grades K-5 through 12 and 12 students for K-4.

Tidioute Community Charter School
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2024
Required Supplementary Information

Factors Expected to have an Effect on Future Operations (continued)

Significant projects completed during the 2023-2024 fiscal year include the replacement of eight exterior doors and the installation of a gated fence limiting access to the shop area. The exterior door replacement project was completed by CBF Contracting Incorporated at a cost of \$50,100. This project was a safety and security upgrade and was partially funded through a grant. The gated fence project was completed by HI-T-Fence at a cost of \$8,290. This project secured exterior access to the shop area. Two major capital projects are planned for the 2024-2025 fiscal year including replacement of the Hunter Building roof and replacement of a significant portion of TCCS' sewage system.

Funding associated with the Coronavirus Aid Relief and Economic Security (CARES) Act for the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) is concluding. Signed into law on March 27, 2020, the grants were awarded to State educational agencies for the purpose of providing local education agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools nationwide. CARES and ESSER funding were utilized to offset TCCS' additional expenses due to COVID-19 including remote instruction, substitute instructional staff, technology (Chromebooks, iPads), personal protective equipment and additional custodial service. ESSER funds also were instrumental in replacing TCCS' aging boiler heating system.

Employer contribution to the Public School Employees' Retirement System (PSERS) has increased significantly in recent years. A pension reform measure was enacted during the 2016-2017 fiscal year; however, the reform is not expected to provide significantly lower employer contribution rates in the near term. The employer contribution rate for 2023-2024 was 34.00% and will decrease slightly to 33.90% for 2024-2025. In 2016, TCCS established an alternative retirement plan in which newly hired employees who have not previously paid into PSERS are enrolled. This alternative plan has helped reduce the PSERS' impact on TCCS' budget.

Lobbying efforts for charter school funding "reform" is an on-going legislative issue of concern. At the conclusion of the 2013-2014 fiscal year the State announced it would no longer reimburse charter schools for their contributions to PSERS. The State reimburses all public schools at a rate of approximately 50% for these expenditures. Eliminating charter school eligibility to participate in this reimbursement has negatively impacted charter schools. Current efforts are focused on seeking a reduction in the tuition rates for cyber charter and special education students. Opponents continue seeking legislative channels to weaken charter schools.

TCCS is well-positioned through its leadership and finances to address organizational challenges. TCCS's strategic planning and creativity provides assurance for its future development and success.

FINANCIAL STATEMENTS

Tidioute Community Charter School
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 527,907	\$ 79,400	\$ 607,307
Investments	1,872,699	-	1,872,699
Due from other governments	236,478	32,453	268,931
Other receivables	337,519	-	337,519
Prepaid expenses	-	-	-
Other current assets	18,657	-	18,657
Total current assets	2,993,260	111,853	3,105,113
NONCURRENT ASSETS			
Land and site improvements	73,228	-	73,228
Building and building improvements (net)	1,626,656	-	1,626,656
Furniture and equipment (net)	226,456	48,728	275,184
Right to use assets	71,985	-	71,985
Construction in progress	-	-	-
Other long-term assets	-	-	-
Total noncurrent assets	1,998,325	48,728	2,047,053
Total assets	4,991,585	160,581	5,152,166
DEFERRED OUTFLOWS OF RESOURCES			
Other post-employment benefit obligations	39,041	-	39,041
Net pension liability	779,327	-	779,327
Total assets and deferred outflows of resources	\$ 5,809,953	\$ 160,581	\$ 5,970,534
LIABILITIES			
CURRENT LIABILITIES			
Internal balances	\$ (138,715)	\$ 138,715	\$ -
Due to other governments	-	-	-
Accounts payable	189,887	10,074	199,961
Current portion of long-term debt	12,157	-	12,157
Accrued salaries and benefits	286,021	-	286,021
Payroll deductions and withholdings	14,327	-	14,327
Advances	-	-	-
Other current liabilities	6,290	-	6,290
Total current liabilities	369,967	148,789	518,756
NONCURRENT LIABILITIES			
Bonds payable	-	-	-
Extended term financing payable	13,296	-	13,296
Lease purchase obligations	18,685	-	18,685
Long-term portion of compensated absences	-	-	-
Other post-employment benefit obligations	200,824	-	200,824
Other long-term liabilities	-	-	-
Net pension liability	4,982,475	-	4,982,475
Total noncurrent liabilities	5,215,280	-	5,215,280
Total liabilities	5,585,247	148,789	5,734,036
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefit obligations	107,196	-	107,196
Net pension liability	1,032,161	-	1,032,161
Total deferred inflows of resources	1,139,357	-	1,139,357
NET POSITION			
Net investment in capital assets	1,947,897	48,728	1,996,625
Restricted for:	-	-	-
Retirement of long-term debt	-	-	-
Capital projects	-	-	-
Other	-	-	-
Unrestricted	(2,862,548)	(36,936)	(2,899,484)
Total net position	(914,651)	11,792	(902,859)
Total liabilities deferred inflows and net position	\$ 5,809,953	\$ 160,581	\$ 5,970,534

The accompanying notes are an integral part of these statements.

Tidoute Community Charter School
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
GOVERNMENTAL ACTIVITIES:							
INSTRUCTION:							
Regular instruction	\$ 2,233,709	\$ -	\$ 2,509,324	\$ -	\$ 275,615	\$ -	\$ 275,615
Special instruction	748,122	-	876,429	-	128,307	-	128,307
Vocational instruction	-	-	-	-	-	-	-
Other instructional programs	7,466	-	13,945	-	-	-	-
Higher education programs	-	-	-	-	6,479	-	6,479
Total instructional services	2,989,297	-	3,399,698	-	410,401	-	410,401
SUPPORT SERVICES:							
Pupil personnel	139,638	-	222,851	-	83,213	-	83,213
Instructional staff	192,683	-	236,470	-	43,787	-	43,787
Administration	615,860	-	658,533	-	42,673	-	42,673
Pupil health	89,167	-	106,549	-	17,382	-	17,382
Business services	120,709	-	128,252	-	7,543	-	7,543
Operation and maintenance of plant services	463,850	-	610,812	-	146,962	-	146,962
Student transportation	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-
Other support services	-	-	-	-	-	-	-
Total support services	1,821,907	-	1,963,467	-	341,560	-	341,560
NON-INSTRUCTIONAL SERVICES:							
Student activities	58,915	-	-	-	(58,915)	-	(58,915)
Community services (excl. 3340)	107	-	107	-	-	-	-
Scholarships and awards	-	-	-	-	-	-	-
Interest on long-term debt	2,690	-	-	-	-	-	-
Unallocated depreciation expense	-	-	-	-	(2,690)	-	(2,690)
Total non-instructional services	61,712	-	107	-	(61,605)	-	(61,605)
Total governmental activities	4,672,016	-	5,363,272	-	690,356	-	690,356
BUSINESS-TYPE ACTIVITIES:							
Food service	372,203	13,830	309,825	-	-	(48,548)	(48,548)
Total primary government	\$ 5,045,119	\$ 13,830	\$ 5,673,097	\$ -	690,356	(48,548)	641,808
GENERAL REVENUES							
Taxes:							
Property taxes, levied for general purposes, net	-	-	-	-	-	-	-
Taxes levied for specific purposes	-	-	-	-	-	-	-
Grants, subsidies and contributions not restricted	-	-	-	-	-	-	-
Receipts from member districts	-	-	-	-	14,065	-	14,065
Investment earnings	-	-	-	-	-	-	-
Miscellaneous income	60,308	-	-	-	-	5	60,313
Special items	81,187	-	-	-	-	-	81,187
Extraordinary items	-	-	-	-	-	-	-
Transfers	-	-	-	-	(40,000)	40,000	-
Total general revenues, special items, extraordinary items and transfers	-	-	-	-	115,560	40,005	155,565
Change in net position	-	-	-	-	805,916	(8,543)	797,373
Net position-beginning, as restated	-	-	-	-	(1,720,567)	20,335	(1,700,232)
Net position-ending	\$ (914,651)	\$ 11,792	\$ (902,859)	\$ -	-	-	-

