

Academy of Arts and Knowledge
aka Northern Colorado Academy of Arts and Knowledge
4800 Wheaton Drive, Fort Collins, CO 80525

Board Meeting Agenda for Tuesday,
October 26, 2023 at 6:30pm
[Zoom Link](#)

I. OPENING SECTION

A. Call to Order

B. Board Members in attendance:

Kornfeld () Shapland () Simmons () Bowers ()

C. Approval of Agenda

Motion by: Seconded by:

Kornfeld () Shapland () Simmons () Bowers ()

II. REPORTS

A. Secretary Report

-Approval of minutes for September Board minutes

Motion by: Seconded by:

Kornfeld () Shapland () Simmons () Bowers ()

B. Executive Summary

C. Treasurer Report

-Approval of FY24 Q1 Financials

Motion by: Seconded by:

Kornfeld () Shapland () Simmons () Bowers ()

-Acceptance of FY23 Audit

Motion by: Seconded by:

Kornfeld () Shapland () Simmons () Bowers ()

III. BUSINESS

A. Board Election

a. -Approval of electing Anthony Neal to board seat

Motion by: Seconded by:

Kornfeld () Shapland () Simmons () Bowers ()

B. Facility Discussion

IV. CLOSING SECTION

A. Next Meeting Date: 2023 November _____ at ____pm

B. Adjourned at

Board Meeting Minutes for Thursday 28 September 2023 18:30

**Academy of Arts and Knowledge
aka Northern Colorado Academy of Arts and Knowledge
4800 Wheaton Drive, Fort Collins, CO 80525**

<https://us06web.zoom.us/j/9773943168?pwd=aZ5Wzm68VknyFfyM4z88RgDX7cuJlV.1>

I. OPENING SECTION

- A. Call to Order at: 18:33
- B. Board Members in attendance:
Bowers (X) Kornfeld (X) Shapland (X) Simmons (X)
- C. Motion to approve the agenda: Approved
Motion by: Simmons Seconded by: Bowers
Bowers (Aye) Kornfeld (Abstain) Shapland (Aye) Simmons (Aye)

II. REPORTS

- A. Secretary Report
Motion to approve the August 2023 minutes: Approved
Motion by: Shapland Seconded by: Bowers
Bowers (Aye) Kornfeld (Abstain) Shapland (Aye) Simmons (Aye)
- B. Treasurer Report
-August financials presented
- C. Executive Summary
 - 1. SAC meeting 12th Oct. 2023 at 4pm
 - 2. Fall Academic evaluations completed
 - 3. First PTO Meeting of the year held 25 Sept. 2023
 - 4. New Video released on Facebook and Youtube
 - 5. Walk-A-Thon fundraiser resulted in \$10,000
 - 6. K-5 Enrollment projected to be 181, with an additional 14 in Preschool
 - 7. Insurance Cost increase projected to be less than 7%
 - 8. Audit completion due by end of September
 - 9. Revised 23-24 Budget based on final enrollment due to board in Oct.

III. Discussion Items

- A. Preliminary School Performance Reports
- B. CARS Report
- C. Facility Discussion

IV. Action Items

- Motion for Approval of CLC Behavior Policy: Approved
Motion by: Simmons Seconded by: Bowers
Bowers (Aye) Kornfeld (Aye) Shapland (Abstain) Simmons (Abstain)

V. CLOSING SECTION

- A. Next Meeting Dates: Tuesday 26 Oct. 2023 at 18:30
- B. Adjourned at 19:50



Colorado's Unified Improvement Plan for Schools

Academy of Arts and Knowledge Elementary UIP 2023-24 | **School:** Academy of Arts and Knowledge Elementary | **District:** Charter School Institute | **Org ID:** 8001 | **School ID:** 0657 | **Framework:** Performance Plan | **Draft UIP**

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Last Year UIP: [Academy of Arts and Knowledge Elementary UIP 2022-23](#)

Executive Summary

Improvement Plan Information

Narrative on Data Analysis and Root Cause Identification

Action Plans

Executive Summary



Priority Performance Challenges

- *Increase Math Achievement*



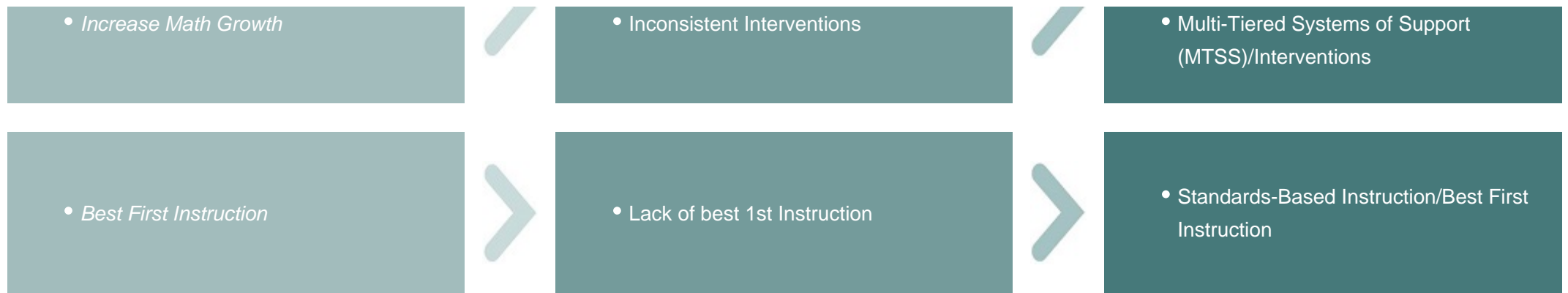
Root Cause

- Inconsistent Interventions
- Lack of effective coaching and feedback



Major Improvement Strategies

- Multi-Tiered Systems of Support (MTSS)/Interventions
- Instructional Coaching, or Observation and Feedback



Access the School Performance Framework here: <http://www.cde.state.co.us/schoolview/performance>

Improvement Plan Information

Additional Information about the school

Narrative on Data Analysis and Root Cause Identification

Description of School Setting and Process for Data Analysis

Within a supportive school community, AAK offers a robust arts program that complements core academics, fosters critical thinking skills, and creates confident, creative individuals with the freedom to reach their full potential.

We will accomplish our mission by: Providing a safe and engaged school community that allows students to take risks in their learning and treats each student as unique individuals and gives them opportunities to let their creativity flourish. Offering a world-class education through a standards-based core curriculum that integrates the fine arts and exposes students to diverse cultures, with a balance of technology, character development and enrichment opportunities.

We attract families who are looking for a community where their child can be truly seen and supported for who they are as individuals, not a school that tries to force them into some generic mold. Children who never felt like they fit in before thrive at our school because everyone at our school is just a little quirky, and we love that about each other.

Children who have felt like they are falling through the cracks find a home at AAK. Our foundation is one of mutual respect and support for one another.

We believe that for true learning and growth to happen, every child needs to first feel safe, loved, and nurtured. At AAK, the individual comes first. We get to know all of our Dragons on a personal level. We know what makes them tick. We know their hopes and fears and we are their biggest cheerleaders.

AAK is located in Fort Collins, Colorado and serves students within 50 miles of our location. Our student population is made up of students living in many of the communities located in Northern Colorado. The Academy of Arts and Knowledge is authorized through the Charter School Institute and is authorized through 2026.

Current enrollment for the 2023-2024 school year is 204, that is an increase of 16% from the prior year. We offer full-time enrollments as well as part-time homeschool enrollments. AAK now serves students Pre-K through 5th grade. Starting in August 2023 we opened our Pre-Kindergarten program. We offer full day programming to 4 year olds. We offer 24 spots and collaborate with UPK Colorado, our goal is to provide quality, educationally based child care to all families.

AAK fully integrates the arts into our core subjects. Students receive 300+ minutes of the arts every week. The Academy of Arts and Knowledge also offers a Community Learning Center (CLC). Our CLC offers free before and after school programming as well as educationally based programming during our extended breaks. CLC currently has 178 students enrolled and participating in 17 additional clubs provided within this program. These clubs include but are not limited to guitar, violin, band, percussion, choir, dance, drama, musical theater, engineering, coding, comic book design, STEM, and broadcasting.

AAK's School Accountability Committee is responsible for reviewing the past UIP and making recommendations for current priority improvement challenges, root causes, and improvement strategies on the current UIP. The principal presents data, enrollment and attendance trends, as well as any additional challenges. Specifically, the SAC is working to develop action steps and implementation benchmarks. The Principal will ultimately write the draft UIP, which will be edited, reviewed, and approved by the SAC in July, presented to the Board of Directors, and then submitted to CSI by August. The SAC meets once a quarter and on an as-needed basis. Members of the SAC include the principal, a primary teacher and intermediate teacher, and three parent representatives, one of which is also a member of the school's PTO.

The Academy of Arts and Knowledge had three Major Improvement Strategies stemming from the 2020 school year and carried over through the end of the 2023 school year.

The first Major Improvement Strategy was addressing a low percentage of grade level preparedness. As of the 2020 school year, 47.25% of AAK K-3 students are reading below or well below benchmark on the State approved READ ACT assessment tool Acadience (DIBELS next).

This was addressed by supplementing literacy instruction with Foundations Phonemic Instruction. AAK also added 30 additional intervention minutes to their master schedule. This allowed for all students to receive targeted literacy instruction at their reading level.

Data shows as of the beginning of the 2022 school year 108 of k-3 students qualified for READ Plan and were reading below grade level or well below grade level on the State approved READ ACT assessment, Acadience (DIBELS Next). By the end of the 2022-2023 school year AAK had 41 students on a READ Plan. The Major Improvement Strategy addressed students reading below grade level by supplementing literacy instruction with 30 minutes of reading instruction, this was successful.

