BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

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WEYRICH | CRONIN | SORRA

Independent Auditors' Report

To the Board of Directors
Bluebird Education Network, Inc.
Baltimore, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Bluebird Education Network, Inc. (a nonprofit organization) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bluebird Education Network, Inc. and affiliate as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bluebird Education Network, Inc. and affiliate 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Bluebird Education Network, Inc. and affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 Bluebird Education Network, Inc. and affiliate'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bluebird Education Network, Inc. and affiliate'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of consolidating statement of financial position, schedule of consolidating statement of activities and changes in net assets, and schedule of consolidating cash flows shown on pages 28 - 30 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Wegrich, Cronin & Sorra, LLC

Hunt Valley, Maryland
January 27, 2025

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Consolidated Statements of Financial Position
June 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,164,678	$ 3,330,950
Contributions receivable	980,876	866,404
Grants receivable	394,931	521,570
Prepaid expenses	95,976	146,612
Total Current Assets	7,636,461	4,865,536
NET PROPERTY AND EQUIPMENT - AT COST	16,435,578	11,921,423
OTHER ASSETS:		
Investments	861,113	1,398,868
Cash - restricted	696,761	- 0 -
Right-of-use asset	- 0 -	80,109
Total Other Assets	1,557,874	1,478,977
TOTAL ASSETS	$ 25,629,913	$ 18,265,936

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 548,022	$ 1,826,034
Retainage payable	- 0 -	222,276
Short-term portion - bonds and notes payable	- 0 -	434,565
Short-term portion - operating lease obligation	- 0 -	84,409
Short-term portion - finance lease obligations	28,150	26,249
Total Current Liabilities	576,172	2,593,533
LONG-TERM LIABILITIES:		
Long-term debt - bonds and notes payable, net	16,565,631	10,921,717
Unrealized loss on interest rate swap agreement	194,216	- 0 -
Long-term portion - operating lease obligation	- 0 -	7,500
Long-term portion - finance lease obligations	3,151,797	93,827
Total Long-Term Liabilities	19,911,644	11,023,044
NET ASSETS:		
Without donor restrictions	4,551,200	4,106,895
With donor restrictions	590,897	542,464
Total Net Assets	5,142,097	4,649,359
TOTAL LIABILITIES AND NET ASSETS	$ 25,629,913	$ 18,265,936

See accompanying notes to consolidated financial statements

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Consolidated Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Baltimore City Public Schools:						
Grants	$ 6,473,684	$ - 0 -	$ 6,473,684	$ 6,123,061	$ - 0 -	$ 6,123,061
In-kind support	12,172,452	- 0 -	12,172,452	10,455,597	- 0 -	10,455,597
Contributions of nonfinancial assets	366	- 0 -	366	66,240	- 0 -	66,240
	18,646,502	- 0 -	18,646,502	16,644,898	- 0 -	16,644,898
Public Support:						
Contributions and grants	304,769	281,875	586,644	1,680,176	428,118	2,108,294
Government Support:						
Grants and other revenue	895,261	- 0 -	895,261	288,184	106,155	394,339
Other Revenue (Loss):						
Student program fees	35,733	- 0 -	35,733	34,271	- 0 -	34,271
Other revenue	86,222	- 0 -	86,222	56,424	- 0 -	56,424
	121,955	- 0 -	121,955	90,695	- 0 -	90,695
Net Assets Released From Restrictions	233,442	(233,442)	- 0 -	110,920	(110,920)	- 0 -
Total Support and Revenue	20,201,929	48,433	20,250,362	18,814,873	423,353	19,238,226
EXPENSES:						
Program services	16,578,107	- 0 -	16,578,107	13,535,413	- 0 -	13,535,413
Management and general	2,927,271	- 0 -	2,927,271	2,433,949	- 0 -	2,433,949
Fundraising expenses	164,552	- 0 -	164,552	110,893	- 0 -	110,893
	19,669,930	- 0 -	19,669,930	16,080,255	- 0 -	16,080,255
OTHER INCOME (EXPENSES)						
Unrealized loss on interest rate swap agreement	(194,216)	- 0 -	(194,216)	- 0 -	- 0 -	- 0 -
Investment return, net	106,522	- 0 -	106,522	85,626	- 0 -	85,626
	(87,694)	- 0 -	(87,694)	85,626	- 0 -	85,626
Total Expenses	19,757,624	- 0 -	19,757,624	15,994,629	- 0 -	15,994,629
CHANGE IN NET ASSETS	444,305	48,433	492,738	2,820,244	423,353	3,243,597
NET ASSETS AT BEGINNING OF YEAR	4,106,895	542,464	4,649,359	1,286,651	119,111	1,405,762
NET ASSETS AT END OF YEAR	$ 4,551,200	$ 590,897	$ 5,142,097	$ 4,106,895	$ 542,464	$ 4,649,359

See accompanying notes to consolidated financial statements

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services			
	Academic	Non-Academic	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 9,307,020	$ 640,759	$ 9,947,779	$ 634,947	$ 119,215	$ 754,162	$ 10,701,941
Payroll taxes	705,749	46,684	752,433	73,507	- 0 -	73,507	825,940
Fringe benefits	2,508,978	31,750	2,540,728	150,819	- 0 -	150,819	2,691,547
Total Salaries and Benefits	12,521,747	719,193	13,240,940	859,273	119,215	978,488	14,219,428
Professional development	106,426	17,855	124,281	5,769	- 0 -	5,769	130,050
Materials and supplies	466,182	330,925	797,107	13,225	2,615	15,840	812,947
Special events	4,179	- 0 -	4,179	119	42,722	42,841	47,020
Facilities	42	15,686	15,728	879,554	- 0 -	879,554	895,282
Outside services	297,663	395,795	693,458	254,197	- 0 -	254,197	947,655
Technology and communication	13,114	7,748	20,862	203,594	- 0 -	203,594	224,456
Other expenses	17,642	18,715	36,357	210,260	- 0 -	210,260	246,617
Total Expenses Before Depreciation and Interest	13,426,995	1,505,917	14,932,912	2,425,991	164,552	2,590,543	17,523,455
Bond interest	659,985	- 0 -	659,985	455,450	- 0 -	455,450	1,115,435
Building interest	112,172	- 0 -	112,172	19,975	- 0 -	19,975	132,147
Copier interest	- 0 -	- 0 -	- 0 -	8,038	- 0 -	8,038	8,038
Depreciation	873,038	- 0 -	873,038	17,817	- 0 -	17,817	890,855
Total Expenses	$ 15,072,190	$ 1,505,917	$ 16,578,107	$ 2,927,271	$ 164,552	$ 3,091,823	$ 19,669,930