The accompanying notes are an integral part of these statements.

**Tidioute Community Charter School
Balance Sheet
Governmental Funds
June 30, 2024**

	General Fund	Capital Projects Reserve	Other Funds	Total Gov't Funds
ASSETS				
Cash and cash equivalents	\$ 451,037	\$ 76,870	\$ -	\$ 527,907
Investments	1,872,699	-	-	1,872,699
Due from other funds	138,715	-	-	138,715
Due from other governments	236,478	-	-	236,478
Other receivables	337,519	-	-	337,519
Prepaid expenses	-	-	-	-
Other current assets	-	-	-	-
Total assets	\$ 3,036,448	\$ 76,870	\$ -	\$ 3,113,318
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Accounts payable	189,887	-	-	189,887
Contracts payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
Accrued salaries and benefits	286,021	-	-	286,021
Payroll deductions and withholdings	14,327	-	-	14,327
Advances	-	-	-	-
Other current liabilities	-	-	-	-
Total liabilities	490,235	-	-	490,235
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	1,930,587	-	-	1,930,587
Assigned	-	76,870	-	76,870
Unassigned	615,626	-	-	615,626
Total fund balances	2,546,213	76,870	-	2,623,083
Total liabilities and fund balances	\$ 3,036,448	\$ 76,870	\$ -	\$ 3,113,318

The accompanying notes are an integral part of these statements.

**Tidioute Community Charter School
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2024**

Total fund balances - governmental funds	\$	2,623,083
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right to use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$4,156,859, and the accumulated depreciation and amortization is \$2,158,534		1,998,325
Compensated absences are not expected to be paid using expendable available financial resources, and therefore are not reported as liabilities in the funds.		-
Long-term liabilities 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:		
Extended term financing payable	\$	(25,453)
Leases payable		(24,975)
Net pension liability		(4,982,475)
Deferred outflows/(inflows) of resources, net - net pension liability		(252,834)
Other post-employment benefit obligation		(200,824)
Deferred outflows/(inflows) of resources, net - opeb		(68,155)
		(5,554,716)
Other:		
Other receivables		18,657
Prepaid insurance		-
		-
Total net position - governmental activities	\$	(914,651)

The accompanying notes are an integral part of these statements.

Tidioute Community Charter School
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Capital Projects Reserve	Other Funds
REVENUES			
6000 Local sources	\$ 5,155,683	\$ 17,369	\$ -
7000 State sources	160,256	-	-
8000 Federal sources	202,053	-	-
0010 Total revenues	<u>5,517,992</u>	<u>17,369</u>	<u>-</u>
EXPENDITURES			
1000 Instruction	3,104,125	-	-
2000 Support services	1,920,034	-	-
3000 NonInstructional services	59,022	-	-
4000 Capital outlay	-	-	-
5110 Debt service (principal and interest)	13,953	-	-
5140 Lease payments	81,892	-	-
0020 Total expenditures	<u>5,179,026</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>338,966</u>	<u>17,369</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
9110 Bond proceeds	-	-	-
9120 Refunding bond proceeds	-	-	-
9200 Proceeds from extended term financing	141,346	-	-
9300 Interfund transfers	-	-	-
9400 Sale/compensation for fixed assets	-	-	-
9500 Refunds of prior years expenditures	-	-	-
9600 Operating transfers in (other LEAs)	-	-	-
9710 Operating transfers from component units	-	-	-
9720 Operating transfers from primary government	-	-	-
5120 Debt service (payment to refunded bond escrow agent)	-	-	-
5130 Refunds of prior year receipts	-	-	-
5200 Operating transfers out	(40,000)	-	-
5310 Operating transfers to component unit	-	-	-
5320 Operating transfers to primary government	-	-	-
XXXX Total other financing sources (uses)	<u>101,346</u>	<u>-</u>	<u>-</u>
SPECIAL/EXTRAORDINARY ITEMS			
8888 Special items	-	-	-
5530 Extraordinary items	-	-	-
Net change in fund balances	<u>440,312</u>	<u>17,369</u>	<u>-</u>
0040 Fund balance - July 1, 2023	2,105,901	59,501	-
0050 Prior period adjustment	-	-	-
0700 Fund balance - June 30, 2024	<u>\$ 2,546,213</u>	<u>\$ 76,870</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Total Gov.
Funds

\$ 5,173,052
160,256
202,053

5,535,361

3,104,125
1,920,034
59,022
-
13,953
81,892

5,179,026

356,335

-
-
141,346
-
-
-
-
-
-
-
-
(40,000)
-

101,346

-
-

457,681
2,165,402
-

\$ 2,623,083

**Tidioute Community Charter School
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 For the Year Ended June 30, 2024**

Total net change in fund balances - governmental funds	\$	457,681
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Capital outlays, including the purchase of textbooks, library books, and leases are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which depreciation and amortization exceeds capital outlays in the period.</p>		
	Depreciation expense	\$ (202,867)
	Amortization expense	(54,096)
	Capital outlays	<u>240,632</u>
		(16,331)
<p>Payments to the pension plan and for post employment benefits are reported in the governmental funds as expenditures. However, in the statement of net position they either reduce the liability or change the deferred inflows/outflows of resources. In addition deferred inflows/outflows are adjusted based on actuarial calculations and amortized. The pension and opeb liabilities and their net deferred inflows/outflows changed by this amount this year.</p>		
		476,857
<p>Proceeds from extended term financing and lease principal is revenue in the governmental funds, but the receipt increases long-term liabilities in the statement of net position</p>		
		(141,346)
<p>Repayment of financing and lease obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position</p>		
		93,156
<p>The payments received on the long-term accounts receivable are recorded as revenue in the governmental funds. However, in the statement of activities, only the interest is recognized as revenue; the principal payments reduce the receivable</p>		
		(16,527)
Other:		
	Change in prepaid expenses	(47,574)
	Change in compensated absences	<u>-</u>
Change in net position of governmental activities	\$	<u>805,916</u>

The accompanying notes are an integral part of these statements.