Low achievement in math was also addressed as a Major Improvement Strategy. Data from the 2019-2020 school year indicates 40.6% of 3-5 grade students scored below the mean RiT score on the NWEA MAP assessment in Math MOY 2019-2020. BOY mean Rit was 41.3% below normal.

During the 2021-2022 school year data was collected using NWEA MAPS three times, beginning, middle and end of the school year. As data was collected math intervention groups were formed in grades 4 and 5. These groups targeted grade level instruction as well as foundational skills.

Lack of cognitive engagement opportunities for grade level development was our last Major Improvement Strategy. Cognitive engagement opportunities do not only constitute time but also depth and breadth of learning opportunities. This strategy was due to activities not being delivered in the same manner as highly engaging in person activities would have been. The steps AAK took to increase engagement was a consistent online approach with all core subjects being delivered by the teacher while online. The 2021-2022 was in-person therefore all activities were highly engaging and improved the depth of knowledge. To support further growth in our students we created a new calendar year that included extended breaks and a shorter summer. We also implemented our Community Learning Center and offer free before and after school care with academic opportunities. With the growth of our Community Learning Center and a continual increase of enrollment in CLC we have fully achieved our goal.

The Academy of Arts and Knowledge will continue to have a focus on literacy and math to improve academic achievement. AAK has implemented a research based literacy curriculum approved by The Colorado Department of Education. Interventions for math will continue to support progress made in the 2022-2023 school year. The Community Learning Center will not only continue to provide additional opportunities for students, AAK will continue to expand the program.

Prior Year Targets

Provide a summary of your progress in implementing the Major Improvement Strategies and if they had the intended effect on systems, adult actions, and student outcomes (e.g. targets).

Academic achievement will be monitored by local and state assessments throughout the year. 75% of students in all grade levels will meet or exceed grade level benchmarks as determined by local assessments: Currently over 50% of our students are at or above grade level on all of our local ELA assessments. This was our first year implementing Benchmark Workshop. This had a positive impact on our data. We will continue with implementation and the professional development we purchased with the curriculum.

Academic achievement will be monitored by local and state assessments throughout the year. 75% of students in all grade levels will meet or exceed grade level

benchmarks as determined by local assessments: Currently we are not meeting our math goal. We have made adjustments to target math during the 2023-2024 school year to reach this goal. We have added additional intervention time, support staff, and online personalized math programs.

Increase enrollment from 152 students to 190 students: We have hit our enrollment goals. Enrollment for the the 2023-2024 school year is 204 students. AAK added an Pre-Kindergarten to support the enrollment of Kindergarten students in the future and to provide quality, educationally based child care to all families. Increase the number of personalized learning options for students attending CLC. Increase from 5 options to 10 options for students to participate in: AAK has exceeded this goal. CLC is currently offering 17 clubs for students to participate in after school. This has increased attendance in the CLC program by 19%.

Based on your reflection and evaluation, provide a summary of the adjustments that you will make for this year's plan.

When reflecting on the previous years many strategies have gone very well. AAK continues to struggle with math achievement. Although we have not met our ELA goals we have made significant improvements and will continue our current plan and will continue to **monitor** data to ensure growth. Our enrollment remains strong and CLC continues to grow and our clubs and after school options continue to grow.

Math will become our focus for the 2023-2024 school year.

Current Performance

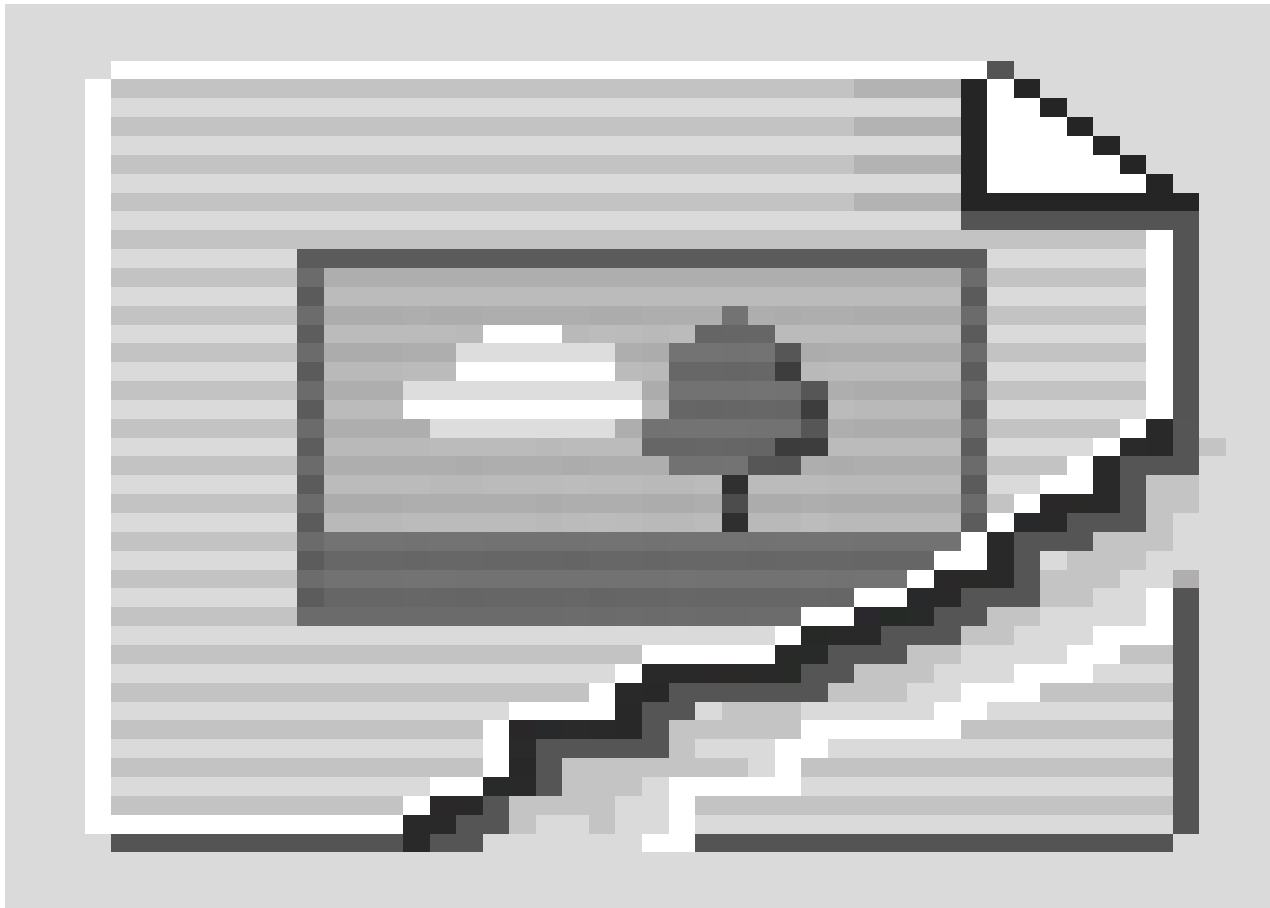
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Current State and Local Date

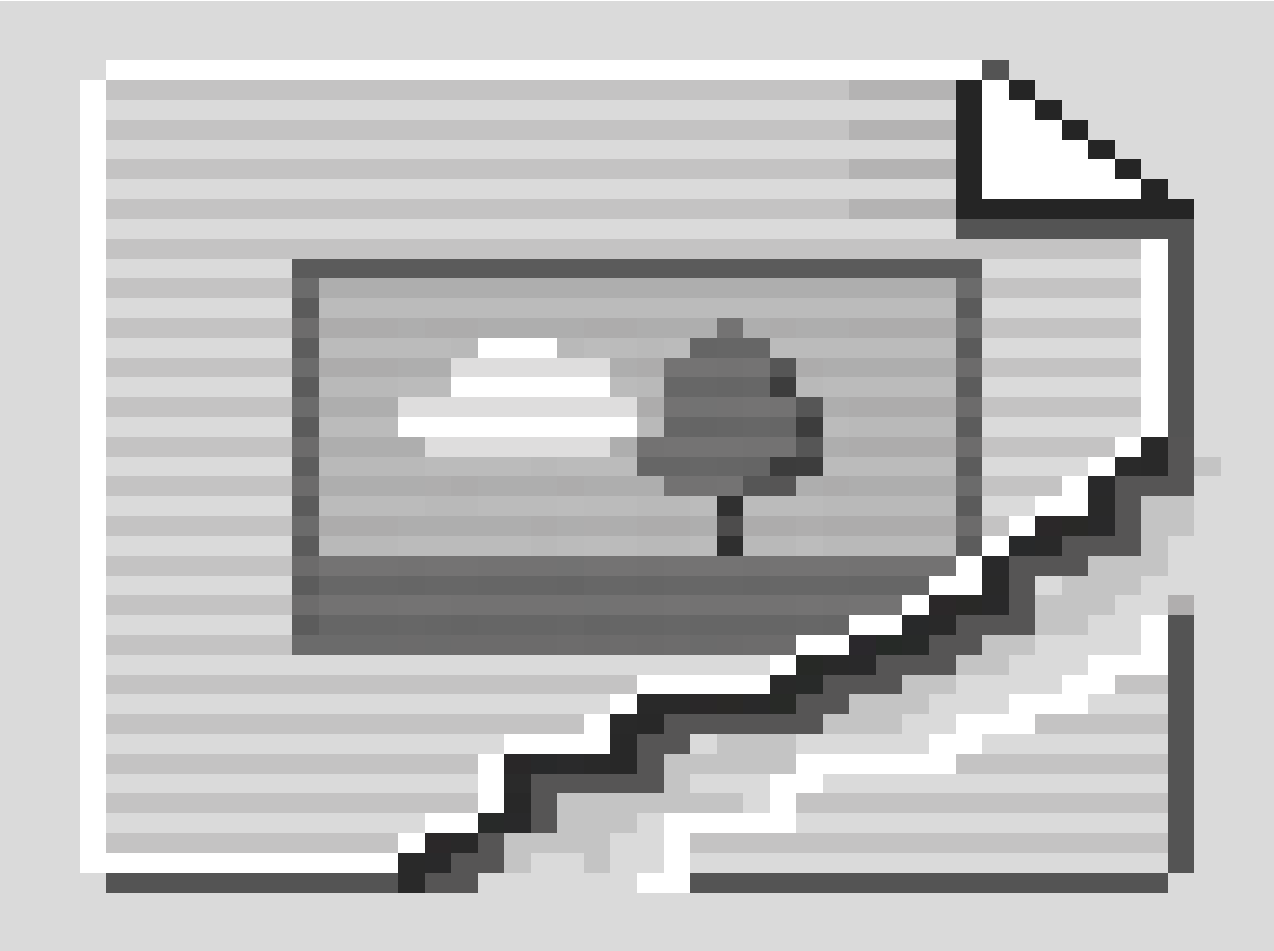
Access Data: n<20 (unreportable)

CMASS

ELA



Math



MAPS Data (RIT Score:This score represents a student’s achievement level at any given moment and helps measure their academic growth over time.)

