

COEUR D'ALENE CHARTER ACADEMY, INC.

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2022

Prepared By

ANDERSONBROS.CPA

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

ANDERSONBROS.CPA

TAX, ASSURANCE, ACCOUNTING, ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Coeur d'Alene Charter Academy, Inc.
Coeur d'Alene, ID 83814

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coeur d'Alene Charter Academy, Inc. as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Coeur d'Alene Charter Academy, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coeur d'Alene Charter Academy, Inc., as of June 30, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coeur d'Alene Charter Academy Inc. 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.

Change in Accounting Principle

As described in notes 1 8 and 12 to the financial statements, in 2022, the Academy adopted new accounting guidance, GASB Statement No. 87, Leases and GASB Statement No. 84, Fiduciary Activities, which have resulted in a restatement of the net position and fund balance as of June 30, 2021. Our opinion is not modified with respect to this matter.

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 Coeur d'Alene Charter Academy Inc.'s to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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 Coeur d'Alene Charter Academy Inc.'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 Coeur d'Alene Charter Academy Inc.'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, schedule of Academy's share of net pension liability, schedule of Academy's contributions and the budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coeur d'Alene Charter Academy, Inc.'s basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of changes in deposit balances of associated student body activity funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of changes in deposit balances of student activity funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of Coeur d'Alene Charter Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coeur d'Alene Charter Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering Coeur d'Alene Charter Academy Inc.'s internal control over financial reporting and compliance.



Anderson Bros. CPAs
Post Falls, Idaho
October 25, 2022

MANAGEMENTS DISCUSSION AND ANALYSIS

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

The following discussion and analysis provides an overview of Coeur d'Alene Charter Academy's (the "Academy") financial performance for activities during the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- Federal pandemic relief funds continue to supplement State revenues. Overall State revenues increased by 5%. Local revenues increased by 87% due to increases in revenue related to a return to normal operations from the pandemic.
- Although expenditures increased by 8% we had an overall increase in the governmental fund balance of \$56,660.
- The substantial change in net position is largely due to increased state revenues and local support and defined benefit plan revenue/expenses.

OVERVIEW OF FINANCIAL STATEMENTS

The Academy's annual financial statements are comprised of four parts: management's discussion and analysis, basic financial statements, required supplementary information, and other supplementary information.

- The basic financial statements include two accounting formats and related notes that provide further details to the information presented in those statements.
- Government-wide statements report a compilation of the Academy's financial information.
- Fund financial statements focus on individual parts of the Academy's financial activities and provide more details on operations.
- Notes to the financial statements provide explanations and disclosures to some of the information in the statements so that readers have a deeper understanding of the Academy's financial picture.
- Required supplementary information contains the general fund budgetary comparison schedule. This statement shows a condensed version of the budget planning for the fiscal year and how the actual results varied from the plan.
- The statements conclude with other supplementary information on non-major and fiduciary funds that are utilized by the Academy for special purposes or held in trust for other organizations. This section provides more detail on the funds reported in aggregate in the previous fund financial statements.

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Government-wide Statements

The government-wide statements report information in an accounting method similar to statements provided by private sector companies. The statement of net position indicates the financial position of the Academy at a given point in time (in this case the last day of the fiscal year). The statement of activities reports programmatic expenses and revenues that result in the change in net position over a period in time (fiscal year).

- The bottom line on these statements, net position, is one measure of the overall financial position of the Academy. An increase or decrease from a prior year may indicate improvement or decline of the financial position.
- To gain a complete picture of the overall financial condition of the Academy the reader should consider additional factors that include student enrollment, community growth, legislative appropriations, and State economic conditions.
- In the government-wide financial statements, the Academy's activities are all classified as governmental activities. These activities are largely supported by Idaho State general fund revenue derived from income and sales tax. The Academy does not receive funding from local property tax revenues.

Fund Financial Statements

The fund financial statements provide detailed information about the general fund, a compilation of the non-major funds (other governmental), and fiduciary funds. Funds are accounting devices used to track the source of funding and spending on particular programs. This enables the Academy to demonstrate compliance with various regulatory requirements. A balance sheet and statement of revenues, expenditures and changes in fund balances is provided along with reconciliation to the government-wide statements. The reconciliation statements provide a tie between fund statements and government-wide statements that allow the user to connect the overall financial picture with the more detailed one.