See accompanying notes to consolidated financial statements

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Services			
	Academic	Non-Academic	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	$ 8,607,691	$ 385,392	$ 8,993,083	$ 408,241	$ 8,883	$ 417,124	$ 9,410,207
Payroll taxes	661,250	29,606	690,856	31,361	682	32,043	722,899
Fringe benefits	2,126,033	95,189	2,221,222	100,832	2,194	103,026	2,324,248
Total Salaries and Benefits	11,394,974	510,187	11,905,161	540,434	11,759	552,193	12,457,354
Professional development	66,444	11,402	77,846	3,480	- 0 -	3,480	81,326
Materials and supplies	412,966	146,157	559,123	6,239	53,162	59,401	618,524
Special events	- 0 -	116	116	- 0 -	39,809	39,809	39,925
Facilities	922	33,333	34,255	817,564	- 0 -	817,564	851,819
Outside services	213,907	106,503	320,410	210,126	- 0 -	210,126	530,536
Technology and communication	10,828	1,569	12,397	205,247	4,658	209,905	222,302
Other expenses	58,888	16,009	74,897	241,346	1,505	242,851	317,748
Total Expenses Before Depreciation and Interest	12,158,929	825,276	12,984,205	2,024,436	110,893	2,135,329	15,119,534
Bond interest	- 0 -	- 0 -	- 0 -	392,344	- 0 -	392,344	392,344
Copier interest	- 0 -	- 0 -	- 0 -	5,920	- 0 -	5,920	5,920
Depreciation	551,208	- 0 -	551,208	11,249	- 0 -	11,249	562,457
Total Expenses	$ 12,710,137	$ 825,276	$ 13,535,413	$ 2,433,949	$ 110,893	$ 2,544,842	$ 16,080,255

See accompanying notes to consolidated financial statements

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 492,738	$ 3,243,597
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	890,855	562,457
Amortization included in bond interest expense	331,557	8,754
Non-cash portion of lease expense	(11,800)	11,800
Unrealized loss on interest rate swap agreement	194,216	- 0 -
Unrealized gains on investments	(34,799)	(44,644)
Realized gains on investments	(20,618)	(12,144)
(Increase) decrease in assets:		
Contributions receivable	(114,472)	(429,543)
Grants receivable	126,639	(326,540)
Prepaid expenses	50,636	(53,937)
Increase in liabilities:		
Accounts payable and accrued expense	(1,278,012)	1,465,606
Accured interest included in finance lease obligations	64,467	- 0 -
Retainage Payable	(222,276)	222,276
Net Cash Provided by Operating Activities	469,131	4,647,682
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(971,298)	(1,139,650)
Proceeds from sales of investments	1,564,470	417,986
Additions to construction in progress	(41,633)	(2,761,332)
Purchases of property additions	(2,341,724)	(444,241)
Net Cash Used in Investing Activities	(1,790,185)	(3,927,237)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt issuance	18,470,000	- 0 -
Debt issuance costs	(1,030,925)	- 0 -
Principal payments on long-term debt	(12,561,283)	(425,565)
Principal payments on finance lease obligations	(26,249)	(22,031)
Net Cash Provided by (Used in) Financing Activities	4,851,543	(447,596)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,530,489	272,849
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	3,330,950	3,058,101
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 6,861,439	$ 3,330,950

See accompanying notes to consolidated financial statements

1. Organization and Summary of Significant Accounting Policies

Nature of Organization - Bluebird Education Network, Inc. (the School) is the legal entity and the operator of Patterson Park Public Charter School and Clay Hill Public Charter School, both of which are Baltimore City public charter schools. In September 2023, the School formally changed the name of the organization from Patterson Park Public Charter School Inc. to Bluebird Education Network, Inc. The School was incorporated by those residents as a way to continue the revitalization of their neighborhoods and provide a school where neighborhood residents would send their children rather than move when their children reach school age and the School obtained non-profit organizational status on March 10, 2005 under Section 501(c)(3) of the Internal Revenue Code. Patterson Park Public Charter School signed its original charter with the city of Baltimore in July 2005. The charter was renewed for five years, expiring June 30, 2031. Clay Hill Public Charter School signed its original charter with the city of Baltimore in November 2020, which is effective July 1, 2021 through June 30, 2026.

The mission of the School is "to be a place where students thrive as members of a vibrant and inclusive learning community supported by families, caregivers, staff, and neighbors engaged in a practice of whole-child education. By teaching and learning from one another, we embrace unique identities and cultivate an atmosphere of love.".

The School unites students, parents, educators, and the neighborhood through an educational environment that rewards creativity and builds community ties. Strong academic standards and community/arts-related partnerships encourage the School's students to become independent and responsible thinkers. The School has a diverse student population and incorporates the many attendant cultures into its curriculum and daily life.

The School is a member of a non-profit organization entitled "Maryland Alliance of Public Charter Schools" (the Coalition). The Coalition has been active in working with Baltimore City Public Schools regarding the charter funding formula.

Patterson Park Public Charter School opened in 2005 with 300 students in grades K-4. Since then, the School's enrollment has grown to 726 students in grades prek-8 for the 2023/2024 school year.

Clay Hill Public Charter School opened in 2021 with 186 students in grades K-3. Since then, enrollment has grown to 293 students in grades K-4 for the 2023/2024 school year.