Grade	Math: % Met or	Math: % Met or	Reading: % Met or	Reading: % Met or
	Exceed Projected	Exceed Projected	Exceed Projected	Exceed Projected
	RIT Score (BOY)	RIT Score (EOY)	RIT Score (BOY)	RIT Score (EOY)
Kindergarten	45%	47% (+2)	52%	45 (-7%)

1st Grade	41%	40% (-1%)	43%	50% (+7%)
2nd Grade	54%	59% (+5%)	51%	65% (+14%)
3rd Grade	37%	60% (+23%)	37%	48 (+11%)
4th Grade	52%	63% (+11%)	52%	82% (+30%)
5th Grade	55%	65% (+10%)	64%	76% (+12%)

READ ACT Data- DIBELS Next

Grade	Well Below BOY/EOY	Below BOY/EOY	Benchmark BOY/EOY	Above Benchmark BOY/EOY	% at/or Above Benchmark
Kindergarten	9/5	10/6	6/14	6/6	65%

1st Grade	12/12	9/6	2/1	8/9	82%
2nd Grade	18/10	2/6	3/6	16/16	85%
3rd Grade	5/8	3/3	6/3	5/4	22%
4th Grade	8/4	0/4	7/4	10/12	50%
5th Grade	2/2	12/10	3/1	14/15	86%

- AAK uses assessments and the data they provide to determine interventions and extended learning opportunities. Data is presented to our School Accountability Team and our School Board. This provides the opportunity for feedback on academic achievement of our students. Data is used to determine curriculum, planning, and intervention grouping. A lack of academic achievement has determined the need to purchase and implement a CDE approved comprehensive reading curriculum. Math remains to show higher academic achievement and indicates we will continue to provide professional development opportunities to increase the teacher's ability to implement the curriculum with fidelity.

Additional Trend Information:

AAK is showing high growth in ELA CMAS, with significant achievement in 5th grade for the 2023 spring results. Raising academic achievement will continue to be a focus as we continue to implement our new ELA curriculum with fidelity. AAK adopted Benchmark Workshop, a CDE READ ACT approved curriculum in grades Kindergarten-Third to increase academic growth and achievement on state and local data.

Local data shows an decrease of 11% in the number of students with a Significant Reading Deficiency from the end of the 2021 school year and has continued this trend. At the start of the 2022-2023 school year AAK had 108 students K-3 on READ plans, AAK ended the year with 41 students on READ plans. This data indicates the curriculum and the dedicated interventions are having a positive impact on student achievement,

Math data shows 50%-79% of students met or scored above their projected RIT score on NWEA Maps assessments at the end of the 2022 school year. This is an increase of 8% for fourth grade from the 2020-2021 school year. Grades 3 and 5 continue to show 40%-50% of students met or exceed their RIT score on NWEA Maps assessments. Math CMAS data for spring 2023 continues to show a downward trend from 2019 to 2023 in grades 3 and 4. In 5th grade there has been a significant increase in math achievement from an average score of 717 to 740. Beginning of the year data, 2023-2024, NWEA MAPS reflects the trend of less than 40% of students are at or above grade level in math.

AAK has increased engagement in the school community by 20% since 2021. AAK had an enrollment of 152 students attending and engaging in academics during the 2021-2022 school year. AAK enrolled 176 students for 2022-2023 school year and 204 students for the 2023-2024 school year. The increase of engagement in the school community is due to the increase in personalized learning options offered to all families before and after school. This is a notable positive trend impacting consistent engagement in academics and extra curricular activities.

Priority Performance Challenges and Root Causes



Priority Performance Challenge: Increase Math Achievement

Mathematics achievement have declined over the last three years and have been well below minimum state expectations in all grades except for 5th grade. BOY data shows a significantly higher number of students below grade level on local assessments.

Area of Focus: Math



Root Cause: Inconsistent Interventions

Interventions not delivered with fidelity.

Root Cause Category: Intervention Systems



Root Cause: Lack of effective coaching and feedback

The lack of professional coaching and feedback to increase best 1st instruction.



Priority Performance Challenge: Increase Math Growth

Math growth remains steady across grade levels. Working to increase math achievement the school will need to target math growth.

Area of Focus: Math growth



Root Cause: Inconsistent Interventions

Interventions not delivered with fidelity.

Root Cause Category: Intervention Systems

Priority Performance Challenge: Best First Instruction



Effective standards-based instruction builds relationships, meets the needs of all students, and creates a culture of integrated math instruction to increase math achievement and growth.

Area of Focus: School/District Culture



Root Cause: Lack of best 1st Instruction

Ineffective system to support tier one instruction.

Root Cause Category: Instruction

Magnitude of Performance Challenges and Rationale for Selection:



Administration has been working with the School Accountability Committee and has determined a need for significant measures to be taken to impact our math achievement and growth. AAK has proven the model of best 1st instruction, interventions, and strong curriculum in ELA will have a significant impact on student growth and achievement. Collecting data on math indicates the need to take action. AAK's 3rd grade class was impacted in kindergarten by the 2020 school year and their beginning of the year data reflects the lack of consistent foundational math knowledge. We have the structures in place to support a strong learning community and will now be able to expand our resources, expertise, and professional development allocations to impact our math goals.

Magnitude of Root Causes and Rationale for Selection:



AAK administration has worked with teachers, SAC to do a data analysis. Data shows major steps need to be taken to ensure an increase in math achievement and growth. Our current 3rd graders were in Kindergarten during the 2020-2021 school year and experienced many disruptions to their academics. Beginning of the year data shows this has impacted their math scores. AAK is taking the necessary steps to ensure all students have a year more growth in math.

Action Plans

Planning Form



Multi-Tiered Systems of Support (MTSS)/Interventions

What will success look like: Grade level teams will fully complete the MTSS protocol and implement intervention activities in response to student data. This will lead to increased growth and achievement and higher numbers of students mastering grade level expectations. This Major Improvement Strategy and the associated actions fully

support the early literacy work happening at AKK and will specifically support students on Read Plans.

Describe the research/evidence base supporting the strategy and why it is a good fit: MTSS leverages the Implementation Science Active Implementation Frameworks (Fixsen, Naoom, Blase, Friedman, & Wallace, 2005),

Strategy Category: Targeted Student Academic Supports



Associated Root Causes:




Inconsistent Interventions:

Interventions not delivered with fidelity.

Implementation Benchmarks Associated with MIS

IB Name	Description	Start/End/ Repeats	Key Personnel	Status
 MTSS Agenda/Protocol	85% of MTSS meetings by December and 90% by March will be consistently engaging (completing full agenda in 80% or more of meetings) in the MTSS agenda as evidenced by team notes.	08/09/2023 06/14/2024 Monthly	MTSS Team/Teachers	
 MTSS Implementation	80% of identified MTSS team members by December and 90% by March will implement interventions as planned during MTSS meetings 75% or more of the time as evidenced by classroom observations and walkthroughs.	08/09/2023 06/14/2024 Monthly	MTSS/Teachers	

Action Steps Associated with MIS

Name	Description	Start/End Date	Resource	Key Personnel	Status
 Create data collection	Establish a system of universal, targeted, and intensive data collection in both academics and behavior.	08/09/2023 10/30/2023	Singapore Math Zearn Math IReady Math	MTSS Team/Teachers	

system"



Implement
Progress
Monitoring

Put into action high quality, evidence based universal screening and progress monitoring tools in all academic and behavioral domains.

08/09/2023
06/14/2024

<https://www.cde.state.co.us/mtss/comtssschoolfidelitytool>

Principal/MTSS
Team



Plan for Data
Sharing

Determine how to organize and distribute data so that is accessible to families whose student(s) are participating in the MTSS process. Ensure that there are (a) usable and easy-to-read reports on academic and behavioral data, and (b) guidance to understand data displays.

08/09/2023
06/14/2024

MTSS in Colorado

MTSS/Principal



"Monitor
Implementation"

Guide and monitor effective implementation of fidelity measurement tool.

08/09/2023
06/14/2024

<https://www.cde.state.co.us/mtss/comtssschoolfidelitytool>,
MTSS Leadership Team (MLT) Self-assessment

Principal, SAC



Instructional Coaching, or Observation and Feedback

What will success look like: Instructional coaching is a partnership between a teacher and an expert that is focused on improving teacher performance. Feedback is information provided to teachers about student learning in their classrooms and/or their performance toward professional goals. Effective coaching and feedback results in changes to teacher practice and student achievement. Coaching at our school will include: roles, systems, structures and training; foundational elements and common practices of effective coaching; data analysis to inform coaching; and cycles of effective feedback. Teachers will improve skills in providing both Learning Environments and grade level instruction. This will lead to higher numbers of students mastering grade level expectations.