Fund Types

Governmental Funds - Most of the Academy's basic services are included in governmental funds. They generally focus on the sources and the uses of cash and other financial assets that provide the basic programmatic services of the Academy. The governmental funds statements provide a more detailed view as to whether there were sufficient resources to finance the Academy's programs. It can also indicate the availability of resources for future use. Governmental fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, an explanation of the differences between the governmental funds and the government-wide statements is included as a separate statement.

Fiduciary/Agency Funds - The Academy is responsible as a trustee, or fiduciary, for student organizations and the scholarship and a building trust fund. These funds may only be used for their intended purpose and only by those to whom the assets belong.

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

FINANCIAL ANALYSIS

Net Position

One indicator of the Academy's financial state is net position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,327,396 as of June 30, 2022. This represented an 14% change in total net position over last year. The net change is due to increases in assets, decreases in total liabilities, and the net effect of deferred inflows and outflows of resources in the schedule below. Table 1 provides a summary of the Academy's net position.

Table 1
Statements of Net Position
June 30, 2022 and 2021

| | 2022 | 2021 | Change |
|--|---------------------|---------------------|--------------------|
| ASSETS | | | |
| Current and other assets | \$ 2,567,309 | \$ 2,504,611 | \$ 62,698 |
| Net pension asset | 59,967 | - | 59,967 |
| Capital assets, net of accumulated depreciation | 5,218,530 | 5,207,191 | 11,339 |
| Right to use assets, net of accumulated amortization | 13,579 | 19,011 | (5,432) |
| Total assets | <u>7,859,385</u> | <u>7,730,813</u> | <u>128,572</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>1,153,159</u> | <u>765,353</u> | <u>387,806</u> |
| LIABILITIES | | | |
| Long-term liabilities outstanding | 1,166,030 | 1,357,194 | (191,164) |
| Net pension liability | - | 1,851,510 | (1,851,510) |
| Other liabilities | 533,406 | 527,368 | 6,038 |
| Total liabilities | <u>1,699,436</u> | <u>3,736,072</u> | <u>(2,036,636)</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>1,985,712</u> | <u>90,453</u> | <u>1,895,259</u> |
| NET POSITION | | | |
| Net investment in capital assets | 4,065,648 | 3,868,426 | 197,222 |
| Restricted | 238,477 | 160,018 | 78,459 |
| Unrestricted | 1,023,271 | 641,197 | 382,074 |
| Total net position | <u>\$ 5,327,396</u> | <u>\$ 4,669,641</u> | <u>\$ 657,755</u> |

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position

Table 2 shows the changes in net position for the fiscal year ended 2022. Total revenues exceeded expenses by \$657,755. The result was a substantial increase in the change to net position compared to last year. This is largely due to the net effect of increased State revenues, local support and defined benefit plan expenses. Expenses reflect the fact that all of the Academy's activities revolve around the instruction and support of school programs.

Table 2
Changes in Net Position
For the Years Ending June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> | <u>Change</u> |
|--|-------------------|------------------|-------------------|
| REVENUES | | | |
| Program revenues: | | | |
| Charges for services | \$ 133,464 | \$ 99,633 | \$ 33,831 |
| Operating & capital grants and contributions | 497,145 | 573,004 | (75,859) |
| General revenues: | | | |
| State revenues | 4,705,036 | 4,478,345 | 226,691 |
| Other local support | 157,433 | - | 157,433 |
| Interest and investment earnings | 6,263 | 6,339 | (76) |
| Total revenues | <u>5,499,341</u> | <u>5,157,321</u> | <u>342,020</u> |
| EXPENSES | | | |
| Instructional services | 3,391,587 | 3,121,523 | 270,064 |
| Support services | 1,393,862 | 1,249,034 | 144,828 |
| Non-instruction | 64,483 | 30,994 | 33,489 |
| Interest on long-term debt | 39,566 | 50,475 | (10,909) |
| Defined benefit plan (revenue) expense | (48,833) | 667,376 | (716,209) |
| Loss on asset disposal | 921 | - | 921 |
| Total expenses | <u>4,841,586</u> | <u>5,119,402</u> | <u>(277,816)</u> |
| CHANGES IN NET POSITION | <u>\$ 657,755</u> | <u>\$ 37,919</u> | <u>\$ 619,836</u> |

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

FINANCIAL ANALYSIS (CONCLUDED)

Governmental Funds

The Academy completed the year with a total governmental fund balance of \$2,033,903 which is an increase from the prior year fund balance by \$56,660 or 2.86%.