When the School opened, it housed the entire School in a single building, the original St. Elizabeth's School building which was purchased from the Archdiocese of Baltimore. Also purchased was a second building, the original St. Elizabeth church building constructed in 1895. In 2008, the School renovated the second building to include a cafeteria, gymnasium, library, technology lab and offices. In 2010, the School closed on a bond issue (see Note 8) that allowed it to: (i) refinance loans to acquire and renovate existing buildings; and (ii) construct a new 10,000 square foot building in 2011, containing six middle school classrooms and new art and science lab facilities, which completed the physical campus.

1. Organization and Summary of Significant Accounting Policies (continued)

The Patterson Park Public Charter School Fund, Inc. (the Fund) was created as a result of the issuance of the bonds and is designated to support the School's fundraising activities.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Bluebird Education Network, Inc. and Patterson Park Public Charter School Fund, Inc. Together, they are known as the School. Intra-entity transactions and balances have been eliminated in consolidation.

Basis of Accounting - The consolidated financial statements of the School have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities. As such, revenue is recognized when earned and expenses when incurred.

Financial Statement Presentation - The School is required to report information regarding its financial position and activities according to two classes of net assets: (a) without donor restriction and (b) with donor restriction.

Net assets without donor restrictions represents the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Directors for general operating purposes. The Board of Directors may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions represents the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures at the date of the financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the consolidated statements of cash flows, the School considers cash equivalents to include all highly liquid debt instruments with original maturities of three (3) months or less.

1. Organization and Summary of Significant Accounting Policies (continued)

Cash - restricted - represents an escrow account held with a third party, per bond agreement described in Note 7.

Contributions Receivable - Contributions receivable consist of unpaid grants, contributions and other amounts due. They are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that are believed to be uncollectible by the time the consolidated financial statements are issued. Accounting principles generally accepted in the United States of America (GAAP) requires the allowance method for accounting for bad debts, however the differences between the two methods are deemed to be immaterial.

Grants Receivable - Grants receivable consists of funds owed to the School from Baltimore City Public Schools (BCPS) as determined by the true-up process required under the charter school agreement. This receivable is deducted from the quarterly payments received from BCPS.

Investments - Investments consist of certificate of deposits, fixed income, and exchange traded products with readily determinable fair values and are carried at those values based on quoted prices in active markets (Level 1) in the consolidated statements of financial position. Realized and unrealized gains or losses on investments are recorded in the period in which the gains or losses occur are included in the consolidated statements of activities as changes in net assets without donor restriction, unless their use is restricted by explicit donor-imposed stipulations or by law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Property and Equipment - Property and equipment are carried at stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service. The School reclassified net assets without donor restrictions at that time.

1. Organization and Summary of Significant Accounting Policies (continued)

The School capitalizes expenditures for property and equipment components costing more than $2,500 (individually or in the aggregate for similar items) and having a useful life of one or more years. Renewals and betterments that materially prolong the useful lives of assets are capitalized. The School uses the direct expensing method to account for planned major maintenance activities. The cost of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The following represents the estimated useful lives:

Category	Years
School buildings	30
Furniture, computers and other equipm	3-7

Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated asses must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The School reclassifies net assets with donor restrictions to without donor at that time.

Retainage Payable - Retainage payable represents costs due to the construction contractor that are held by the School to ensure the contractor completes the project in accordance with the contract. The retainage payable represents approximately 9.13% of completed work and 10.00% of stored materials. The project was completed in 2024 (see Note 6). Total retention payable at June 30, 2024 and 2023 was $-0- and $222,276, respectively.

Support and Revenue - Grants, contracts, and contributions received are record as revenue with or without donor restrictions depending on the existence and nature of any such restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions and interest income are recorded as revenues without restriction if the restrictions on the use of these funds are satisfied in the same fiscal year in which the contribution is received. Revenue under grants, contracts, and contributions is recognized when unconditional promises to give are made by donors or when conditions are substantially met.

When grants or other fees are exchange transactions, wherein the School has to perform services in order to earn the income, revenue is recognized when the services are performed. Accordingly deferred revenue is recorded on these types of grants when funds are received but revenue has not been earned.

1. Organization and Summary of Significant Accounting Policies (continued)

The School benefits from several different revenue streams. The disaggregation of revenue for the years ended June 30, 2024 and 2023 is included in the chart below:

Revenue Type	Timing of Revenue Recognition	2024	2023
Student program fees and other revenue	Period earned	$ 121,955	$ 90,695
Grants	Over school year	6,473,684	6,123,061
In-kind support	Over school year	12,172,452	10,455,597
Contributions of nonfinancial assets	Over school year	366	66,240
Contributions and grants	Upon receipt	586,644	2,108,294
Grants and other revenue	Upon receipt	895,261	394,339
Unrealized loss on interest rate swap agreement	Period valued	(194,216)	- 0 -
Investment return, net	Period earned	106,522	85,626
		$ 20,162,668	$ 19,323,852

Donated Services - Donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts related to donated services have been recognized in the statements of activities and changes in net assets as contributions because the criteria for recognition have not been met.

In-Kind Support - The School uses teaching staff provided by the Baltimore City Public School System. The estimated fair market value of the salaries and benefits are reflected in the accompanying financial statements as in-kind support and offset by like amounts included in expenses. Additionally, the School uses donated computers and supplies provided by the Baltimore City Public School System. The computers and supplies recorded at cost, are reflected in the accompanying consolidated financial statements as in-kind support and offset by like amounts included in expenses.

Contributions of Nonfinancial Assets - Occasionally, the School receives donations of nonfinancial assets. The School's policy is to use the assets in carrying out the School's programs.

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses - Expenses are presented by both functional and natural classification in the statement of functional expenses. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

Income Taxes - Bluebird Education Network, Inc., a nonprofit organization operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the consolidated financial statements. The School is not a private foundation. The School is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ending before June 30, 2021. The Patterson Park Public Charter School Fund, Inc., a nonprofit organization operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes. Accordingly, no provision for income taxes is included in the consolidated financial statements. The Fund is not a private foundation. The Fund is no longer subject to U.S. federal or state income tax examinations by tax authorities for years ending before June 30, 2021.