Describe the research/evidence base supporting the strategy and why it is a good fit: Teacher Coaching has an evidence base from researchers such as Paul Bambrick-Santoyo, Linda Darling-Hammond, Michael Fullan and Jim Knight.


Associated Root Causes:



Lack of effective coaching and feedback:

The lack of professional coaching and feedback to increase best 1st instruction.

Implementation Benchmarks Associated with MIS

IB Name	Description	Start/End/ Repeats	Key Personnel	Status
 Instructional Growth	75% of teachers will implement coach recommended follow-up action steps as a result of observations by December; 95% by May; as evidenced by follow-up walkthroughs. (Create scope and sequence of observational look fors by end of October. By end of April 2024, all teachers get a minimum of one observation and feedback conversation (non-evaluative) aligned to the scope and sequence and using the google form.)	09/01/2023 06/15/2024 Quarterly	Teachers, Principal	

Action Steps Associated with MIS

Name	Description	Start/End Date	Resource	Key Personnel	Status
 Prioritize Teacher Needs	Identify or prioritize teachers to receive coaching supports.	09/01/2023 12/12/2023	Engaging In Mathematical Practices ems&tl'Project,'2012, 'Data Informed Observation Protocol	Principal	
 "Create data	Create or refine data collection systems, observation protocols & trackers, and coaching trackers. (Google form to use and provide quick feedback, track areas of focus - use system to prioritize.)	09/01/2023 10/30/2023	Engaging In Mathematical	Principal	

trackers"				Practices ems&tl'Project,'2012'
	Re-Prioritize Teacher Needs	Re-prioritize teachers to receive coaching supports.	01/12/2024 06/11/2024	Coaching & Facilitation Core Competencies - Elena Aguilar, The Art of Coaching Teams Principal, Teachers
	Review Progress & Needs	Identify areas of need, including staffing, to be a focus for the following school year.	05/15/2024 06/15/2024	Engaging In Mathematical Practices ems&tl'Project,'2012' Principal



Standards-Based Instruction/Best First Instruction

What will success look like: Standards-Based Instruction gives all students the best opportunity to learn standards-based, grade level content and skills the first time they receive instruction. It combines culturally responsive teaching, practice-based teacher learning and the implementation of high quality academic standards and curriculum. Effective standards-based instruction builds relationships, meets the needs of all students, creates relevancy and fosters disciplinary literacy. Disciplinary Literacy is the intersection of content knowledge, experiences and skills needed to demonstrate understanding through the ability to read, write, communicate and think critically relative to a specific discipline. Teachers will be teaching texts and tasks at grade level during Tier 1 instruction. This will lead to higher numbers of students mastering grade level expectations. This Major Improvement Strategy and the associated actions fully support the early literacy work happening at AKK and will specifically support students on Read Plans.

Describe the research/evidence base supporting the strategy and why it is a good fit: Standards-Based Instruction has an evidence base from researchers such as Paul Bambrick-Santoyo, D. Buehl and Shanahan & Shanahan.

Strategy Category: Research-based Instructional Practices


Associated Root Causes:



Lack of best 1st Instruction:

Ineffective system to support tier one instruction.

Implementation Benchmarks Associated with MIS

IB Name	Description	Start/End/ Repeats	Key Personnel	Status
 Standards-Based Best First Instruction	80% of teachers by December and 90% of teachers by March will implement lessons at grade level 75% or more of the time as evidenced by classroom observations and walkthroughs.	09/01/2023 01/01/2024 Monthly	Techers, Principal	

Action Steps Associated with MIS

Name	Description	Start/End Date	Resource	Key Personnel	Status
 Develop Professional Learning Schedule	Designate bi-weekly Teaching Team meeting times for understanding upcoming standards and planning for grade level standards instruction. Designate weekly times for school leaders to observe classes in relation to grade level standards.	09/01/2023 01/01/2024	https://www.cde.state.co.us/fedprograms/ti/a_Colorado Academic Standardshgschs_bestfirst.	Teachers, Principal	
 Design High-Quality Professional Learning	School leaders complete module around standards-based professional learning.	08/09/2024 06/15/2024	Achieve The Core: Principles for High-Quality, Standards-Aligned Professional Learning, National Council of Teachers of Mathematics. (2013). The Impact of Identity in K-8 Mathematics: Rethinking Equity- Based Practices. Reston, VA: Aquirre, J., Mayfield-Ingram, K., & Martin, D.B..	Principal	

School Target Setting



Priority Performance Challenge : Increase Math Achievement



PERFORMANCE INDICATOR: Academic Achievement (Status)

MEASURES / METRICS: M

ANNUAL PERFORMANCE TARGETS

2023-2024: AAK will show an increase of 5% of students in all grades levels from BOY to EOY at or above benchmark on NWEA MAPS math assessment. Current 08/2023 MAPS Math at or above benchmark Kindergarten 38% 1st 44% 2nd 40% 3rd 28% 4th 36% 5th 52%

2024-2025: AAK will show an increase of 5% of students in all grades levels from BOY to EOY at or above benchmark on NWEA MAPS math assessment.

INTERIM MEASURES FOR 2023-2024: Mid year data will show an upward trend indicating 2.5% of students are on track to show enough growth to meet the target of 5% growth by the end of the 2023-2024 school year.



Priority Performance Challenge : Increase Math Growth



PERFORMANCE INDICATOR: Academic Growth

MEASURES / METRICS: M

ANNUAL PERFORMANCE TARGETS

2023-2024: AAK will demonstrate an upward trend of growth for all students on NWEA MAPS math assessments on the end of the year assessment, 50%-60% off all students will meet projected growth targets. Met projected growth on NWEA MAPS Math EOY assessments 2023: Kindergarten: 58% 1st Grade: 45% 2nd grade:46% 3rd grade: 56% 4th grade: 46% 5th grade 53%

2024-2025: AAK will demonstrate an upward trend of growth for all students on NWEA MAPS math assessments on the end of the year assessment, 60%-65% off all students will meet projected growth targets.

INTERIM MEASURES FOR 2023-2024: Mid year data will indicate an upward trend in growth data.





Priority Performance Challenge : Best First Instruction



PERFORMANCE INDICATOR: Student Engagement

MEASURES / METRICS: Supplemental Measure(s)

ANNUAL
PERFORMANCE
TARGETS

2023-2024: Teachers will use an observation rubric, within the rubric lessons will be marked with Engagement or Compliance. 60% of lessons taught by AAK teachers will have notable evidence of student engagement vs compliance.

2024-2025: Teachers will use an observation rubric, within the rubric lessons will be marked with Engagement or Compliance. 60% of lessons taught by AAK teachers will have notable evidence of student engagement vs compliance.

INTERIM MEASURES FOR 2023-2024: During Mid year evaluations the rubric will be discussed and evaluated for effectiveness and fidelity.

Management Report

The Academy of Arts & Knowledge

For the period ending September 30, 2023



Prepared by

Minga Education Group

Prepared on

October 18, 2023

Executive Summary

Statement of Financial Activity / Balance Sheet (BS) / FY2024 Balance Sheet

Assets - Total assets for The Academy of Arts & Knowledge as of September 30, 2023, are \$1,119,715, which reflects an Operating cash balance of \$713,827, Cash Reserves of \$350,226, and Accounts Receivable of \$33,548.

Liabilities - Total liabilities for The Academy of Arts & Knowledge as of September 30, 2023, are \$16,237. Liabilities include accounts payable of \$15,180.

Equity - Total equity for The Academy of Arts & Knowledge is \$1,103,478 as of September 30, 2023. Net income for the year is estimated at \$244,795.

Statement of Activity / Profit & Loss (P&L) / FY24 Actual vs Proposed Budget

Revenues/Income - As of September 30, 2023, total revenues are \$630,284 or 25% of the budget amount of \$2,517,544.

Expenses - As of September 30, 2023, total expenditures are \$385,489 or 16% of the budgeted amount of \$2,355,678.

Accounts Payable (A/P Aging Detail) – Reflects monies owed to vendors as of September 30, 2023. This balance ties to the Balance Sheet under Accounts Payable.

Accounts Receivable (AR Aging Detail) – Reflects monies owed to The Academy of Arts & Knowledge as of September 30, 2023.

FY24 Balance Sheet

As of September 30, 2023

	As of Sep 30, 2023	As of Sep 30, 2022 (PY)	Total % Change
ASSETS			
Current Assets			
Bank Accounts			
8101000 US Bank Operating 4045	713,827	519,493	37.00 %
8101001 US Bank Reserve 4011	350,226	350,209	0.00 %
8101003 PayPal Bank	2,508	6,994	-64.00 %
8101074 US Bank PTO	882	6,333	-86.00 %
8103000 Debit Card	3,754	4,204	-11.00 %
8109074 US Bank Gift Card Funds 2094	2,615	2,572	2.00 %
Total Bank Accounts	1,073,812	889,804	21.00 %
Accounts Receivable			
8153000 Accounts Receivable (A/R)	0	0	
8131001 Default QBO AR	33,548	32,939	2.00 %
8142000 Grant Accounts Receivable (A/R)	0	49,355	-100.00 %
Total 8153000 Accounts Receivable (A/R)	33,548	82,294	-59.00 %
Total Accounts Receivable	33,548	82,294	-59.00 %
Other Current Assets			
8181000 Prepaid Expenses	11,585	0	
Undeposited Funds	770	0	
Total Other Current Assets	12,355	0	0%
Total Current Assets	1,119,715	972,098	15.00 %
TOTAL ASSETS	\$1,119,715	\$972,098	15.00 %

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

7421000 Accounts Payable (A/P)	15,180	5,349	184.00 %
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Total Accounts Payable	15,180	5,349	184.00 %
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Credit Cards