Table 3
Statements of Revenues, Expenditures
and Changes in Fund Balance-Governmental Funds
For the Years Ending June 30, 2022 and 2021

| | 2022 | 2021 | Total % Change |
|---|------------------|-------------------|---------------------------|
| REVENUES | | | |
| Interest | \$ 6,263 | \$ 6,339 | -1% |
| Other local revenue | 379,430 | 202,643 | 87% |
| State support | 4,833,529 | 4,618,464 | 5% |
| Title programs and other federal revenues | 280,119 | 329,875 | -15% |
| Total revenues | 5,499,341 | 5,157,321 | 7% |
| EXPENDITURES | | | |
| Instructional services | 3,356,277 | 3,127,136 | 7% |
| Support services | 1,476,965 | 1,299,162 | 14% |
| Non-instruction | 64,483 | 30,994 | 108% |
| Capital asset program | 314,226 | 339,619 | -7% |
| Debt service (P&I) | 230,730 | 248,188 | -7% |
| Total expenditures | 5,442,681 | 5,045,099 | 8% |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of capital assets | - | - | 100% |
| Transfers in | 109,331 | 48,262 | 127% |
| Transfers out | (109,331) | (48,262) | -127% |
| Total other financing sources (uses) | - | - | 100% |
| NET CHANGE IN FUND BALANCE | \$ 56,660 | \$ 112,222 | 50% |

General Fund Budgetary Highlights

The beginning budget for the Academy is presented to the public and adopted in June of the preceding year. Typically, an amended budget is adopted in December or January of the fiscal year based on attendance and employment figures that are not available earlier. That amendment occurred in April 2022. Revenue received by the State is largely based on those figures.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund located in the Financial Section shows the changes in the budget and a comparison with actual results. The net change in the general fund balance at year-end shows stable revenues and lower expenditures in comparison to budgeted amounts.

Coeur d'Alene Charter Academy, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

An overview of capital asset changes for the fiscal year is contained in note 4 (notes to financial statements). The changes are a result of the net effect of depreciation and the purchase of equipment, furniture and building/land improvements. Total capital assets, after accumulated depreciation, at the end of the fiscal year are \$5,218,530.

Intangible Assets

The Academy has right-to-use assets, net of accumulated amortization of \$13,579. More information on these assets and related leases can be found in note 8 to the basic financial statements.

Long-Term Debt

Six notes are currently held by bankcda on Academy real property (notes 6 and 7 to the financial statements). The six notes were renegotiated in January 2021 which resulted in reduced interest rates to 3.10%, with all balances due in January 2028. The notes are now amortized over 7 years. All other terms were unchanged. No prepayment penalty applies to the six notes.

In addition, the Academy added a five-year copier lease for 3 copiers through TIAA Financial that will mature in 2025 (note 8).

We will continue to use debt with prudence and maintain it at a level that meets the capital needs of the institution and is not detrimental to our overall financial health.

FACTORS BEARING ON THE ACADEMY'S FUTURE

Currently known circumstances that will impact the Academy's financial status in the future:

- The economy continues to be the primary driver in determining future state tax revenues. The State of Idaho is experiencing effects of the pandemic but tax revenues have come in at higher levels than projected. We will continue to operate in a manner that is conservative in relation to expenditures and the known sources of revenue.
- Enrollment for the coming year is projected to drop slightly. State funding budgets have increased and additional funding has been made available by the federal government to address the pandemic.
- The State legislature continues to deliberate on changing the formula for funding public K-12 education. This has been a multi-year project that involves funding by enrollment vs attendance. It may be voted on in the 2023 legislative session.

CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to demonstrate our accountability for the resources we receive from all sources. If you have questions about this report or need additional information, contact the Coeur d'Alene Charter Academy, 4904 N. Duncan Dr., Coeur d'Alene, ID 83815 or email gflaming@cdacharter.org.