Tidiloute Community Charter School
Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual
General Fund
For the Year Ended June 30, 2024

		Budgeted Amounts		Actual
		Original	Final	(Budgetary Basis)
REVENUES				
6000	Local revenues	\$ 4,741,000	\$ 4,741,000	\$ 5,155,683
7000	State program revenues	27,000	167,000	160,256
8000	Federal program revenues	204,000	204,000	202,053
Total revenues		<u>4,972,000</u>	<u>5,112,000</u>	<u>5,517,992</u>
EXPENDITURES				
1100	Regular programs	2,390,800	2,383,396	2,340,317
1200	Special programs	810,100	810,207	756,342
1300	Vocational programs	-	-	-
1400	Other instructional programs	3,000	3,000	7,466
1600	Adult education programs	-	-	-
1700	Community/junior college ed programs	-	-	-
2100	Pupil personnel services	71,000	141,500	147,457
2200	Instructional staff services	278,280	287,768	262,007
2300	Administrative services	707,700	695,332	689,233
2400	Pupil health	109,100	108,600	104,113
2500	Business services	150,900	150,900	143,404
2600	Operation and maintenance of plant services	432,100	512,277	573,820
2700	Student transportation services	-	-	-
2800	Central and other support services	-	-	-
2900	Other support services	-	-	-
3100	Food services	-	-	-
3200	Student activities	89,500	89,500	58,915
3300	Community services	-	-	107
3400	Scholarships and awards	-	-	-
4000	Facilities acquisition and construction	-	-	-
5110	Debt service	-	-	13,953
5140	Lease payments	-	-	81,892
Total expenditures		<u>5,042,480</u>	<u>5,182,480</u>	<u>5,179,026</u>
Excess (deficiency) of revenues over expenditures		<u>(70,480)</u>	<u>(70,480)</u>	<u>338,966</u>
OTHER FINANCING SOURCES (USES)				
9100	Sale of bonds	-	-	-
9200	Proceeds from extended term financing	-	-	141,346
9300	Interfund transfers	-	-	-
9400	Sale/compensation for fixed assets	-	-	-
5130	Refunds of prior years expenditures	-	-	-
9700	Operating transfers from component units	-	-	-
5120	Debt service - refunded bond issues	-	-	-
5200	Fund transfers	(40,000)	(40,000)	(40,000)
5300	Transfers to component units	-	-	-
5900	Budgetary reserve	(25,000)	(25,000)	-
Total other financing sources (uses)		<u>(65,000)</u>	<u>(65,000)</u>	<u>101,346</u>
8888	Special items	-	-	-
5530	Extraordinary items	-	-	-
Net change in fund balances		<u>(135,480)</u>	<u>(135,480)</u>	<u>440,312</u>
0040	Fund balance--July 1, 2023	2,105,901	2,105,901	2,105,901
0050	Prior period adjustment	-	-	-
XXXX	Fund balance--June 30, 2024	<u>\$ 1,970,421</u>	<u>\$ 1,970,421</u>	<u>\$ 2,546,213</u>

The accompanying notes are an integral part of these statements.

Variance with Final Budget Positive (Negative)	Budget to GAAP Difference	Actual Amounts GAAP basis
\$ 414,683	\$ 5,015,028	\$ 140,655
(6,744)	-	160,256
(1,947)	-	202,053
<u>405,992</u>	<u>5,015,028</u>	<u>502,964</u>
43,079	106,608	2,233,709
53,865	8,220	748,122
-	-	-
(4,466)	-	7,466
-	-	-
(5,957)	7,819	139,638
25,761	69,324	192,683
6,099	73,373	615,860
4,487	14,946	89,167
7,496	22,695	120,709
(61,543)	109,970	463,850
-	-	-
-	-	-
-	-	-
30,585	-	58,915
(107)	-	107
-	-	-
(13,953)	11,263	2,690
(81,892)	81,892	-
<u>3,454</u>	<u>506,110</u>	<u>4,672,916</u>
<u>409,446</u>	<u>4,508,918</u>	<u>(4,169,952)</u>
-	-	-
141,346	141,346	-
-	-	-
-	-	-
-	-	-
-	(40,000)	-
-	-	-
25,000	-	-
<u>166,346</u>	<u>101,346</u>	<u>-</u>
-	-	-
-	-	-
<u>\$ 575,792</u>	<u>\$ 4,610,264</u>	<u>\$ (4,169,952)</u>

**Tidioute Community Charter School
Statement of Net Position
Proprietary Funds
June 30, 2024**

	<u>Food Service</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 79,400
Investments	-
Due from other funds	-
Due from other governments	32,453
Other receivables	-
Prepaid expenses	-
Other current assets	-
Total current assets	<u>111,853</u>
NONCURRENT ASSETS	
Land and site improvements	-
Building and building improvements(net)	-
Machinery and equipment (net)	48,728
Construction in progress	-
Total noncurrent assets	<u>48,728</u>
Total assets	<u>\$ 160,581</u>
LIABILITIES	
CURRENT LIABILITIES	
Due to other funds	\$ 138,715
Due to other governments	-
Accounts payable	10,074
Contracts payable	-
Current portion of long-term debt	-
Accrued salaries and benefits	-
Payroll deductions and withholdings	-
Advances	-
Other current liabilities	-
Total current liabilities	<u>148,789</u>
NONCURRENT LIABILITIES	
Bonds payable	-
Extended term financing agreements	-
Lease purchase obligations	-
Long-term portion of compensated abs	-
Other long-term liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>148,789</u>
NET POSITION	
Net investment in capital assets	48,728
Restricted for legal purposes	-
Unrestricted	<u>(36,936)</u>
Total net position	<u>11,792</u>
Total liabilities and net position	<u>\$ 160,581</u>

The accompanying notes are an integral part of these statements.