7421001 American Express	1,058	6,085	-83.00 %
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Total Credit Cards	1,058	6,085	-83.00 %
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Other Current Liabilities

7461000 Accrued Salary & Benefit	0	51,436	-100.00 %
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7482000 Deferred Revenue	0	49,742	-100.00 %
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7482002 Deferred Revenue ELPA	0	1,549	-100.00 %
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Total Other Current Liabilities	0	102,727	-100.00 %
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Total Current Liabilities	16,237	114,161	-86.00 %
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			Total
	As of Sep 30, 2023	As of Sep 30, 2022 (PY)	% Change
Total Liabilities	16,237	114,161	-86.00 %
Equity			
6721000 Fund Balance TABOR	58,000	48,500	20.00 %
6770000 Fund Balance Unassigned	724,194	674,715	7.00 %
6770074 Fund Balance Unassigned F74	5,751	5,751	0.00 %
6790000 Unrestricted Net Assets	70,738	70,738	0.00 %
Net Revenue	244,795	58,233	320.00 %
Total Equity	1,103,478	857,937	29.00 %
TOTAL LIABILITIES AND EQUITY	\$1,119,715	\$972,098	15.00 %

FY24 Actuals vs Prior Year

July - September, 2023

	Total	
	Jul - Sep, 2023	Jul - Sep, 2022 (PP)
REVENUE		
1000 Revenue Local Sources	23,011	9,897
3000 Revenue State Sources	144,765	120,353
4000 Revenue Federal Sources	14,522	13,486
5000 Revenue Other Sources	447,987	402,440
Total Revenue	630,284	546,176
GROSS PROFIT	630,284	546,176
EXPENDITURES		
0100 Salaries	176,617	210,153
0200 Employee Benefits	25,162	39,929
0300 Purchased Prof & Tech Services	92,359	43,314
0400 Purchased Property Services	10,669	66,238
0500 Other Purchased Services	32,791	57,308
0600 Supplies	26,001	68,672
0700 Property	19,128	875
0800 Other Objects	2,762	1,453
Total Expenditures	385,489	487,943
NET OPERATING REVENUE	244,795	58,233
NET REVENUE	\$244,795	\$58,233

FY24 Actuals vs Proposed budget

July - September, 2023

			Total
	Actual	Budget	% of Budget
REVENUE			
1000 Revenue Local Sources			
1510000 Interest on Investments	12	100	12.00 %
1740074 Field Trips		7,500	
1750000 Fundraising	10,141	15,000	68.00 %
1900004 Activity / Student fees	341	13,124	3.00 %
1910000 Facility Rental Income		38	
1920001 Donations	297	500	59.00 %
1956001 Food Sales, paid by parents	101	16,417	1.00 %
1990000 Miscellaneous	12,118	34,500	35.00 %
Total 1000 Revenue Local Sources	23,011	87,179	26.00 %
3000 Revenue State Sources		71,339	
3010001 ST UPK	9,512		
3954001 ST Capital Construction 3113	17,392	68,780	25.00 %
3954002 ST Mill Levy Equalization 3251	43,761	161,120	27.00 %
3954003 ST READ Act 3259		13,908	
3954004 ST ECEA SPED 3130	40,605	25,531	159.00 %
3954005 ST ELP 3140	5,569	1,549	360.00 %
3954007 ST ECEA GT 3150		1,119	
3954009 ST MLE Interest Grant #3951	20,735	1,552	1,336.00 %
3954010 ST GT Screening Grant 3228		448	
3954018 ST CLLC 6287		145,750	
3956000 ST Lunch K-2 Reimb 3169	81		
3956001 ST Start Smart Grant 3164	13		
3956003 ST HMFA Lunch 3162	7,098		
Total 3000 Revenue State Sources	144,765	491,096	29.00 %
4000 Revenue Federal Sources			
4010000 FED Emergency Connectivity		6,692	
4010001 FED US Commodities Grant 4555	4,011		
4954000 FED Title I 4010		26,127	
4954001 FED IDEA Part B 4027		20,625	
4954002 FED Title III 4367		1,500	
4954003 FED ARP_IDEA 6073		4,822	
4954004 FED Title III 4365		604	
4954010 FED Title IA Homeless 9202		3,000	
4954012 FED Title IA Parent 9211		412	

			Total
	Actual	Budget	% of Budget
4956001 FED FS School Lunch Reimb 4555	8,894	47,500	19.00 %
4956002 FED FS Breakfast Reimb Grant 4553	1,616	6,600	24.00 %
Total 4000 Revenue Federal Sources	14,522	117,882	12.00 %
5000 Revenue Other Sources			
5710000 State Share Per Pupil Revenue	447,987	1,821,387	25.00 %
Total 5000 Revenue Other Sources	447,987	1,821,387	25.00 %
Total Revenue	630,284	2,517,544	25.00 %
GROSS PROFIT	630,284	2,517,544	25.00 %

EXPENDITURES

0100 Salaries

0110103 Salary BAA Extended Care	10,193		
0110104 Preschool Director	6,956	85,800	8.00 %
0110105 Salary Admin/Principal	19,305	91,780	21.00 %
0110201 Salary Teacher	60,252	471,825	13.00 %
0110202 Salary Teacher SPED	6,616	51,774	13.00 %
0110233 Salary Nurse	922	5,306	17.00 %
0110234 Salary OT	3,632	23,076	16.00 %
0110236 Salary Psychologist	8,093	27,300	30.00 %
0110238 Salary SLP	5,006	39,168	13.00 %
0110382 Salary IT Tech	1,755	8,143	22.00 %
0110409 Salary Health Aide	2,209		
0110415 Salary Paraprofessional	27,120	169,989	16.00 %
0110500 Salary Admin/Business Support		84,240	
0110506 Salary General Office	14,626		
0110607 Salary Food Services	884		
0110608 Salary Custodian	7,896	39,089	20.00 %
0120207 Salary Substitutes	541	5,000	11.00 %
0150103 Stipends CLC Lead	613		
0150105 Stipends Admin		2,000	
0150201 Stipends Teacher		4,000	
0150415 Stipends Paraprofessional		5,737	

Total 0100 Salaries	176,617	1,114,227	16.00 %
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0200 Employee Benefits

0210 LIFE, EAP, ELPI		323	
0210105 LIFE, EAP, ELPI Admin	52	108	48.00 %
0210201 LIFE, EAP, ELPI Teacher	65	1,185	5.00 %
0210202 LIFE, EAP, ELPI Teacher SPED	13	108	12.00 %
0210207 LIFE, EAP, ELPI Substitutes	7	206	3.00 %
0210233 LIFE, EAP, ELPI Nurse	2	108	2.00 %
0210234 LIFE, EAP, ELPI OT/PT	1	108	1.00 %

			Total
	Actual	Budget	% of Budget
0210236 LIFE, EAP, ELPI Psychology	12	108	11.00 %
0210238 LIFE, EAP, ELPI SLP	6	108	5.00 %
0210382 LIFE, EAP, ELPI IT Tech	10	108	9.00 %
0210415 LIFE, EAP, ELPI Paraprofessional	32	754	4.00 %
0210500 LIFE, EAP, ELPI Admin/Business Support	43	215	20.00 %
0210608 LIFE, EAP, ELPI Custodial	22	108	20.00 %
Total 0210 LIFE, EAP, ELPI	263	3,547	7.00 %
0217000 FAMLI	1,616	4,939	33.00 %
0220 MED/FICA		6,564	
0220103 MED/FICA BAA Extended Care	827		
0220105 MED/FICA Admin	1,996	7,021	28.00 %
0220201 MED/FICA Teacher	4,424	36,095	12.00 %
0220202 MED/FICA SPED	506	3,961	13.00 %
0220207 MED/FICA Subs	41	372	11.00 %
0220233 MED/FICA Nurse	62	406	15.00 %
0220234 MED/FICA Occupational Therapist	278	1,765	16.00 %
0220236 MED/FICA Psychologist	619	2,088	30.00 %
0220238 MED/FICA SLP	383	2,996	13.00 %
0220382 MED/FICA IT Tech	134	623	22.00 %
0220415 MED/FICA Paraprofessional	2,066	13,005	16.00 %
0220500 MED/FICA Admin Support		6,444	
0220506 MED/FICA General Office	1,356		
0220608 MED/FICA Custodian	604	2,990	20.00 %
Total 0220 MED/FICA	13,296	84,330	16.00 %
0250 Health Benefits		7,018	
0250105 Health Benefits Admin	2,171	7,018	31.00 %
0250201 Health Benefits Teachers	1,941	70,408	3.00 %
0250202 Health Benefits SPED	837	7,018	12.00 %
0250238 Health Benefits SLP	1,658	6,795	24.00 %
0250415 Health Benefits Paraprofessional		7,018	
0250500 Health Benefits Admin/Business Support	1,373	4,150	33.00 %
0250608 Health Benefits Custodian	1,395	6,910	20.00 %
Total 0250 Health Benefits	9,375	116,335	8.00 %
0290 Other 401K Match			
0290105 401K Match Admin		1,500	
0290201 401K Match Teachers	256	5,000	5.00 %
0290500 401K Match Admin/Business Support	355	1,624	22.00 %
Total 0290 Other 401K Match	612	8,124	8.00 %
Total 0200 Employee Benefits	25,162	217,275	12.00 %
0300 Purchased Prof & Tech Services			
0313000 PPTS Bank Fees	114	1,000	11.00 %