Debt Issuance Costs - The School records all costs incurred in the process of acquiring debt as a discount against the debt. The costs are then amortized over the term of the debt.

Interest Rate Swap Agreement - The School makes limited use of derivative instruments for the purpose of managing interest rate risks. A single interest rate swap agreement was used to convert the School's floating rate on its long-term bonds to a fixed rate note (see Note 7 and 8). The differentials paid or received on interest rate swap agreement are recognized as an adjustment to interest expense. This interest rate swap agreement has not been designated as an accounting hedge and therefore, changes in the fair value of the interest rate swap agreement during the year are recognized in the consolidated statements of activities and changes in net assets as unrealized gains or losses. As of June 30, 2024 and 2023, the fair value of the interest rate swap agreement was $194,216 and $-0-, respectively, and is included in the consolidated statements of financial position.

Leases - Under *FASB ASC 840-20-25-2*, short-term lease exception, leases with terms of 12 months or less and do not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise, are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Reclassifications - Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current period presentation.

2. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the totals of the same such amounts in the consolidated statements of cash flows:

	2024	2023
Cash and cash equivalents	$ 6,164,678	$ 3,330,950
Cash - restricted	696,761	- 0 -
	$ 6,861,439	$ 3,330,950

3. Grants and Contributions Receivable

Grants and accounts receivable represent amounts due from governmental agencies, foundations, and other organizations under grant agreements and are deemed fully collectible by management. Collection of all grants and contributions receivable is expected within one year. Grants and accounts receivable are as follows at June 30, 2024 and 2023:

	2024	2023
Contributions receivable	$ 980,876	$ 866,404
Grants receivable	394,931	521,570
	$ 1,375,807	$ 1,387,974

4. Investments and Fair Value of Investments

The fair value measurements and levels within the hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2024 and 2023 are as follows:

	2024		
		Fair Value Measurements at the End of the Reporting Period Using:	
	Cost	Fair Value at Quoted Prices for Active Markets for Identical Assets (Level 1)	Unrealized Gain
Certificates of deposit	$ 314,000	$ 315,751	$ 1,751
Exchange-traded products	396,781	545,362	148,581
	$ 710,781	$ 861,113	$ 150,332

4. Investments and Fair Value of Investments (continued)

	2023		
		Fair Value Measurements at the End of the Reporting Period Using:	
	Cost	Fair Value at Quoted Prices for Active Markets for Identical Assets (Level 1)	Unrealized Gain (Loss)
Certificates of deposit	$ 904,000	$ 899,493	$ (4,507)
Exchange-traded products	379,335	499,375	120,040
	$ 1,283,335	$ 1,398,868	$ 115,533

A summary of return on investments consists of the following for the years ended June 30, 2024 and 2023, respectively:

	2024	2023
Interest and dividends	$ 60,519	$ 37,246
Unrealized gains	34,799	44,644
Realized gains	20,618	12,144
Investment fees	(9,414)	(8,408)
	$ 106,522	$ 85,626

The fair value measurement accounting literature establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The School uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the School measures the fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There were no investments requiring the use of Level 2 and 3 inputs for the periods presented.

Level 1 Fair Value Measurements

Certificates of deposit and exchange-traded products are valued at the closing price reported on the active market on which the individual securities are traded.

4. Investments and Fair Value of Investments (continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting period.

The School's policy is to invest in Level 1 assets and accordingly there are no significant transfers between levels in the fair value hierarchy for years ended June 30, 2024 and 2023.

5. Net Property and Equipment - At Cost

Property and equipment at June 30, consisted of the following:

	2024	2023
Land, security for bond	$ 516,000	516,000
School buildings, security for bond	21,605,510	13,763,213
Furniture, computers and other equipment	1,773,961	1,452,556
Construction in progress	41,633	2,802,582
	23,937,104	18,534,351
Less: accumulated depreciation	7,501,526	6,612,928
	$ 16,435,578	$ 11,921,423

Depreciation expense was $890,855 and $562,457 for the years ended June 30, 2024 and 2023.

6. Construction in Progress

The School began construction on its leased property, 6400 E. Pratt Street, Baltimore City during the year ended June 30, 2022. During the year ended June 30, 2023 and prior, the School capitalized $2,802,582 in constructions costs, which are included in construction in progress in the consolidated statements of financial position. This project was completed and placed in service at June 30, 2024. During the year ended June 30, 2024, the School started an HVAC project and incurred $41,633 in construction costs. Total construction in progress reflected in the consolidated statements of financial position as of June 30, 2024 and 2023 were $41,633 and $2,802,582, respectively.

7. Long-term Debt - Bonds and Notes Payable

On March 16, 2010, the Maryland Health and Higher Education Facilities Authority (MHHEFA) issued two series of bonds – its $13,085,000 Series 2010A (Tax-Exempt) and its $580,000 Series 2010B Bonds (Taxable) - and loaned the proceeds of the bonds to the School to refinance the purchase of the School property, the construction of the initial building improvements, and the construction and equipment of the additional building for the School. The loan was secured by a security interest in the School's receipts and a Deed of Trust from the School.

On October 23, 2019, the School refinanced the MHHEFA Series 2010 Bonds and MHHEFA issued a 2019 revenue bond which was purchased by BBVA Mortgage Corporation. The loan is secured by a security interest in the School's receipts and a Deed of Trust from the School. The 2019 bonds are issued at a fixed rate of 3.21% from the date of issuance of the Bond until October 1, 2029. After this date, interest is to be calculated based on a floating rate of the applicable percentage multiplied by the sum of LIBOR plus the applicable spread.

During the year ended June 30, 2024, the remaining $11,191,000 of principal was repaid.

The School incurred debt issuance costs of $236,371 in connection with the 2019 bonds. These costs are being amortized over the life of the bonds using the straight-line method. Debt issuance costs are reported on the consolidated statement of financial position as a direct deduction from the face amount of the bonds payable. As a result of the bonds being repaid early, the remaining $205,001 unamortized debt issuance costs were amortized during the year ended June 30, 2024.