Tidioute Community Charter School
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Food Service</u>
OPERATING REVENUES:	
6600 Food service revenue	\$ 13,830
6900 Charges for services	-
6999 Other operating revenues	-
	<hr/>
0010 Total operating revenues	13,830
	<hr/>
OPERATING EXPENSES:	
0100 Salaries	-
0200 Employee benefits	-
0300 Purchased professional and technical service	-
0400 Purchased property service	-
0500 Other purchased service	-
0600 Supplies	342,609
0700 Depreciation	19,567
0810 Dues and fees	9,248
0820 Claims and judgments	-
0890 Other operating expenditures	-
	<hr/>
	779
	<hr/>
0020 Total operating expenses	372,203
	<hr/>
0030 Operating income (loss)	(358,373)
	<hr/>
NONOPERATING REVENUES (EXPENSES):	
6500 Earnings on investments	5
6920 Contributions and donations	-
6930 Gain/loss on sale of fixed assets	-
7000 State sources	-
8000 Federal sources	18,621
9500 Refunds of prior year expenditures	291,204
0820 Claims and judgments	-
0830 Interest expenses	-
	<hr/>
0040 Total nonoperating revenues (expenses)	309,830
	<hr/>
Income (loss) before contributions	(48,543)
	<hr/>
6920 Capital contributions	-
9998 Transfers from (to) component units	-
9999 Transfers in (out)	40,000
	<hr/>
Change in net position	(8,543)
	<hr/>
XXXX Total net position - July 1, 2023	20,335
0057 Accounting changes	-
0061 Prior period adjustment	-
	<hr/>
XXXX Total net position - June 30, 2024	\$ 11,792
	<hr/> <hr/>

The accompanying notes are an integral part of these statements.

**Tidioute Community Charter School
 Combined Statement of Cash Flows
 Proprietary Fund Types
 For the Year Ended June 30, 2024**

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
9937 Cash received from users	\$ 13,830
9938 Cash received from assessments made to other funds	-
9939 Cash received from earnings on investments	-
9940 Cash received from other operating revenue	-
9941 Cash payments to employees for services	-
9942 Cash payments for insurance claims	-
9943 Cash payments to suppliers for goods and services	(355,134)
9944 Cash payments for other operating expenses	(779)
	<hr/>
Net cash provided by (used for) operating activities	(342,083)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
6000 Local sources	-
7000 State sources	19,414
8000 Federal sources	280,659
9917 Notes and loans received	-
9918 Interest paid on notes/loans (5100-830)	-
9919 Operating transfers in (out)/ residual equity	40,000
9920 Operating transfers in (out) primary government	-
9921 Operating transfers in (out) component units	-
9922 Refunds of prior year expenditures (9500)	-
	<hr/>
Net cash provided by (used for) non-capital financing activities	340,073
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES	
4000 Facilities acquisition/construction/imp. serv	-
6930 Gain/loss on sale of fixed assets (proceeds)	-
9200 Proceeds from extended term financing	-
9925 Principal paid on financing agreements	-
9926 Interest paid on financing agreements (5100-830)	-
9927 Change in contributed capital	-
	<hr/>
Net cash provided by (used for) capital and rel financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
6500 Earnings on investments	5
9929 Purchase of invest securities/deposits to invest pools	-
9930 Withdrawals from investment pools	-
9931 Proceeds from sale and maturity of Invest securities	-
9932 Loans received (paid)	-
	<hr/>
Net cash provided by (used for) investing activities	5
	<hr/>
Net increase (decrease) in cash and cash equivalents	(2,005)
9935 Cash and cash equivalents beginning of year	81,405
	<hr/>
9936 Cash and cash equivalents at year end	<u>\$ 79,400</u>

The accompanying notes are an integral part of these statements.

**Tidioute Community Charter School
 Combined Statement of Cash Flows
 Proprietary Fund Types - Continued
 For the Year Ended June 30, 2024**

	<u>Food Service</u>
9900 Operating income (loss)	\$ (358,373)
Adjustments to reconcile operating income (loss) to net cash provided by (used for):	
9901 Depreciation and net amortization	9,248
9902 Provision for uncollectible accounts	-
9903 Donated commodities	19,567
9904 (Increase) decrease in accounts receivable	-
9905 (Increase) decrease in advances to other funds	-
9906 (Increase) decrease in inventories	-
9907 (Increase) decrease in prepaid expenses	-
9908 (Increase) decrease in other current assets	-
9909 Increase (decrease) in accounts payable	(12,525)
9910 Increase (decrease) in accrued salaries and benefits	-
9911 Increase (decrease) in payroll deductions/withholding	-
9912 Increase (decrease) in advances from other funds	-
9913 Increase (decrease) in deferred revenue	-
9914 Increase (decrease) in other current liabilities	-
	<hr/>
Total adjustments	16,290
	<hr/>
Cash provided by (used for) total	<u>\$ (342,083)</u>

The accompanying notes are an integral part of these statements.

Tidioute Community Charter School
Statement of Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 90,582
Investments	-
Due from other funds	-
Other receivables	-
Prepaid expenses	-
Other current assets	-
Building and building improvements(net)	-
Machinery and equipment (net)	-
	<hr/>
Total assets	<u>\$ 90,582</u>
LIABILITIES	
Accounts payable	\$ -
Contracts payable	-
Due to other funds	-
Due to other governments	-
Accrued salaries and benefits	-
Payroll deductions and withholdings	-
Advances	-
Other current liabilities	-
	<hr/>
Total liabilities	<u>-</u>
NET POSITION	
Net investment in capital assets	-
Restricted for legal purposes	-
Restricted for student organizations	90,582
Unrestricted	-
	<hr/>
Total net position	<u>90,582</u>
	<hr/>
Total liabilities and net position	<u>\$ 90,582</u>

The accompanying notes are an integral part of these statements.

**Tidioute Community Charter School
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2024**

	<u>Custodial</u>
ADDITIONS	
Gifts and contributions	\$ -
Fundraising	121,642
Earnings on investments	9
DEDUCTIONS	
Administration fees	-
Student activities	<u>126,414</u>
Change in net position	(4,763)
Net position-July 1, 2023	<u>95,345</u>
Net position-June 30, 2024	<u><u>\$ 90,582</u></u>

The accompanying notes are an integral part of these statements.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the Government Accounting Standards Board (GASB) and other recognized authoritative sources.

1. Financial Reporting Entity

The Tidioute Community Charter School ("Charter School") is a not-for-profit corporation organized on November 5, 2004 under the Nonprofit Corporation Law of 1988 and is operated to provide a community charter school, as defined in, and in accordance with, the Act of March 10, 1949, known as the Public School Code of 1949, as amended by the addition of Article XVII-A, known as the Charter School Law. The Charter School presently educates children enrolled in kindergarten through twelfth grade.

The Charter School has a working agreement with the Warren County School District ("District"). The basic subsidy passes through the District to the Charter School from the Pennsylvania Department of Education ("PDE").