			Total
	Actual	Budget	% of Budget
0315000 PPTS PayPal Fees		500	
0320000 PPTS Professional Development	49	3,800	1.00 %
0320002 PPTS Payroll Services PEO	15		
0320003 PPTS Consulted Education Services	43,750	175,000	25.00 %
0328000 PPTS Assessments	3,595	12,050	30.00 %
0330000 PPTS Other Professional Services		50	
0331000 PPTS Legal Services	1,050	6,000	18.00 %
0332000 PPTS Audit Services	8,400	9,750	86.00 %
0339000 PPTS SPED Services ECEA 3130		100	
0339002 PPTS Background Checks	12	500	2.00 %
0340000 PPTS Technical Services	1,000	750	133.00 %
0350000 PPTS Employee Training and Development	1,155	4,000	29.00 %
0390000 PPTS Temp Staff Support	15,300	23,238	66.00 %
0399000 PPTS CDE PPR Admin Fee	17,919	18,214	98.00 %
Total 0300 Purchased Prof & Tech Services	92,359	254,952	36.00 %
0400 Purchased Property Services			
0411000 PPS Water & Sewer		12,650	
0421000 PPS Disposal Services		1,070	
0422000 PPS Snow Removal		1,500	
0423000 PPS Custodial Services	9,653	43,800	22.00 %
0424000 PPS Landscaping		7,153	
0430000 PPS Repair & Maintenance	160	28,035	1.00 %
0441000 PPS Rent or Lease, Buildings		263,032	
0441001 PPS Rent Management Fees		15,547	
0441002 PPS Rent or Lease, Storage Unit	507	2,000	25.00 %
0442000 PPS Equipment Rental	349		
0622000 Supplies Electricity		43,948	
Total 0400 Purchased Property Services	10,669	418,735	3.00 %
0500 Other Purchased Services			
0513000 OPS Contracted Field Trips	353	10,000	4.00 %
0520000 OPS Insurance Premiums		12,052	
0525000 OPS Unemployment Insurance	570	32,607	2.00 %
0526000 OPS Workers Compensation	1,165	9,329	12.00 %
0527000 OPS Multiple-Coverage Insurance	5,056	17,343	29.00 %
0530000 OPS Communications	821	4,212	19.00 %
0531000 OPS Community Relations	50	2,000	3.00 %
0533000 OPS Postage		250	
0534000 OPS Internet	1,624	5,540	29.00 %
0540000 OPS Advertising & Recruitment	3,999	26,354	15.00 %
0572000 OPS FS Food Management	16,174	51,775	31.00 %

			Total
	Actual	Budget	% of Budget
0580000 OPS Travel, Registration & Entrance Fees		1,000	
0595000 OPS Admin Overhead >5%		54,642	
0596000 OPS FS Lunch admin fee 5555	133	536	25.00 %
0596001 OPS FS Fee Snack Admin Fee 4555	687	2,056	33.00 %
0599000 OPS Platte Valley Detention Center	49	800	6.00 %
0633000 OPS FS Commodities Expense 4550	2,111	6,691	32.00 %
Total 0500 Other Purchased Services	32,791	237,187	14.00 %
0600 Supplies			
0610000 SUPPLIES Elementary	2,734	9,000	30.00 %
0610001 SUPPLIES Music	137	1,000	14.00 %
0610002 SUPPLIES Office	877	6,000	15.00 %
0610003 SUPPLIES Custodial	3,062	10,000	31.00 %
0610004 SUPPLIES SPED	152	1,750	9.00 %
0610006 SUPPLIES G&T 3150		250	
0610007 SUPPLIES Library	299	500	60.00 %
0610011 SUPPLIES Health	659	750	88.00 %
0610013 SUPPLIES Miscellaneous		300	
0610074 SUPPLIES Activities		1,143	
0614074 SUPPLIES Fundraising	300	500	60.00 %
0621000 SUPPLIES Natural Gas		6,295	
0630001 SUPPLIES Food	2,425		
0630002 SUPPLIES Food BAAEC	200	750	27.00 %
0631000 SUPPLIES Milk	1,514	9,000	17.00 %
0640000 SUPPLIES Books & Periodicals	6,018	6,000	100.00 %
0650000 SUPPLIES Electronic Media Materials	5,705	6,774	84.00 %
0650001 SUPPLIES PowerSchool	506	4,500	11.00 %
0690000 SUPPLIES Programs for Staff, Student, Volunteers	1,415	2,500	57.00 %
0691000 SUPPLIES Security		750	
Total 0600 Supplies	26,001	67,762	38.00 %
0700 Property			
0733000 PROP. Furniture and Fixtures	17,041	25,000	68.00 %
0734000 PROP. Technology Equipment		8,500	
0770000 PROP. Lease (GASB 87)	2,087	7,740	27.00 %
Total 0700 Property	19,128	41,240	46.00 %
0800 Other Objects			
0810000 OTHER Dues & Fees	2,762	4,300	64.00 %
Total 0800 Other Objects	2,762	4,300	64.00 %
Total Expenditures	385,489	2,355,678	16.00 %
NET OPERATING REVENUE	244,795	161,866	151.00 %
NET REVENUE	\$244,795	\$161,866	151.00 %

FY24 Profit and Loss by Month

July - September, 2023

	Jul 2023	Aug 2023	Sep 2023	Total
REVENUE				
1000 Revenue Local Sources	-136	6,828	16,319	23,011
3000 Revenue State Sources	27,196	77,073	40,496	144,765
4000 Revenue Federal Sources	1,111	8,067	5,344	14,522
5000 Revenue Other Sources	149,329	149,329	149,329	447,987
Total Revenue	177,500	241,296	211,488	630,284
GROSS PROFIT	177,500	241,296	211,488	630,284
EXPENDITURES				
0100 Salaries	8,631	65,277	102,708	176,617
0200 Employee Benefits	1,888	6,977	16,296	25,162
0300 Purchased Prof & Tech Services	23,735	27,647	40,977	92,359
0400 Purchased Property Services	3,043	3,337	4,289	10,669
0500 Other Purchased Services	2,785	11,065	18,941	32,791
0600 Supplies	16,419	4,455	5,128	26,001
0700 Property		696	18,432	19,128
0800 Other Objects	2,762			2,762
Total Expenditures	59,263	119,454	206,772	385,489
NET OPERATING REVENUE	118,237	121,842	4,716	244,795
NET REVENUE	\$118,237	\$121,842	\$4,716	\$244,795

A/R Aging Detail

As of September 30, 2023

Date	Transaction Type	Num	Client	Memo/Description	Business	Due Date	Amount	Open Balance
91 or more days past due								
06/30/2023	Journal Entry	FY23 PPR Tie out	CSI	Yearend PPR tie out FY23	11 General Fund	06/30/2023	44.18	44.18
06/30/2023	Journal Entry	FY23 AJE #5	CDE	FY23 AJE #5	11 General Fund	06/30/2023	2,736.80	2,736.80
06/30/2023	Pledge	1425	CSI	6287 CLC through 11/30/2022	6287 CLC	06/30/2023	7,468.12	7,468.12
Total for 91 or more days past due							\$10,249.10	\$10,249.10
31 - 60 days past due								
08/01/2023	Pledge	1469	CSI	FY24 AUG 2023	21 Food Svs Fund	08/01/2023	8,251.86	8,251.86
08/15/2023	Pledge	1435	Jasmin Coultas		19 Preschool	08/15/2023	155.00	155.00
Total for 31 - 60 days past due							\$8,406.86	\$8,406.86
1 - 30 days past due								
09/01/2023	Pledge	1457	Brody, Koritsi		19 Preschool	09/01/2023	155.00	155.00
09/01/2023	Pledge	1454	Randall, Maurice		19 Preschool	09/01/2023	270.00	270.00
09/01/2023	Pledge	1451	Portillo, Luis		19 Preschool	09/01/2023	425.00	425.00
09/01/2023	Pledge	1466	CSI		3113 Capital Construction	09/01/2023	5,797.21	5,797.21
09/01/2023	Pledge	1491	CSI	FY24 Sept 2023	21 Food Svs Fund	09/01/2023	8,630.13	8,630.13
09/29/2023	Payment		Heidi Robertson		19 Preschool	09/29/2023	-385.00	-385.00
09/29/2023	Journal Entry	PR 9.29.23	Minga Education	PR 9.29.23 Pay period 9.1 - 9.15 (paid short by .47 Cent, will add to next transfer)	11 General Fund	09/29/2023	-0.47	-0.47
Total for 1 - 30 days past due							\$14,891.87	\$14,891.87
Current								
09/06/2023	Pledge	1486	Quinteros-Pitts, Paz		19 Preschool	09/30/2023	385.00	385.00
09/30/2023	Payment		Taylor, Arabella		19 Preschool	09/30/2023	-385.00	-385.00
Total for Current							\$0.00	\$0.00
TOTAL							\$33,547.83	\$33,547.83

A/P Aging Detail

As of September 30, 2023

Date	Transaction Type	Num	Vendor	Business	Due Date	Past Due	Amount	Open Balance
1 - 30 days past due								
09/26/2023	Bill	63712	Drain Doctors	11 General Fund	09/26/2023	22	160.00	160.00
Total for 1 - 30 days past due							\$160.00	\$160.00
Current								
09/30/2023	Bill	44951	Hoelting & Company Inc	11 General Fund	09/30/2023	18	2,000.00	2,000.00
09/15/2023	Bill		Michaels of Denver Catering, Inc	21 Food Svs Fund	10/05/2023	13	2,448.75	2,448.75
09/22/2023	Bill	75096	Michaels of Denver Catering, Inc	21 Food Svs Fund	10/12/2023	6	1,316.25	1,316.25
09/15/2023	Bill		NCS Pearson, Inc	3150 GT	10/15/2023	3	480.00	480.00
09/30/2023	Bill	1536	Minga Education Group Inc	11 General Fund	10/15/2023	3	425.79	425.79
09/29/2023	Bill	75102	Michaels of Denver Catering, Inc	21 Food Svs Fund	10/19/2023	-1	2,505.00	2,505.00
09/20/2023	Bill	81986767	WAXIE Sanitary Supply	11 General Fund	10/20/2023	-2	856.86	856.86
09/21/2023	Bill	IAAK230921	Star Stuff Pictures Limited Company	11 General Fund	10/21/2023	-3	270.00	270.00
09/30/2023	Bill	61685	Clean Bees Housekeeping, LLC	11 General Fund	10/30/2023	-12	3,960.00	3,960.00
09/30/2023	Bill	09/30/2023	Royal Crest Dairy Inc	6555 SCA	10/30/2023	-12	756.96	756.96
Total for Current							\$15,019.61	\$15,019.61