In August 2023, the School received $1,000,000 in loan proceeds from a non-revolving bridge loan payable with a maturity date of November 30, 2023. All principal plus interest at prime rate was to be paid at the maturity date.

In November 2023, the School refinanced the MHHEFA Series 2019 bonds and the bridge note payable with proceeds from MHHEFA bonds of $11,680,000 Series 2023A and $2,190,000 Series 2023B and a $3,600,000 note payable from a non-profit corporation. The MHHEFA bonds and taxable subordinate note payable are secured by a security interest in the School's receipts and a Deed of Trust from the School.

Payments of interest beginning December 2023 through September 2031 and variable monthly payment of interest and principal are to be made from October 2031 through November 2053 for the 2023A bonds. Payments of interest beginning December 2023 through June 2026 and variable monthly payment of interest and principal are to be made from July 2026 through November 2031 for the 2023B bonds. Payments of interest beginning December 2023 through June 2026 and equal monthly payment of interest and principal in the amount of $23,259 are to be made from July 2026 through July 2061 for the taxable subordinate note payable.

7. Long-term Debt - Bonds and Notes Payable (continued)

The School entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its floating rate long-term debt. The agreement was entered into with a commercial bank. The agreement will convert the variable interest on the 2023A bonds to a fixed interest rate of 4.805% and the 2023B bonds to 5.003%. The taxable subordinate note payable bears a fixed interest rate of 7%. See also Note 10.

For the years ended June 30, 2024 and 2023, interest incurred on the Bonds totaled $757,701 and $370,177 respectively, and interest is paid monthly.

As of June 30, 2024 and 2023, the School has $696,761 held in escrow for the purpose of funding future interest payments and capital improvements specified in the debt agreement.

The cost of the bridge loan issuance in the amount of $106,520 is amortized over the life of the note using the straight-line method. Amortization was $106,520 and $-0- for the years ended June 30, 2024 and 2023, respectively.

The cost of 2023 bonds issuance in the amount of $270,465 and $-0- as of June 30, 2024 and 2023, respectively, is amortized over the life of the Bonds using the straight-line method. Amortization was $8,410 and $-0- for the years ended June 30, 2024 and 2023, respectively.

The cost of the taxable subordinate note issuance in the amount of $653,940 is amortized over the life of the note using the straight-line method. Amortization was $11,626 and $-0- for the years ended June 30, 2024 and 2023, respectively.

The bonds and taxable subordinate loan principal payments are due as follows at June 30:

Years Ending June 30:

2025	$ - 0 -
2026	- 0 -
2027	264,371
2028	265,453
2029	453,024
Thereafter	16,487,152
	$ 17,470,000

On July 26, 2021, the School borrowed $500,000 from a bank. The note bears an interest rate 3.15%. Payments of interest made beginning September 1, 2021 through January 1, 2022 and equal monthly payments of interest and principal in the amount of $7,630 are to be made from February 1, 2022 through July 1, 2024. The remaining unpaid principal and accrued interest are to be paid on August 1, 2024. The note was paid off during the year ending June 30, 2024.

7. Long-term Debt - Bonds and Notes Payable (continued)

For the years ended June 30, 2024 and 2023, interest incurred on the notes totaled $26,177 and $13,413, respectively, and interest is paid monthly.

The 2019 Bonds and notes payable carry numerous covenants, which included a debt service coverage of at least one point one five to one (1.15:1) and a liquidity ratio equal to a minimum of 30 days' cash on hand, which shall be tested as of the last day of each of the School's fiscal years. As of June 30, 2023, the School was in compliance with the covenants on its 2019 debt covenants.

The 2023 Bonds and notes payable carry numerous covenants, which included a debt service coverage of at least one point ten to one (1.10:1) and an unrestricted liquidity of $1,500,000, which shall be tested as of the last day of each of the School's fiscal years. As of June 30, 2024, the School was in compliance with the covenants on its 2023 debt covenants.

Bonds and notes payable consisted of the following at June 30, 2024 and 2023:

	2024	2023
Principal amount	$ 17,470,000	$ 11,561,283
Less:current portion	- 0 -	(434,565)
Less: unamortized debt issuance costs	(904,369)	(205,001)
	$ 16,565,631	$ 10,921,717

8. Interest Rate Swap Agreement

The School exercised an interest rate swap agreement to reduce the impact of changes in interest rates on its floating rate long-term debt. The agreement was entered into with a commercial bank. At June 30, 2024, the outstanding notional amount was $11,680,000 on 2023A and $2,190,000 on 2023B bonds, respectively. The agreement converts the variable interest on the 2023A bonds of 5.395% at June 30, 2024 and the 2023B bonds of 5.593 at June 30, 2024 to a fixed interest rate. For the year ended June 30 2024, the interest rate swap agreement paid 4.21% on both bonds.

The original notional principal amount of the swap agreement was $11,680,000 on 2023A and $2,190,000 on 2023B bonds. The amount of interest incurred related to this agreement and the underlying 2023 bonds totaled $603,762 and $-0- for the years ended June 30, 2024 and 2023.

8. Interest Rate Swap Agreement (continued)

At June 30, 2024, the swap agreement is reflected in the School's consolidated financial statements as a liability with a fair value of $194,216 and $-0-, respectively. The School measures the interest rate swap agreement at fair value on a recurring basis as of June 30, 2024 and 2023 using Level 2 inputs. Level 2 inputs are inputs other than quoted prices that are observable for the liability, either directly or indirectly.

The School is exposed to credit loss in the event of non-performance by the other party to the interest rate swap agreement. However, the School does not anticipate nonperformance by the counterparties.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions June 30, 2024 and 2023 are available for the following purposes:

	2024	2023
Purpose restrictions, available for spending:		
Capital Improvements	$ 320,273	$ 268,230
Summer camp	200,859	151,743
Other program restrictions	69,765	122,491
	$ 590,897	$ 542,464

Net assets with donor restrictions were released during the years ended June 30, 2024 and 2023 as follows:

	2024	2023
Purpose restrictions:		
Capital Improvements	$ 18,230	$ 16,507
Summer camp	136,820	62,227
Other program restrictions	78,392	32,186
	$ 233,442	$ 110,920

10. Revenue Concentration

For each year ended June 30, 2024 and 2023, the School received approximately 93% and 87%, respectively, of its revenue from Baltimore City Public Schools (BCPS).