2. Income Tax Status

The Charter School is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Charter School files annual informational returns with the IRS. FASB ASC 740, *Income Taxes*, prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken in a tax return. The Charter School records any related interest expenses and penalties, if any, as a tax expense. For the year ended June 30, 2024, there were no unrecognized tax benefits or interest and penalty expense incurred. Tax years that remain subject to examination are years 2021 and forward.

3. Fund Accounting

The accounts of the Charter School are maintained, and the accompanying financial statements have been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

These practices, as they apply to Tidioute Community Charter School, are in conformity with accounting principles generally accepted in the United States of America. The financial transactions of the Charter School are recorded in individual funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Charter School functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses.

The Charter School reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Charter School. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Reserve Fund - The Capital Projects Reserve Fund is used to account for resources for the repair and maintenance of the Charter School's buildings and facilities and the purchase of equipment.

The Charter School reports the following major enterprise fund:

Food Service Fund - The Food Service Fund is used to account for all financial transactions related to the food service operation of the Charter School. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the Charter School reports the following fund type:

Fiduciary Fund - The Fiduciary Fund is used to account for assets held by the Charter School in a trustee capacity or as an agent for individuals, private organizations or other governments. These include private-purpose trust and agency funds. The Student Activity Funds are classified as Custodial Funds as they are custodial in nature. The Charter School holds assets for the benefit of various student organizations.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Charter School as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between governmental and business-type activities of the Charter School.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each identifiable activity of the business-type, and for each function or program of the governmental activities of the Charter School. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All revenues not classified as program revenues are presented as general revenues of the Charter School.

Fund Financial Statements

Fund financial statements report detailed information about the Charter School. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for by using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred inflows of resources, and current liabilities and deferred outflows of resources generally are included on the balance sheet. Their reported fund balance (net current position) is considered a measure of "available spendable resources."

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred inflows and all liabilities and deferred outflows (whether current or noncurrent) associated with the operations of these funds are included on the balance sheet. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net position. Proprietary funds operating revenues consist of charges for services and miscellaneous revenue. Non-operating revenues consist of investment earnings and state and federal subsidies.

5. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the Charter School is sixty days after year end.

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and student fees.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for the costs related to compensated absences which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

6. Budgets and Budgetary Accounting

The Charter School follows these procedures in establishing the budgetary data reflected in the statement of revenues, expenditures and changes in fund balance, budget and actual, general fund:

- a. Prior to June 30, the Business Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The Board of Trustees is authorized to transfer budgeted amounts between departments within any fund; any revisions that alter the total expenditures of any fund must be approved by the Board.
- c. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed by other funds because effective budgetary control is alternatively achieved through direct authorization by the Board of Trustees or expenditures are all fixed in nature.

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

8. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Charter School considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Investments

Investments are reported at fair value based on quoted market prices (see Note A18).

10. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Charter School defines capital assets as assets with an initial, individual cost of \$1,000 or more or assets whose aggregate value exceeds \$5,000. Donated fixed assets are recorded at their fair market value as of the date received. The Charter School does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings & Improvements	10-40 years
Furniture & Equipment	3-15 years

11. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenses/expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

On fund financial statements, advances between funds are accounted for in the appropriate interfund receivable and payable accounts. These advances are considered available and spendable resources and current obligations of the respective funds. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Compensated Absences

Non-teaching staff employees of the Charter School are given amounts ranging from 5 to 25 days off per year to be used as personal or vacation days. Employees will be awarded a lump sum at the end of each year for any unused days in amounts varying with their classification.

The entire compensated absences liability is reported on the government-wide financial statements as other current liabilities. For governmental fund financial statements, the liability is not recorded as those amounts are not expected to be paid using expendable available financial resources.

13. Accrued Liabilities

All accrued liabilities are reported in the government-wide financial statements as well as the proprietary fund financial statements.

For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgements and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

14. Donated Materials and Services

Some of the Charter School's support is provided by contributions/in-kind donations. Such donated materials are recorded as revenue at their fair market value and recorded as an expense or capital addition as appropriate.

15. Concentration of Credit Risk

The Charter School maintains various deposits presented on the balance sheet as cash and investments with several local banks. The amounts on deposit with certain banks may at times exceed the \$250,000 federally insured limit on interest bearing accounts. There is no dollar limit on non-interest bearing accounts for public deposits. See Note B for further detail.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. Estimates in Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources, liabilities and deferred outflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

17. Pension Plan Description

The Tidioute Community Charter School contributes to the Public School Employees' Retirement System, a Governmental cost-sharing multiple-employer defined benefit pension plan. See Note H for detailed information.

18. Fair Value Measurement

Fair value, as defined in FASB ASC, 820 *Fair Value Measurements and Disclosures*, is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, FASB ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. Level 1 consists of quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 2 consists of observable prices that are based on inputs not quoted on active markets, but corroborated by market data. Level 3 consists of unobservable inputs which are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs. In determining fair value, the Charter School utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The fair market value of a financial instrument is defined in FASB ASC 825 as "the amount at which the instrument could be exchanged in a current transaction between willing parties." The carrying amount reported in the accompanying financial statement of net position for due from other governments, other receivables, prepaids, accounts payable, advances, accruals, and other current liabilities, approximate fair value given the short-term nature of the financial instruments or conversely are based on a non-recurring assessment of fair value.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments are measured using Level 3 inputs and consist of the following at June 30, 2024:

Single premium deferred fixed annuities (Note B)	<u>\$1,872,699</u>
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The table below presents additional information about the single premium deferred fixed annuities, which are measured using Level 3 inputs.

Balance at July 1, 2023	\$ 1,816,237
Purchase of investments	-
Redemption of investments	-
Earnings	<u>56,462</u>
Balance at June 30, 2024	<u>\$ 1,872,699</u>

Fair value for single premium deferred annuities is based on information provided by New York Life Insurance and Annuity Corporation.

19. Date of Management's Review

Management has evaluated subsequent events through January 28, 2025, the date the financial statements were available to be issued.

NOTE B - NON-POOLED CASH AND INVESTMENTS

The Charter School's cash and investments consist of deposits with financial institutions and investments through brokers. The Charter School's investment policies are governed by state statute and Charter School policy. Permissible investments include United States treasury bills and other federal instruments, time accounts or share accounts of institutions insured by the Federal Deposit Insurance Corporation, and certificates of deposit to the extent such certificates are secured by a proper bond or secured by such proper collateral.

The Charter School may also invest in other Board approved investment vehicles provided that the investment is issued by an entity having a designation of AAA or an equivalent rating by Moody's and all other nationally recognized rating agencies; is guaranteed by the issuing entity; the issuing entity has a ratio of assets to surplus in a minimal amount of 8%; and the issuing entity has a surplus of assets over liabilities of eight billion dollars or greater.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE B - NON-POOLED CASH AND INVESTMENTS - Continued

1. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits may not be returned. As of June 30, 2024, the bank balance of the Charter School's deposits that are exposed to custodial credit risk is \$355,252 and their carrying amount is \$277,907. These amounts are uninsured. However, they are collateralized with securities held by the trust department or agent but not in the Charter School's name.