BASIC FINANCIAL STATEMENTS

Coeur d'Alene Charter Academy, Inc.
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

| | |
|--|--------------|
| Cash and cash equivalents | \$ 2,517,295 |
| Receivables | 50,014 |
| Prepaid expenses | - |
| Net pension asset | 59,967 |
| Capital assets not being depreciated | 647,984 |
| Capital assets, net of accumulated depreciation | 4,570,546 |
| Right to use assets, net of accumulated amortization | 13,579 |
| Total assets | 7,859,385 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------|-----------|
| PERSI pension plan | 1,153,159 |
|--------------------|-----------|

LIABILITIES

| | |
|--|-----------|
| Accounts Payable | 23,369 |
| Accrued payroll and benefits | 460,210 |
| Accrued interest | 993 |
| Deferred state revenue | 3,061 |
| Deposits | 45,773 |
| Noncurrent liabilities: | |
| Due within one year | 192,180 |
| Due within one year, lease liability | 5,378 |
| Due in more than one year | 960,702 |
| Due in more than one year, lease liability | 7,770 |
| Total liabilities | 1,699,436 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--------------------|-----------|
| PERSI pension plan | 1,985,712 |
|--------------------|-----------|

NET POSITION

| | |
|----------------------------------|--------------|
| Net investment in capital assets | 4,065,648 |
| Restricted | 238,477 |
| Unrestricted | 1,023,271 |
| Total Net Position | \$ 5,327,396 |

*See accompanying notes to the financial statements
and independent auditors' report*

Coeur d'Alene Charter Academy, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

| FUNCTIONS/PROGRAMS: | Expenses | Charges for Services | Program Revenues Operating Grants and Contributions | Capital Grants & Contributions | Net (Expense) Revenue and Changes in Net Position Governmental Activities |
|--|---------------------|-----------------------------|--|---|--|
| Governmental Activities | | | | | |
| Instruction programs: | | | | | |
| Secondary programs | \$ 3,118,281 | \$ 133,464 | \$ 356,930 | \$ 119,308 | \$ (2,508,579) |
| Special education programs | 24,357 | - | 11,722 | - | (12,635) |
| Interscholastic & school activity programs | 248,949 | - | - | - | (248,949) |
| Support services programs: | | | | | |
| Attendance-guidance-health program | 137,424 | - | - | - | (137,424) |
| Special education support services program | 11,330 | - | - | - | (11,330) |
| Instructional improvement program | 6,325 | - | - | - | (6,325) |
| Instructional related technology program | 16,932 | - | - | - | (16,932) |
| School administration program | 563,024 | - | - | - | (563,024) |
| General administrative services program | 50 | - | - | - | (50) |
| Business operations program | 310,305 | - | - | - | (310,305) |
| Custodial and maintenance program | 339,001 | - | - | - | (339,001) |
| Security and safety program | 9,002 | - | 5,330 | 3,855 | 183 |
| Transportation program | 469 | - | - | - | (469) |
| Non-instruction enterprise operations | 64,483 | - | - | - | (64,483) |
| Interest on long-term debt | 39,566 | - | - | - | (39,566) |
| Defined benefit plan (revenue) expense | (48,833) | - | - | - | 48,833 |
| Total Governmental Activities | <u>\$ 4,840,665</u> | <u>\$ 133,464</u> | <u>\$ 373,982</u> | <u>\$ 123,163</u> | <u>(4,210,056)</u> |
| General revenues: | | | | | |
| State revenue | | | | | 4,705,036 |
| Other local support | | | | | 157,433 |
| Interest and investment earnings | | | | | 6,263 |
| Gain (loss) on asset disposition | | | | | - |
| Gain / loss on sale of capital assets | | | | | (921) |
| Total general revenues | | | | | <u>4,867,811</u> |
| Change in Net Position | | | | | 657,755 |
| Net position - July 1, 2021 - restated | | | | | 4,669,641 |
| Net position - June 30, 2022 | | | | | <u>\$ 5,327,396</u> |

See accompanying notes to the financial statements and independent auditors' report