Date	Transaction Type	Num	Vendor	Business	Due Date	Past Due	Amount	Open Balance
TOTAL							\$15,179.61	\$15,179.61

FY24 Expenditures Instructional

July - September, 2023

	Instructional Support	0010 Elementary Ed	0060 Integrated Ed	1200 Music	1700 SPED	Total Instructional Support	TOTAL
REVENUE							
Total Revenue						0	0
GROSS PROFIT	0	0	0	0	0	0	0
EXPENDITURES							
0100 Salaries		45,045	13,432		6,616	65,094	65,094
0200 Employee Benefits		5,704	1,028		1,356	8,088	8,088
0300 Purchased Prof & Tech Services		18,923			21	18,944	18,944
0500 Other Purchased Services		353				353	353
0600 Supplies		12,811		137	152	13,100	13,100
Total Expenditures	0	82,836	14,460	137	8,145	105,578	105,578
NET OPERATING REVENUE	0	-82,836	-14,460	-137	-8,145	-105,578	-105,578
							\$ -
NET REVENUE	\$0	\$ -82,836	\$ -14,460	\$ -137	\$ -8,145	\$ -105,578	105,578

**NORTHERN COLORADO ACADEMY OF
ARTS AND KNOWLEDGE**

FINANCIAL STATEMENTS
With Independent Auditors' Report

For the Year Ended June 30, 2023

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Northern Colorado Academy of Arts & Knowledge

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Northern Colorado Academy of Arts & Knowledge, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Northern Colorado Academy of Arts & Knowledge'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 and each major fund of the Northern Colorado Academy of Arts & Knowledge, as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northern Colorado Academy of Arts & Knowledge 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 Northern Colorado Academy of Arts & Knowledge's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Hoelting & Company Inc.

Colorado Springs, Colorado
October 6, 2023

Northern Colorado Academy of Arts & Knowledge
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023

Northern Colorado Academy of Arts & Knowledge ("Academy") is a K-5 Public Charter School located in Fort Collins, Colorado that began operations in the fall of 2006. This Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Academy administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

U.S. generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: Government-wide Financial Statements and Governmental Fund Financial Statements.

Fund Financial Statements:

The governmental fund level statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

Governmental activities including the Academy's major instruction and instructional support activities are reported in the General Fund. While governmental activities consist of functions that are mostly funded by intergovernmental revenues, business type activities consist of functions that are intended to recover all or most of their costs through user fees and charges.

In the governmental fund financial statements, capital assets purchased are reported as expenditures in the year of acquisition. No asset is reported on the balance sheet. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded on the balance sheet.

Government-wide Financial Statements:

The Government-wide financial statements are maintained using the "full accrual" basis. They report all the Academy's assets and liabilities, both current and long term, regardless of if they are "currently available" or not. For example, capital assets and long-term obligations of the Academy are reported in the Statement of Net Position of the Government-wide financial statements.

Northern Colorado Academy of Arts & Knowledge
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2023

Net Position Summary

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Assets		
Current assets	\$1,053,380	\$949,207
Capital assets	804,341	308,099
Less: accumulated depreciation	<u>(499,139)</u>	<u>(238,578)</u>
Capital assets, net book value	305,202	69,521
Total assets	<u>\$1,358,582</u>	<u>\$1,018,728</u>
Liabilities		
Current liabilities	\$ 452,719	\$149,503
Total liabilities	<u>\$452,719</u>	<u>\$149,503</u>
Net position		
Net investment (deficit) in capital assets	47,180	69,521
Restricted	58,000	48,500
Unrestricted	<u>800,683</u>	<u>721,204</u>
Total net position	<u>\$ 905,863</u>	<u>\$869,225</u>

FINANCIAL ANALYSIS OF THE ACADEMY'S ACTIVITIES

The Academy's net position decreased by \$(67,384) on June 30, 2022, and increased in the year ending June 30, 2023, by \$36,638.

Results of Operations:

For the fiscal year ended June 30, 2022, and 2023, the Academy wide results of operations were:

	2022		2023	
	Amount	% of Total	Amount	% of Total
General Revenue				
State & District Aid - all sources	\$ 1,295,816	62.49%	\$ 1,575,317	71.29%
Other	3,972	0.19%	9,314	0.42%
Total General Revenue	1,299,788	62.69%	1,584,631	71.71%
Program Revenue				
Charges for services	10,743	0.52%	39,157	1.77%
Operating Grants - Fed & State	707,897	34.14%	531,666	24.06%
Capital Grants	55,080	2.66%	54,334	2.46%
Total Program Revenue	773,720	37.31%	625,157	28.29%
Total Revenue	2,073,508	100.00%	2,209,788	100.00%
Expenses				
Instruction & Instructional Services	962,405	44.95%	937,146	43.12%
Support Services	1,170,516	54.67%	1,211,192	55.73%
Interest	7,971	0.37%	24,812	1.14%
Total Expenses	2,140,892	100.00%	2,173,150	100.00%
Increase (Decrease) in Net Position	\$ (67,384)		\$ 36,638	

A. Per Pupil Revenue (PPR)

The Academy's PPR funding is determined by the following variables:

Per Pupil Funding: Annually, the State and the District set the per pupil funding based on a base funding amount as adjusted by a number of factors including a cost-of-living factor and an At-Risk demographics factor. The Northern Colorado Academy of Arts & Knowledge PPR was \$8,527.28 per student for the 2021-22 school year and \$9,043.63 for the 2022-23 school year.

Student Enrollment: The Academy's student enrollment and full time equivalent (FTE) for the fall count of the 2021-2022 was 151.5 students as compared 173.6 students for the fall of 2022-2023. To calculate total state aid to be provided by CSI for funded PPR, enrollment is multiplied by the Academy's per pupil funding.

B. Major Fund Budgetary Highlights

General Fund Operations

The Academy's only major governmental type fund is the General Fund. Expenditures and other financing use from General Fund operations were higher than revenues and other financing sources by \$(437,263) for the fiscal year ended June 30, 2023.

Final Budget vs. Actual

<u>Fiscal Year</u>	<u>Final Budget</u>	<u>Final Actual</u>
Revenues and Other Financing Sources		
2021-2022	1,994,481	2,073,508
2022-2023	2,199,799	2,209,787
Expenditures and Other Financing Uses		
2021-2022	2,026,534	2,128,408
2022-2023	2,190,671	2,647,050

Original vs. Final Budget

As a matter of practice, the Academy amends its budget periodically as needed during the school year. For the fiscal year 2022-2023, the Board approved revised budgets in November 2023 and in April 2023. The Academy Board does not budget for expenditures covered by grants or the grant revenue until an award allocation is received. The General Fund does not budget for debt financed capital outlays, if applicable, in the original budget.

**Changes from Original to Final General Budget
Revenues and Other Financing Sources**

Total Revenues Original Budget	\$2,413,662
Total Revenues Final Budget	<u>\$2,199,799</u>
Decrease in Budgeted Revenues	<u>\$ (213,863)</u>

The Academy's actual general fund revenues were more than the final budget by \$9,988, a variance of .04%.

The following are the significant changes in revenues from the original budget:

Certain funding levels were adjusted from preliminary estimates to actual amounts announced by the Colorado Department of Education. The final budget student FTE count was decreased by from 200 to 173.6 or 26.4 student FTE's.

Expenditures and Other Financing Sources:

The Academy's budget for expenditures changed as follows during the year:

Total Expenditures Original Budget	\$ 2,248,975
Total Expenditures Final Budget	<u>\$ 2,190,671</u>
Decrease in Budgeted Expenditures	<u>\$ (58,304)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The Academy's net investment in capital assets is \$305,202. This can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital Assets being depreciated	\$308,099	\$496,242	\$ -	\$804,341
Less: Accumulated depreciation	<u>(238,578)</u>	<u>(260,561)</u>	<u>-</u>	<u>(499,139)</u>
Net investments in capital assets	<u>\$69,521</u>	<u>\$235,681</u>	<u>\$ -</u>	<u>\$305,202</u>

For more information on capital assets, refer to Note 4 in the basic financial statements.

B. Depreciation Expense

GASB 34 requires governmental entities to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation expense is a reduction in net position in the governmental-wide financial statements. Depreciation is not recognized in the governmental fund financial statements and has been noted as a reconciling item in the Academy's financial statements.

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of assets. In accordance with U.S. generally accepted accounting principles (GAAP), depreciation expense is recorded based on the original cost of the asset, less an estimated salvage value.

ECONOMIC FACTORS AND NEXT'S YEAR BUDGET

The Preliminary Budget for 2022-2023 fiscal year was adopted by the Board of Directors in April 2021. Few definite factors were known as the budget was being drafted, and others were unknown and needed to be projected with management's best estimates based on feedback from the State, the District, and the community. Key factors and estimates used in the 2023-2024 preliminary budget process include:

- The Academy's PPR funding had been estimated to be \$10,036 per pupil
- The Academy received Federal grants estimated at \$145,750 to help with the added expenditures of the Community Learning Center as well as State grants estimated at \$75,000 to help student growth and achievement
- Enrollment projections of students in grades K-5 with a funded FTE of 190
- Additional revenue of an estimated \$100,000 in revenue from the new preschool program implemented July 2023.

CONTACTING THE ACADEMY'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Academy's finances. If you have questions about this report or need additional information, contact the Administration Office, Northern Colorado Academy of Arts & Knowledge, 4800 Wheaton Dr., Fort Collins, Colorado.