2. Investments

As of June 30, 2024, the Charter School had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Single premium deferred fixed annuities		
General Fund	See Terms Below	<u>\$ 1,872,699</u>

The single premium deferred fixed annuities are life insurance policies through New York Life Insurance and Annuity Corporation (NY Life) with the Charter School being both the policy owner and the beneficiary. The annuitant for the policies is either the Charter School's current CEO or Board Secretary.

The policies are dated at various dates from May 25, 2017 through May 10, 2024 with commencement dates ranging from May 25, 2047 to May 10, 2075. Interest will be credited to these policies daily at a rate set in advance by NY Life, with initial interest rate guarantees ranging from 1.70% to 5.15% expiring at varying dates from May 24, 2024 until May 19, 2027. After the initial interest rate period, guaranteed interest rates range from 0.05% to 1.10%.

Beginning on the annuity commencement date, income payments will be made to the policy owner each month during the lifetime of the annuitant. The amount of these payments will be determined by NY Life based on the accumulated value (initial investment plus accumulated interest) of the policies, the age and sex of the annuitant, and the income payment rate in effect on the annuity commencement date. Income payments are guaranteed for a period of 10 years (120 monthly payments) even if the annuitant dies sooner, and the payment amount does not change during this guaranteed period. If the annuitant dies before the annuity commencement date, the beneficiary will receive a single lump sum payment equal to the accumulated value of the policies as of the date of the annuitant's death.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE B - NON-POOLED CASH AND INVESTMENTS - Continued

However, if the annuitant dies after the annuity commencement date but before the end of the guaranteed period of the monthly income payments, the beneficiary will receive the monthly income payments for the remainder of the payment period.

Upon written request, the Charter School can make partial withdrawals from the policies or surrender the policies for their accumulated value at any time. During the first seven years of the policies, a surrender charge may be applied, ranging from 3% to 7%, for a partial withdrawal or when the policies are surrendered for their accumulated value. The amount of the surrender charge, if any, will never exceed the interest credited to the policies. Upon surrender of the policies the amount paid is guaranteed to at least equal the initial investment, reduced by any previous partial withdrawals.

Interest Rate Risk - The Charter School does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Charter School complies with PDE requirements regarding investments.

Credit Risk - The Charter School's investment policy limits its choices to certain credit ratings. The Charter School also complies with PDE requirements regarding investments. The Charter School's investments in New York Life Insurance and Annuity Corporation were rated AA by Standard & Poor's, and AAA by Moody's Investor Services and Fitch Ratings.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of a bank failure of the counterparty, the Charter School will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$1,872,699 of the Charter School's investments are held by the broker or dealer, or by its trust department in the Charter School's name.

Concentration of Credit Risk - The Charter School places no limit on the amount that may be invested in any one issuer. The investments in New York Life Insurance and Annuity Corporation represent 100% of the Charter School's total investments.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE C - INTERFUND TRANSACTIONS

Interfund receivables and payables on the fund statements at June 30, 2024 consist of advances for operating expenses from the General Fund to the Food Service Fund in the amount of \$138,715. The balance is not expected to be repaid within one year.

Interfund transfers on the fund statements at June 30, 2024 consist of transfers from the General Fund to the Food Service Fund in the amount of \$40,000. The purpose of the transfers to the Food Service Fund were to provide resources for operating expenses.

NOTE D - CAPITAL ASSETS

A summary of capital assets activity during the fiscal year follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Governmental Activities				
Land & Site				
Improvements	\$ 168,371	\$ 14,200	\$ -	\$ 182,571
Buildings & Improvements	2,215,533	50,100	-	2,265,633
Furniture & Equipment	<u>1,570,015</u>	<u>71,703</u>	<u>42,333</u>	<u>1,599,385</u>
Total Capital Assets	<u>3,953,919</u>	<u>136,003</u>	<u>42,333</u>	<u>4,047,589</u>
Less: Accumulated Depreciation	<u>1,960,714</u>	<u>202,868</u>	<u>42,333</u>	<u>2,121,249</u>
Capital Assets, Net	<u>\$ 1,993,205</u>	<u>(\$ 66,865)</u>	<u>\$ -</u>	<u>\$ 1,926,340</u>
Business-Type Activities				
Equipment	\$ 136,269	\$ -	\$ -	\$ 136,269
Less: Accumulated Depreciation	<u>78,293</u>	<u>9,248</u>	<u>-</u>	<u>87,541</u>
Capital Assets, Net	<u>\$ 57,976</u>	<u>(\$ 9,248)</u>	<u>\$ -</u>	<u>\$ 48,728</u>

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE D - CAPITAL ASSETS - Continued

Depreciation expense was charged to the following functions in the statement of activities:

Regular instruction	\$ 125,609
Special instruction	42,375
Administration	<u>34,884</u>
	<u>\$ 202,868</u>

NOTE E - OTHER CURRENT LIABILITIES

Other current liabilities on the statement of net position consists of the current portion of the Charter School's lease liability.

NOTE F - NONCURRENT LIABILITIES

1. Extended Term Financing

Extended term financing payable consists of a note payable to purchase equipment. The note bears interest at 8.99%, matures in June, 2026 and calls for monthly payments of principal and interest in the amount of \$1,163.

2. Right to Use Asset Leases/Subscriptions

The Charter School is obligated under several leases for office equipment (copiers and postage meters) and subscriptions to education-related and security software. Certain leases for office equipment contain an amount included for supplies and maintenance charges which are assessed on a per copy amount. Those charges have been estimated based on the average number of copies used per machine. The Charter School has assumed an interest rate of zero percent associated with all right to use asset leases/subscriptions.