Coeur d'Alene Charter Academy, Inc.
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

| | * | * | * | | |
|-------------------------------------|---------------------|-------------|-------------|-------------------|---------------------|
| | Capital | Plant | Non-Major | | |
| | Projects | Facilities | Special | | |
| | Fund | Lottery | Revenue | | |
| | Fund | Fund | Funds | | Total |
| | General | | | | |
| | Fund | | | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,278,628 | \$ - | \$ - | \$ 238,667 | \$ 2,517,295 |
| Due from other funds | 48,654 | - | - | - | 48,654 |
| Receivables | 693 | - | - | 49,318 | 50,011 |
| Interest receivable | 3 | - | - | - | 3 |
| Prepaid expenses | - | - | - | - | - |
| Total assets | <u>\$ 2,327,978</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 287,985</u> | <u>\$ 2,615,963</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 22,515 | \$ - | \$ - | \$ 854 | \$ 23,369 |
| Accrued payroll and benefits | 460,210 | - | - | - | 460,210 |
| Accrued interest | 993 | - | - | - | 993 |
| Deferred state revenue | 3,061 | - | - | - | 3,061 |
| Due to other funds | - | - | - | 48,654 | 48,654 |
| Deposits | 45,773 | - | - | - | 45,773 |
| Total liabilities | <u>532,552</u> | <u>-</u> | <u>-</u> | <u>49,508</u> | <u>582,060</u> |
| FUND BALANCES | | | | | |
| Restricted | - | - | - | 238,477 | 238,477 |
| Assigned | 1,795,426 | - | - | - | 1,795,426 |
| Total fund balances | <u>1,795,426</u> | <u>-</u> | <u>-</u> | <u>238,477</u> | <u>2,033,903</u> |
| Total liabilities and fund balances | <u>\$ 2,327,978</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 287,985</u> | <u>\$ 2,615,963</u> |

* Not a major fund

Coeur d'Alene Charter Academy, Inc.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

| | | |
|--|-------------|--------------|
| Total fund balances at June 30, 2022 - Governmental Funds | | \$ 2,033,903 |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds: | | 5,218,530 |
| Intangible assets used in governmental activities are not financial resources and therefore, are not reported in the funds: | | 13,579 |
| Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore, are not reported in the funds: | | |
| Deferred outflows of resources-pension plan | | 1,153,159 |
| Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore, are not reported in the funds: | | |
| Deferred inflows of resources-pension plan | | (1,985,712) |
| Net pension asset | | 59,967 |
| Some liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of: | | |
| Net pension liability | - | |
| Long-term leases payable | (1,152,882) | |
| Long-term debt | (13,148) | (1,166,030) |
| | | |
| Net position of governmental activities at June 30, 2022 | | \$ 5,327,396 |

Coeur d'Alene Charter Academy, Inc.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

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

| | |
|--|------------|
| Net Change in Fund Balances - total governmental funds | \$ 56,660 |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p> | |
| Capital Outlay | 314,226 |
| Depreciation | (301,966) |
| <p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets.</p> | |
| Loss on Sale of Assets | (921) |
| <p>Amortization of intangible assets is recognized as an expense in the statement of activities</p> | |
| | (5,432) |
| <p>The issuance of long-term debt (e.g., bonds, leased) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | |
| Loan payments considered as an expenditure | 191,164 |
| <p>The net pension effect related to the pension expense recognized for the year.</p> | |
| Current year PERSI contributions | 355,191 |
| Defined benefit plan expense (income) | 48,833 |
| Change in net position of governmental activities | \$ 657,755 |

Coeur d'Alene Charter Academy, Inc.
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

| | Expendable Building Trust Fund | Expendable Scholarship Trust Fund |
|---------------------------|---|--|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 152,191 | \$ 42,576 |
| Total assets | <u>152,191</u> | <u>42,576</u> |
| LIABILITIES | | |
| | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Restricted for: | | |
| Building improvements | 152,191 | - |
| Student scholarships | - | 42,576 |
| Total net position | <u>\$ 152,191</u> | <u>\$ 42,576</u> |