Under the current Charter School Agreement, the School's charter for Patterson Park Public Charter School expires on June 30, 2031. The School's charter for Clay Hill Public Charter School expires on June 30, 2026. Management must apply for an extension at least one hundred twenty (120) days prior to the end of the term.

10. Revenue Concentration (continued)

BCPSS per pupil charter school support consisted of the following for the years ended June 30:

	2024	2023
In-kind support:		
Teachers and other support	$ 12,076,537	$ 10,376,464
Program contracts	95,915	26,764
Materials and supplies	366	66,240
Other program expenses	- 0 -	52,369
Grants	6,473,684	6,123,061
	$ 18,646,502	$ 16,644,898

A significant reduction in this level of support, if this were to occur, may have an effect on the School's programs and activities.

11. Leasing Activities

In December 2020, the School signed an operating lease agreement with the Archdiocese of Baltimore to lease 6400 E. Pratt Street, Baltimore City for the Clay Hill Public Charter School to operate. The initial term was for three years with rent commencing August 1, 2021 and the lease expiring on July 31, 2024.

In October 2023, the School amended and restated its lease agreement with the Archdiocese of Baltimore for the building at 6400 E. Pratt Street, Baltimore City for the Clay Hill Public Charter School. The new lease commenced on October 1, 2023, and expires on July 1, 2073. The lease includes a purchase option for $3,200,000 effective September 1, 2025, which the School is reasonably certain to exercise. This amount is included in the initial measurement of the finance lease liability. Interest is calculated at the rate of 6.5%.

The School leases copiers under a non-cancelable finance lease, with a term of 60 months. The lease expires July 2026. Monthly payments of $544, including interest and collateralized by the equipment.

The School leases copiers under a non-cancelable finance lease, with a term of 60 months. The lease expires October 2027. Monthly payments of $2,313, including interest and collateralized by the equipment.

11. Leasing Activities (continued)

The following summarizes the line items in the statements of financial position which include amounts for operating and finance leases as of June 30:

	2024	2023
Operating Lease		
Operating lease right-of-use asset	$ - 0 -	$ 80,109
Current operating lease obligation	$ - 0 -	$ 84,409
Long-term operating lease obligation	- 0 -	7,500
Total operating lease obligation	$ - 0 -	$ 91,909

	2024	2023
Finance Leases		
Property and equipment	$ 3,166,161	$ 144,508
Less: accumulated depreciation	131,335	26,892
Property and equipment, net	$ 3,034,826	$ 117,616
Current finance lease obligations	$ 28,150	$ 26,249
Long-term finance lease obligations	3,151,797	93,827
Total finance lease obligations	$ 3,179,947	$ 120,076

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	2024	2023
Weighted Average Remaining Lease Term		
Operating Lease	not applicable	2.1 years
Finance Leases	1.3 years	4.1 years
Weighted Average Discount Rate		
Operating Lease	not applicable	6.50%
Finance Leases	6.53%	7.39%

11. Leasing Activities (continued)

The maturities of lease liabilities as of June 30, 2024 were as follows:

	Finance
Years ending June 30:	
2025	$ 151,753
2026	3,257,776
2027	28,299
2028	9,252
Total lease payments	3,447,080
Less: interest	(267,133)
Present value of lease obligations	$ 3,179,947

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended June 30:

	2024	2023
Operating lease costs:		
Operating lease expense included in management and general expenses	$ 15,200	$ 76,800
Finance lease costs:		
Amortization of lease assets included in program services expenses	$ 102,354	$ 20,875
Amortization of lease assets included in management and general expenses	2,089	426
Interest on lease liabilities included in management and general expenses	8,038	5,920
Total finance lease costs	$ 112,481	$ 27,221

The following summarizes cash flow information related to leases for the year ended June 30:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 20,000	$ 65,000
Financing cash flows from finance leases	$ 26,249	$ 22,031
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ - 0 -	$ 149,394
Finance leases	$ 3,021,653	$ 114,014

11. Leasing Activities (continued)

The School is concurrently subleasing a portion of the building to Our Lady of Fatima Roman Catholic Congregation, Inc. (the Subtenant). The School will not receive any rental payments from the Subtenant, however, the Subtenant will pay 37.8% of all utility costs. Additionally, the School and the Subtenant are required to maintain minimum heating and cooling requirements. The Subtenant is responsible for repairs and maintenance to the heating and cooling system, not to exceed $5,000 per occurrence and $15,000 per year in the aggregate. The School is obligated for one replacement each of the heating and cooling system during the sublease term. The Subtenant must repay the School for 50% of the total costs incurred, with respect to the replacement of the heating and/or cooling system, in equal installments over the remaining HVAC term.

12. Retirement Plan

The School has a 401(k) Profit Sharing Plan for individuals who are not employees of Baltimore City Public Schools, administered by a third-party organization. All eligible employees participate and are able to withhold the maximum limited by current income tax law. For employees who have attained the age of 21 the matching contribution is 100% of each participant's contribution, up to 5% of their gross salary. Retirement expense was $24,317 and $21,824 for the years ended June 30, 2024 and 2023, and is included in fringe benefits on the consolidated statements of functional expenses.

Employees of the Baltimore City Public Schools participate in a retirement plan sponsored by the City.

13. Liquidity and Availability of Financial Assets

The following reflects the School's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2024	2023
Financial assets at year end	$ 9,098,359	$ 6,117,792
Less those unavailable for general expenditures within one year, due to:		
Cash - restricted	(696,761)	- 0 -
Restricted by donors with purpose or time restrictions	(590,897)	(542,464)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,810,701	$ 5,575,328

The School maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the School's liquidity management, it invests cash in excess of daily requirements into various investment securities, such as certificates of deposit and exchange-traded products.