The office equipment leases have various starting dates ranging from April, 2019 thru July, 2023 with terms ranging from 48 to 63 months. Payments range from \$76 to \$505 per month for total monthly payments of \$581. The subscriptions started in July, 2021 with terms of 24 to 36 months and all have been paid upfront.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE F - NONCURRENT LIABILITIES - Continued

A summary of right to use lease asset activity during the fiscal year follows:

	June 30, 2023	Additions	Deletions	June 30, 2024
Office equipment	\$ 31,647	\$ 30,300	\$ 27,007	\$ 34,940
Subscriptions	57,641	74,330	57,641	\$ 74,330
Less: Accumulated Amortization:	<u>67,837</u>	<u>54,096</u>	<u>84,648</u>	<u>37,285</u>
Net	<u>\$ 21,451</u>	<u>\$ 50,534</u>	<u>\$ -</u>	<u>\$ 71,985</u>

The following is a summary of the Charter School's future annual debt service requirements to maturity for the right to use asset leases:

	Principal	Interest	Total
2025	\$ 6,290	\$ -	\$ 6,290
2026	6,060	-	6,060
2027	6,060	-	6,060
2028	6,060	-	6,060
2029	<u>505</u>	<u>-</u>	<u>505</u>
	<u>\$ 24,975</u>	<u>\$ -</u>	<u>\$ 24,975</u>

The changes in noncurrent liabilities for the year ended June 30, 2024 consist of the following:

	Balance at June 30, 2023	Increases	Decreases	Balance at June 30, 2024	Due In One Year
Right to Use Leases	\$ 2,238	\$ 30,300	\$ 7,563	\$ 24,975	\$ 6,290
Extended Term Financing	-	36,716	11,263	25,453	12,157
Post-Employment Benefits	252,186	-	51,362	200,824	-
Net Pension Liability	<u>6,135,304</u>	<u>-</u>	<u>1,152,829</u>	<u>4,982,475</u>	<u>-</u>
	6,389,728	67,016	1,223,017	5,233,727	<u>\$18,447</u>
Less: Current Portion	<u>2,007</u>	<u>18,447</u>	<u>2,007</u>	<u>18,447</u>	
Total Noncurrent Liabilities	<u>\$6,387,721</u>	<u>\$ 48,569</u>	<u>\$ 1,221,010</u>	<u>\$5,215,280</u>	

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE F - NONCURRENT LIABILITIES - Continued

The following is a summary of the Charter Schools's future annual debt service requirements to maturity for extended term financings:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 12,157	\$ 1,796	\$ 13,953
2026	<u>13,296</u>	<u>657</u>	<u>13,953</u>
	<u>\$ 25,453</u>	<u>\$ 2,453</u>	<u>\$ 27,906</u>

The Charter School's noncurrent liabilities are paid directly by the General Fund.

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM (System)

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from the PSERS's 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.

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other post-employment benefit plan 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. Retirees of PSERS can participate in the Premium Assistance program if they satisfy the following criteria: have 24.5 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 participate in PSERS' Health Options Program or employer sponsored health insurance program.

1. 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.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits provided

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 Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The school's contractually required contribution rate for fiscal year ended June 30, 2024 was .64% 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 Charter School were \$10,574 for the year ended June 30, 2024. \$2,624 of this amount was payable to the plan for the contributions for the quarter ending June 30, 2024.

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

At June 30, 2024, the Charter School reported a liability of \$200,824 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 Charter 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, 2023, the Charter School's proportion was .0111%, which was a decrease of .0026% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Charter School recognized OPEB expense related to the System of (\$4,286). At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows of resources related to the System's OPEB from the following sources:

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 540	\$ -
Difference between expected and actual experience	1,678	2,195
Changes in proportions	4,571	58,284
Changes in assumptions	21,678	46,717
Contributions subsequent to the measurement date	10,574	-
	<u>\$ 39,041</u>	<u>\$ 107,196</u>

\$10,574 reported as deferred outflows of resources related to the System's OPEB resulting from Charter 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 amortized and recognized in OPEB expense as follows:

Year ended June 30:

2025	(\$ 16,477)
2026	(15,167)
2027	(18,182)
2028	(19,520)
2029	(9,383)

3. Actuarial Assumptions

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

- 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.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

- 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% and Post-age 65 at 70%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	1.2%

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.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

4. 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 the 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 Rate

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 and 522 members were receiving less than the maximum amount allowed. 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 System 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 health cost trends were 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 200,000	\$ 200,824	\$ 201,000

Sensitivity of the Charter 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:

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE G - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Charter School's proportionate share of the net OPEB liability	\$ 227,000	\$ 200,824	\$ 179,000

5. OPEB 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.

NOTE H - PENSION OBLIGATION

Pennsylvania School Employees Retirement System

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

1. Plan Description

PSERS is a governmental cost-sharing multi-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.

Benefits provided

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) 35 or more years of service regardless of age.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

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 (Class T-G and Class T-H) and a separate defined contribution membership class (Class DC) for individuals who become new members on or after July 1, 2019. To qualify for normal retirement, Class T-G and T-H members must work until age 67 with a minimum of 3 years of credited 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.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

Contributions

Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002. Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Members who joined the System after June 30, 2019 contribute at the Membership Class T-G or Class T-H rate of 5.5% or 4.5%, respectively, of the member's qualifying compensation. They also contribute 2.75% and 3.0%, respectively to a defined contribution plan.

All new hires who have elected Class T-E, T-F, T-G or T-H membership, contribute at their respective base rate of the member's qualifying compensation. Those Membership Classes are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause those Membership Classes contribution rates to fluctuate up or down by .5% to .75%.

Employer Contributions:

The Charter school's contractually required contribution 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 to finance any unfunded accrued liability. Contributions to the pension plan from the Charter School were \$551,154 for the year ended June 30, 2024. \$136,765 of this amount was payable to the plan for the contributions for the quarter ending June 30, 2024.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

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

At June 30, 2024, the Charter School reported a liability of \$4,982,475 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 Charter School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2023, the Charter School's proportion was .0112% percent, which was a decrease of .0026% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Charter School recognized pension expense of \$89,157. At June 30, 2024, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 135,179	\$ -
Difference between expected and actual experience	1,391	73,411
Changes in proportions	-	958,750
Changes in assumptions	91,603	-
Contributions subsequent to the measurement date	<u>551,154</u>	<u>-</u>
	<u>\$ 779,327</u>	<u>\$ 1,032,161</u>

\$551,154 reported as deferred outflows of resources related to pensions resulting from Charter 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 amortized and recognized in pension expense as follows:

Year ended June 30:	
2025	(\$ 324,994)
2026	(415,594)
2027	(110,441)
2028	47,041

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

3. Actuarial Assumptions

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

- 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 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 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 period ending June 30, 2020.

The long-term expected rate of return on pension plan investments 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.

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Fixed income	33.0%	3.2%
Real estate	11.0%	5.7%
Private equity	12.0%	7.9%
Cash	3.0%	1.2%
Absolute return	4.0%	4.1%
MLPs/Infrastructure	10.0%	5.4%
Commodities	7.5%	2.7%
Leverage	(10.5%)	1.2%
	<u>100%</u>	

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

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.

4. 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 was 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 Charter 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School's proportionate share of the net pension liability	\$ 6,459,000	\$ 4,982,475	\$ 3,737,000

5. 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.state.pa.us.