BASIC FINANCIAL STATEMENTS

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 829,158
Intergovernmental receivables	212,637
Prepays	11,585
Capital assets, net of accumulated depreciation/amortization	<u>305,202</u>
Total Assets	<u>1,358,582</u>
LIABILITIES	
Accounts payable and other accrued liabilities	79,121
Accrued salaries and benefits	115,576
Long-term liabilities:	
Due within one year	<u>258,022</u>
Total Liabilities	<u>452,719</u>
NET POSITION	
Net investment in capital assets	47,180
Restricted for TABOR	58,000
Unrestricted	<u>800,683</u>
Total Net Position	<u><u>\$ 905,863</u></u>

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:					
Instruction	\$ 937,146	\$ 21,137	\$ 488,592	\$ -	\$ (427,417)
Supporting services	1,211,192	18,020	43,074	54,334	(1,095,764)
Interest	24,812	-	-	-	(24,812)
Total governmental activities	<u>\$ 2,173,150</u>	<u>\$ 39,157</u>	<u>\$ 531,666</u>	<u>\$ 54,334</u>	<u>(1,547,993)</u>
General revenues:					
Per pupil revenue					1,575,276
Unrestricted investment earnings					41
Miscellaneous					9,314
Total general revenues					<u>1,584,631</u>
Change in net position					36,638
Net position - beginning					<u>869,225</u>
Net position - ending					<u><u>\$ 905,863</u></u>

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
BALANCE SHEET
GENERAL FUND
JUNE 30, 2023

ASSETS

Cash and investments	\$ 829,158
Intergovernmental receivables	212,637
Prepays	<u>11,585</u>
Total Assets	<u><u>\$ 1,053,380</u></u>

LIABILITIES

Accounts payable and other accrued liabilities	\$ 79,121
Accrued salaries and benefits	<u>115,576</u>
Total Liabilities	<u>194,697</u>

FUND BALANCE

Non-spendable	11,585
Restricted for TABOR	58,000
Unassigned	<u>789,098</u>
Total Fund Balance	<u>858,683</u>

Total Liabilities and Fund Balance	<u><u>\$ 1,053,380</u></u>
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The accompanying notes are an integral part of these financial statements.

**NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

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

Total Fund Balance of Governmental Funds	\$ 858,683
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital assets, net of accumulated depreciation/amortization	305,202
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:	
Lease payable	<u>(258,022)</u>
Total Net Position of Governmental Activities	<u><u>\$ 905,863</u></u>

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

REVENUES

Local sources	\$ 66,725
State sources	1,864,587
Federal sources	<u>278,475</u>
 Total revenues	 <u>2,209,787</u>

EXPENDITURES

Instruction	940,427
Supporting services	1,443,591
Debt service:	
Interest	24,812
Principal	<u>238,220</u>
 Total expenditures	 <u>2,647,050</u>
 Net change in fund balance	 (437,263)

OTHER FINANCING SOURCES (USES)

Proceeds from leases	<u>496,242</u>
 Net change in fund balance	 58,979
 Fund balance, beginning	 <u>799,704</u>
 Fund balance, ending	 <u><u>\$ 858,683</u></u>

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

**NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

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

Net Change in Fund Balance of Governmental Funds	\$	58,979
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation/amortization expense	\$ (260,561)		
Capital Outlays	496,242		235,681

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Proceeds from long-term debt	(496,242)		
Lease principal payments	238,220		(258,022)

Change in Net Position of Governmental Activities	\$	36,638
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The School was organized pursuant to the Colorado Charter Schools Act to form and operate a charter school. In 2006, the School entered into a contract with the Colorado Charter School Institute (the "Institute") to authorize the School's charter.

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

Based on the application of these criteria, the School does not include additional organizations within its reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The School reports the following major governmental funds:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the School the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Interest and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School.

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and cash equivalents

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

Investments

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

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

Receivables

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

Prepaid items

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

Capital assets

Capital assets include tangible and intangible assets that are reported in the governmental activities column in the government-wide financial statements. Capital assets, except for lease assets, are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For lease assets, only those intangible lease assets that cost more than \$15,000 are reported as capital assets.

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Building and improvements	15 years
Furniture and equipment	3-20 years

Accrued Salaries and Benefits

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

Unearned Revenue

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

Deferred outflows/inflows of resources

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

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

Leases

Lessee: The School is a lessee for a noncancellable lease of a building. The School recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The School recognizes lease liabilities with an initial, individual value of \$15,000 or more.

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Long-term liabilities

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

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

Net position

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

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Fund balance classification

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

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

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

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

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

E. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences

Vacation—The School's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from employment. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave—Accumulated sick leave lapses when employees leave the employ of the School and, upon separation from service, no monetary obligation exists.

F. ESTIMATES

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

Excess of Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations by \$456,379, due to the recording of a lease. The recording of the lease increased expenditures and revenues by the same amount.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

Deposits	<u>\$ 829,158</u>
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Deposits and investments are reported in the financial statements as follows:

Cash and investments	<u>\$ 829,158</u>
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NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits with financial institutions

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

The carrying amount of the School's deposits at June 30, 2023 was \$829,158 and the bank balances were \$827,357. Of the bank balances, \$250,000 were covered by federal deposit insurance, and the remaining balance was uninsured but collateralized in accordance with the provisions of the PDPA.

Investments

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

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

At June 30, 2023 the School had no investments.

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i>Governmental activities</i>				
Capital assets being depreciated:				
Buildings and improvements	\$ 11,360	\$ -	\$ -	\$ 11,360
Furniture and equipment	<u>296,739</u>	<u>-</u>	<u>-</u>	<u>296,739</u>
Total capital assets being depreciated	<u>308,099</u>	<u>-</u>	<u>-</u>	<u>308,099</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,272)	(757)	-	(3,029)
Furniture and equipment	<u>(236,306)</u>	<u>(11,683)</u>	<u>-</u>	<u>(247,989)</u>
Total accumulated depreciation	<u>(238,578)</u>	<u>(12,440)</u>	<u>-</u>	<u>(251,018)</u>
Total capital assets being depreciated, net	<u>69,521</u>	<u>(12,440)</u>	<u>-</u>	<u>57,081</u>
Lease assets being amortized:				
Buildings and improvements	<u>-</u>	<u>496,242</u>	<u>-</u>	<u>496,242</u>
Total lease assets being amortized	<u>-</u>	<u>496,242</u>	<u>-</u>	<u>496,242</u>
Less accumulated amortization for:				
Buildings and improvements	<u>-</u>	<u>(248,121)</u>	<u>-</u>	<u>(248,121)</u>
Total accumulated amortization	<u>-</u>	<u>(248,121)</u>	<u>-</u>	<u>(248,121)</u>
Total lease assets being amortized, net	<u>-</u>	<u>248,121</u>	<u>-</u>	<u>248,121</u>
Capital assets, net of accumulated depreciation/amortization	<u>69,521</u>	<u>235,681</u>	<u>-</u>	<u>305,202</u>
Total governmental activities capital assets	<u>\$ 69,521</u>	<u>\$ 235,681</u>	<u>\$ -</u>	<u>\$ 305,202</u>

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

Governmental Activities

Instruction	<u>\$ 260,561</u>
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NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – LEASES

School as lessee

The School, as a lessee, has entered into a lease agreement involving educational facilities, with a lease term of 2 years. The total costs of these right-to-use lease assets are recorded as \$496,242, less accumulated amortization of \$248,121. The School has determined that as of June 30, 2023, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of June 30, 2023 are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>258,022</u>	<u>12,901</u>	<u>270,923</u>

NOTE 6 – LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Debt Issued And Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
<i>Governmental Activities</i>					
Leases	\$ <u>-</u>	\$ <u>496,242</u>	\$ <u>(238,220)</u>	\$ <u>258,022</u>	\$ <u>258,022</u>

Leases are liquidated in the General fund.

NOTE 7 – MANAGEMENT AGREEMENT

On July 1, 2022, the School entered into the management agreement with Minga Education Group, Inc. (“Minga”). The teachers and staff are employees of Minga. The administrative fees earned by Minga for the year ended June 30, 2023 were \$192,600.

NOTE 8 - RISK MANAGEMENT

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

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

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 10 - RELATED PARTY TRANSACTIONS

The School has entered into a management agreement with Minga Education Group. Minga Education Group's Business Manager is Shannon Gossard, who also serves as the School's Director of Business and Operations. Minga Education Group earned management fees of \$192,600 during the year.

NOTE 11 - TAX, SPENDING, AND DEBT LIMITATIONS

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

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The School is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. At June 30, 2023 there is a \$58,000 reservation of fund balance in the General Fund for the amendment.

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

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN COLORADO ACADEMY OF ARTS AND KNOWLEDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	\$ 33,810	\$ 51,217	\$ 66,725	\$ 15,508
State sources	2,106,057	1,867,182	1,864,587	(2,595)
Federal sources	273,795	281,400	278,475	(2,925)
Total revenues	2,413,662	2,199,799	2,209,787	9,988
EXPENDITURES				
Instruction	1,040,012	969,383	940,427	28,956
Supporting services	1,208,963	1,221,288	1,443,591	(222,303)
Debt service:				
Interest	-	-	24,812	(24,812)
Principal	-	-	238,220	(238,220)
Total expenditures	2,248,975	2,190,671	2,647,050	(456,379)
Excess (deficiency) of revenues over expenditures	164,687	9,128	(437,263)	(446,391)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	496,242	496,242
Total other financing sources (uses)	-	-	496,242	496,242
Net change in fund balances	164,687	9,128	58,979	49,851
Fund balances - beginning	734,383	799,704	799,704	-
Fund balance - ending	\$ 899,070	\$ 808,832	\$ 858,683	\$ 49,851

See the accompanying Independent Auditors' Report.