14. Commitments and Contingencies

The School joined several other Baltimore City Charter schools in a lawsuit against Baltimore City Public School System alleging the district's funding formula for charter schools violates state law and threatens their ability to serve charter school students. In January 2024, the lawsuit was dismissed.

15. CARES Act Funding

To provide direct economic aid to the people and businesses negatively impacted by the COVID-19, the Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), in March 2020. The relief funding allows educational institutions, through numerous grants, to spend allocated money directly on the needs of the students, teachers, and other means of COVID-19 recovery. For the years ended June 30, 2024 and 2023, the School incurred $3,542,591 and $2,958,033 of COVID-19 related expenses paid directly by Baltimore City Public School System.

This revenue is recognized as BCPSS in-kind support in the consolidated statements of activities and changes in net assets for the years ended June 30, 2024 and 2023, respectively.

16. Concentration of Credit Risk

In the ordinary course of business, the School's cash balances may exceed the FDIC and SIPC insurance limits. The School continually reviews credit concentrations as part of its asset and liability management.

17. Risks and Uncertainties

The School may invest in various types of marketable securities. Marketable securities are exposed to various risks, including, among others, interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is at lease reasonably possible that changes in the values of these securities may occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

18. Supplemental Cash Flow Information

Interest paid for the years ended June 30, 2024 and 2023 related to the bonds and notes payable and finance leases totaled $1,255,620 and $398,264, respectively.

During the years ended June 30, 2024 and 2023, the School had supplemental noncash activity related to contributed materials and supplies from Baltimore City Public School System. The School received contributed materials and supplies valued at $366 and $66,240, respectively (see Notes 1 and 10).

The School had a noncash investing transaction related to construction in progress placed into service for $2,828,508 and $-0- for the years ended June 30, 2024 and 2023.

18. Supplemental Cash Flow Information (continued)

The School had a noncash investing and financing transaction related to the acquisition of right of use assets for $-0- and $149,394 under operating leases for the years ended June 30, 2024 and 2023.

The School had a noncash investing and financing transaction related to the acquisition of property and equipment for $3,021,653 and $114,014 under finance leases for the years ended June 30, 2024 and 2023.

19. Subsequent Events

Management has evaluated subsequent events through January 27, 2025, the date which the consolidated financial statements were available to be issued.

SUPPLEMENTARY FINANCIAL INFORMATION

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Schedule of Consolidating Statement of Financial Position
June 30, 2024

ASSETS

	Patterson Park Public Charter School	Clay Hill Public Charter School	Patterson Park Public Charter School Fund Inc.	Intra-Organization Eliminations	Total
CURRENT ASSETS:					
Cash and cash equivalents	$ 5,501,954	$ 251,368	$ 411,356	$ - 0 -	$ 6,164,678
Contributions receivable	732,892	247,984	- 0 -	- 0 -	980,876
Grants receivable	306,796	88,135	- 0 -	- 0 -	394,931
Prepaid expenses	95,976	- 0 -	- 0 -	- 0 -	95,976
Total Current Assets	6,637,618	587,487	411,356	- 0 -	7,636,461
NET PROPERTY AND EQUIPMENT - AT COST	7,739,769	8,695,809	- 0 -	- 0 -	16,435,578
OTHER ASSETS:					
Investments	725,360	- 0 -	135,753	- 0 -	861,113
Cash - restricted	522,571	174,190	- 0 -	- 0 -	696,761
Total Other Assets	1,247,931	174,190	135,753	- 0 -	1,557,874
TOTAL ASSETS	$ 15,625,318	$ 9,457,486	$ 547,109	$ - 0 -	$ 25,629,913

LIABILITIES AND NET ASSETS

	Patterson Park Public Charter School	Clay Hill Public Charter School	Patterson Park Public Charter School Fund Inc.	Intra-Organization Eliminations	Total
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	$ 518,122	$ 29,900	$ - 0 -	$ - 0 -	$ 548,022
Short-term portion - finance lease obligations	21,903	6,247	- 0 -	- 0 -	28,150
Total Current Liabilities	540,025	36,147	- 0 -	- 0 -	576,172
LONG-TERM LIABILITIES:					
Long-term debt - bond payable, net	12,424,223	4,141,408	- 0 -	- 0 -	16,565,631
Unrealized loss on interest rate swap agreement	93,224	100,992	- 0 -	- 0 -	194,216
Long-term portion - finance lease obligations	58,712	3,093,085	- 0 -	- 0 -	3,151,797
	12,576,159	7,335,485	- 0 -	- 0 -	19,911,644
NET ASSETS:					
Without donor restrictions	2,422,853	1,581,238	547,109	- 0 -	4,551,200
With donor restrictions	86,281	504,616	- 0 -	- 0 -	590,897
Total Net Assets	2,509,134	2,085,854	547,109	- 0 -	5,142,097
TOTAL LIABILITIES AND NET ASSETS	$ 15,625,318	$ 9,457,486	$ 547,109	$ - 0 -	$ 25,629,913

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Schedule of Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2024