Charter School Plan

The Charter School also operates a defined contribution retirement plan. All employees hired after September 1, 2016 who have not previously paid into PSERS in prior employment are enrolled in the plan. Participants are immediately vested in their contributions plus actual earnings thereon and fully vest in the Charter School's contributions after one year of service.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE H - PENSION OBLIGATION - Continued

Employees contribute a minimum of 7.5% of their compensation up to the maximum amount allowed by law. The Charter School's matching contribution is 7.5% of compensation. For the year ended June 30, 2024, the Charter School's matching contributions amounted to \$53,803.

NOTE I - RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, and injuries to employees for which the Charter School purchases commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to prior years.

NOTE J - CONTINGENT LIABILITIES AND COMMITMENTS

The Charter School participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Charter School is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the Charter School believes such amounts to be immaterial.

The Charter School has an unsecured working capital line of credit in the amount of \$100,000 bearing interest at the prime rate. There were no outstanding borrowings on the line at June 30, 2024.

The Charter School has executed contracts for a construction project. The balance due on uncompleted contracts at June 30, 2024 is \$88,000.

NOTE K - COMMITTED AND ASSIGNED FUND BALANCE

The Board of Trustees is the Charter School's highest level decision making authority. The Board must approve the commitment or modification of fund balance. The Board has committed \$1,930,587 of its unrestricted general fund balance at June 30, 2024. Of that amount, \$1,872,699 was committed to provide reserves for future capital improvements and \$57,888 was committed to provide for resources available in the general fund budget for the year ended June 30, 2024.

Tidioute Community Charter School

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE K - COMMITTED AND ASSIGNED FUND BALANCE - Continued

The Board has established that the Chief Executive Officer and Business Manager are able to assign fund balance for specific purposes. At June 30, 2024, \$76,870 of fund balance of the Capital Projects Reserve Fund has been assigned to provide for future capital improvements.

The Charter School has adopted policies in which it considers restricted or committed fund balances to be spent when expenditures have been specifically identified to release the restriction or commitment.

NOTE L - RELATED PARTIES

The Charter School Board of Trustees appoints four of its members to serve on the nine member governing board of the Tidioute Community Charter School Foundation, a separate 501(c)(3) organization established to serve the needs and interest of the students attending the Charter School.

SUPPLEMENTAL INFORMATION

Tidoute Community Charter School
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 Pennsylvania Public School Employees' Retirement System - Health Insurance Premium Assistance Program
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
School's proportion of net OPEB liability	0.0111%	0.0137%	0.0137%	0.0146%	0.0145%	0.0139%	0.0147%
School's proportionate share of net OPEB liability	200,824	252,186	324,701	315,462	308,392	289,808	299,500
School's covered-employee payroll	1,700,505	2,017,245	1,943,133	2,044,268	1,999,256	1,868,750	1,963,737
School's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	11.81%	12.50%	16.71%	15.43%	15.43%	15.51%	15.25%
Plan fiduciary net position as a percentage of the total net OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Notes to Schedule:

Changes of assumptions:

The following are the discount rates used in each period:

The following assumptions changed during the most recent valuation:

Salary growth rate decreased from 5.0% to 4.5%

* - for those years that are available

Tidoute Community Charter School
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Pennsylvania Public School Employees' Retirement System - Health Insurance Premium Assistance Program
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	13,218	20,182	18,354	20,261	20,225	18,710	18,477
Contractually required contribution	12,694	15,998	15,942	17,188	16,613	15,530	16,252
Contributions in relation to the actuarially determined contribution	(12,694)	(15,998)	(15,942)	(17,188)	(16,613)	(15,530)	(16,252)
Contribution deficiency (excess)	525	4,184	2,412	3,074	3,612	3,181	2,225
School's covered-employee payroll	1,700,505	2,017,245	1,943,133	2,044,268	1,999,256	1,868,750	1,963,737
Contributions as a percentage of covered-employee payroll	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.83%

* - for those years that are available

Tidioute Community Charter School
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)
 Pennsylvania Public School Employees' Retirement System
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion of NPL	0.0112%	0.0138%	0.0138%	0.0146%	0.0145%	0.0139%	0.0147%	0.0161%	0.0162%	0.0153%
School's proportionate share of NPL	4,982,475	6,135,304	5,665,829	7,188,896	6,783,478	6,672,690	7,260,096	7,978,649	7,017,080	6,055,850
School's covered-employee payroll	1,700,505	2,017,245	1,943,133	2,044,268	1,999,256	1,868,750	1,963,737	2,088,507	2,080,746	1,954,739
School's proportionate share of NPL as a percentage of its covered-employee payroll	293.00%	304.14%	291.58%	351.66%	339.30%	357.07%	369.71%	382.03%	337.24%	309.80%
Plan fiduciary net position as a percentage of the total NPL	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

Notes to Schedule:

The following assumptions changed during the most recent valuation:
 None

* - for those years that are available

Tidioute Community Charter School
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Pennsylvania Public School Employees' Retirement System
 Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	586,554	688,009	655,823	682,102	649,344	589,823	562,261	569,989	532,918	453,754
Contractually required contribution	586,554	688,009	655,823	682,102	649,344	589,823	562,261	512,212	418,302	304,789
Contributions in relation to the actuarially determined contribution	(586,554)	(688,009)	(655,823)	(682,102)	(649,344)	(589,823)	(562,261)	(512,212)	(418,302)	(304,789)
Contribution deficiency (excess)	0	0	0	0	0	0	0	57,777	114,615	148,966
School's covered-employee payroll	1,700,505	2,017,245	1,943,133	2,044,268	1,999,256	1,868,750	1,963,737	2,088,507	2,080,746	1,954,739
Contributions as a percentage of covered-employee payroll	34.49%	34.11%	33.75%	33.37%	32.48%	31.56%	28.63%	24.53%	20.10%	15.59%

* - for those years that are available

Root, Spitznas & Smiley, Inc.

Certified Public Accountants

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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

Members of the Board of Trustees
Tidioute Community Charter School

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tidioute Community Charter School as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated January 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

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 Charter School'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from 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 financial statements. 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 Charter School'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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Root, Spitznos and Smiley, LLC

ERIE, PENNSYLVANIA
January 28, 2025

Tidioute Community Charter School
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2024

Summary of Auditor's Results:

Financial Statements

1. Type of auditor's report issued: unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? ___ yes X no
- Internal control deficiency(s)
 identified that are not considered
 to be material weaknesses? ___ yes X none
3. Noncompliance material to financial
 statements noted? ___ yes X no

Audit Findings:

The audit resulted in no current findings. In addition, there were no findings noted in the prior year's audit.

List of Report Distribution

Copies

1 Department of Education
Bureau of Budget and Fiscal Management
333 Market Street
Harrisburg, Pennsylvania 17126
Attention: Ms. Betty Wilson

1 Mr. Jim Grosch
Director of Business Services
Warren County School District
6820 Market Street
Russell, Pennsylvania 16345-3406