	Patterson Park Public Charter School			Clay Hill Public Charter School			Patterson Park Public Charter School Fund Inc.			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Grand Total
SUPPORT AND REVENUE:										
Baltimore City Public Schools:										
Grants	$ 4,906,078	$ - 0 -	$ 4,906,078	$ 1,567,606	$ - 0 -	$ 1,567,606	$ - 0 -	$ - 0 -	$ - 0 -	$ 6,473,684
In-kind support	8,453,501	- 0 -	8,453,501	3,718,951	- 0 -	3,718,951	- 0 -	- 0 -	- 0 -	12,172,452
Contributions of nonfinancial assets	- 0 -	- 0 -	- 0 -	366	- 0 -	366	- 0 -	- 0 -	- 0 -	366
	13,359,579	- 0 -	13,359,579	5,286,923	- 0 -	5,286,923	- 0 -	- 0 -	- 0 -	18,646,502
Public Support:										
Contributions and grants	225,609	137,801	363,410	79,160	144,074	223,234	- 0 -	- 0 -	- 0 -	586,644
Government Support:										
Grants and other revenue	647,247	- 0 -	647,247	248,014	- 0 -	248,014	- 0 -	- 0 -	- 0 -	895,261
Other Revenue (Loss):										
Student program fees	34,933	- 0 -	34,933	800	- 0 -	800	- 0 -	- 0 -	- 0 -	35,733
Other revenue	77,451	- 0 -	77,451	8,771	- 0 -	8,771	- 0 -	- 0 -	- 0 -	86,222
	112,384	- 0 -	112,384	9,571	- 0 -	9,571	- 0 -	- 0 -	- 0 -	121,955
Net Assets Released from Restrictions	214,608	(214,608)	- 0 -	18,834	(18,834)	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Total Support and Revenue	14,559,427	(76,807)	14,482,620	5,642,502	125,240	5,767,742	- 0 -	- 0 -	- 0 -	20,250,362
EXPENSES:										
Program services	11,536,324	- 0 -	11,536,324	5,041,783	- 0 -	5,041,783	- 0 -	- 0 -	- 0 -	16,578,107
Management and general	2,266,801	- 0 -	2,266,801	660,295	- 0 -	660,295	175	- 0 -	175	2,927,271
Fundraising expenses	141,502	- 0 -	141,502	23,050	- 0 -	23,050	- 0 -	- 0 -	- 0 -	164,552
	13,944,627	- 0 -	13,944,627	5,725,128	- 0 -	5,725,128	175	- 0 -	175	19,669,930
OTHER INCOME (EXPENSES):										
Unrealized loss on interest rate swap agreement	(145,662)	- 0 -	(145,662)	(48,554)	- 0 -	(48,554)	- 0 -	- 0 -	- 0 -	(194,216)
Investment return, net	78,553	- 0 -	78,553	- 0 -	- 0 -	- 0 -	27,969	- 0 -	27,969	106,522
	(67,109)	- 0 -	(67,109)	(48,554)	- 0 -	(48,554)	27,969	- 0 -	27,969	(87,694)
Total Expenses	14,011,736	- 0 -	14,011,736	5,773,682	- 0 -	5,773,682	(27,794)	- 0 -	(27,794)	19,757,624
CHANGE IN NET ASSETS	547,691	(76,807)	470,884	(131,180)	125,240	(5,940)	27,794	- 0 -	27,794	492,738
NET ASSETS AT BEGINNING OF YEAR	1,117,271	163,088	1,280,359	2,470,309	379,376	2,849,685	519,315	- 0 -	519,315	4,649,359
TRANSFERS	757,891	- 0 -	757,891	(757,891)	- 0 -	(757,891)	- 0 -	- 0 -	- 0 -	- 0 -
NET ASSETS AT END OF YEAR	$ 2,422,853	$ 86,281	$ 2,509,134	$ 1,581,238	$ 504,616	$ 2,085,854	$ 547,109	$ - 0 -	$ 547,109	$ 5,142,097

BLUEBIRD EDUCATION NETWORK, INC.
AND AFFILIATE

Schedule of Consolidating Statement of Cash Flows
For the Year Ended June 30, 2024

	Patterson Park Public Charter School	Clay Hill Public Charter School	Patterson Park Public Charter School Fund Inc.	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	$ 470,884	$ (5,940)	$ 27,794	$ 492,738
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	642,065	248,790	- 0 -	890,855
Amortization included in bond interest expense	248,668	82,889	- 0 -	331,557
Non-cash portion of lease expense	- 0 -	(11,800)	- 0 -	(11,800)
Unrealized loss on interest rate swap agreement	145,662	48,554	- 0 -	194,216
Unrealized gains on investments	(34,064)	- 0 -	(735)	(34,799)
Realized gains on investments	(20,618)	- 0 -	- 0 -	(20,618)
Cash transfers (to) from related party	1,048,555	(1,048,555)	- 0 -	- 0 -
(Increase) decrease in assets:				
Contributions receivable	(585,916)	471,444	- 0 -	(114,472)
Grants receivable	86,510	40,129	- 0 -	126,639
Prepaid expenses	50,636	- 0 -	- 0 -	50,636
Increase (decrease) in liabilities:				
Accounts payable and accrued expense	223,499	(1,501,511)	- 0 -	(1,278,012)
Accured interest included in finance lease obligations	64,467	- 0 -	- 0 -	64,467
Retainage payable	- 0 -	(222,276)	- 0 -	(222,276)
Net Cash Provided by (Used in) Operating Activities	2,340,348	(1,898,276)	27,059	469,131
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(708,240)	- 0 -	(263,058)	(971,298)
Proceeds from sales of investments	1,065,411	- 0 -	499,059	1,564,470
Additions to construction in progress	- 0 -	(41,633)	- 0 -	(41,633)
Purchases of property additions	(484,503)	(1,857,221)	- 0 -	(2,341,724)
Net Cash Provided by (Used in) Investing Activities	(127,332)	(1,898,854)	236,001	(1,790,185)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from long-term debt issuance	13,852,500	4,617,500	- 0 -	18,470,000
Debt issuance costs	(773,194)	(257,731)	- 0 -	(1,030,925)
Principal payments on long-term debt	(12,191,000)	(370,283)	- 0 -	(12,561,283)
Principal payments on finance lease obligations	(20,171)	(6,078)	- 0 -	(26,249)
Net Cash Provided by Financing Activities	868,135	3,983,408	- 0 -	4,851,543
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,081,151	186,278	263,060	3,530,489
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	2,943,374	239,280	148,296	3,330,950
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 6,024,525	$ 425,558	$ 411,356	$ 6,861,439
SUPPLEMENTAL DISCLOSURE OF OPERATING ACTIVITIES				
Cash paid during the year for interest	$ 844,434	$ 411,006	$ - 0 -	$ 1,255,440
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES				
Acquisition of property through finance lease obligation	$ 3,021,653	$ - 0 -	$ - 0 -	$ 3,021,653
Construction in progress placed in service	$ - 0 -	$ 2,828,508	$ - 0 -	$ 2,828,508
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES				
BCPSS in-kind support, contributed materials and supplies	$ - 0 -	$ 366	$ - 0 -	$ 366