Coeur d'Alene Charter Academy, Inc.
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

| | Expendable Building Trust Fund | Expendable Scholarship Trust Fund |
|--|---|--|
| ADDITIONS | | |
| Contributions | \$ 136,248 | \$ 13,276 |
| Interest earnings | 246 | 78 |
| Revenue collected for associated student body activities | - | - |
| Total additions | 136,494 | 13,354 |
| DEDUCTIONS | | |
| Contribution expense | 10,000 | - |
| Auction expenses | 26,186 | - |
| Scholarships | - | 11,200 |
| Supplies and materials | 3,916 | - |
| Total deductions | 40,102 | 11,200 |
| NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION | 96,392 | 2,154 |
| NET POSITION, beginning of year | 55,799 | 40,422 |
| NET POSITION, end of year | \$ 152,191 | \$ 42,576 |

*See accompanying notes to the financial statements
and independent auditors' report*

Coeur d’Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coeur d’Alene Charter Academy, Inc. (the “Academy”) operates under the direction of a Board of Directors, who oversees the operation of the Academy and governs the decisions made by the principal. The Academy is engaged in the education of students on the secondary level. Coeur d’Alene Charter Academy, Inc. does not exercise sufficient control over other governmental agencies and authorities to warrant including them as a part of the Academy’s entity.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Academy consists of all funds, departments, boards, and agencies that are not legally separate from Coeur d’Alene Charter Academy Inc. For the Academy this includes general operations, debt service, and student and supportive service activities.

Component units are legally separate organizations for which the Academy is financially accountable. Component units may also include organizations that are fiscally dependent on the Academy, that is, the Academy approves their budget, the issuance of their debt, or the levying of taxes. The Academy has no component units.

The financial statements of the Academy have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Academy’s accounting policies are described below:

Fund Accounting

The Academy uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Academy functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Academy are grouped into the categories governmental and fiduciary.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Academy’s major governmental funds:

General Fund – The *general fund* is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to the laws of the state of Idaho.

Additionally, the Academy reports the following nonmajor governmental funds:

Technology Fund – The *technology fund* is used to account for financial resources provided to the Academy through the State of Idaho for technology related functions.

Substance Abuse Fund – The *substance abuse fund* is used to account for financial resources provided to the Academy through the State of Idaho for substance abuse.

ESSER II (CRRSA) Fund – The *coronavirus response and relief supplemental appropriations fund* is used to account for financial resources provided to the Academy from the Federal Government passed through the State of Idaho.

See accompanying independent auditors’ report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IDEA Part B Fund – The *IDEA part B fund* is used to account for financial resources provided to the academy, which are Federal funds passed through the State of Idaho for special educations services.

Covid Fund – The *coronavirus (covid) fund* is used to account for financial resources provided to the Academy from the Federal Government passed through the State of Idaho.

Associated Student Body Activity Fund – The *associated student body activity fund* is used to account for financial resources related to associated student body fundraising and other related activities of the associated student body.

Capital Projects Fund – The *capital projects fund* is used to account for financial resources used to construct or acquire capital improvements/additions.

Plant Facilities Lottery Fund – The *plant facilities lottery fund* is used to account for financial resources used for Plant Facilities capital outlay.

Fiduciary Funds– Fiduciary fund reporting focuses on net position and changes in net position. The funds accounted for in this category by the Academy are the custodial and trust funds. The trust funds are an expendable building fund and a scholarship fund maintained and distributed by the Academy. The custodial fund accounts for assets held by the Academy as an agent for school organizations.

During the course of operations, the Academy has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities' column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column.

Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Academy as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Academy has activities that are considered to be governmental as opposed to business-type activity.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Academy's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Academy, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Academy.

Fund Financial Statements – Fund financial statements report detailed information about the Academy. The focus of governmental fund statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are also reported on the fund statements and noted with an asterisk to indicate that they are non-major funds.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Academy, available means expected to be received within 60 days of the fiscal year-end.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition, grants, student fees, and rentals.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

See accompanying independent auditors' report

Coeur d’Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Cash and Cash Equivalents

On the financial statements, cash received by the Academy is pooled for investment purposes and is presented as “Cash and Cash Equivalents” for the following funds: General fund and non-major funds. Interest earned in the pooled accounts is allocated to the general fund.

During the fiscal year ended June 30, 2022, investments were limited to money market accounts.

For presentation on the financial statements, investments with an original maturity of three months or less at the time they are purchased by the Academy are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. It also includes certificates of deposit with a maturity beyond three months as the entity is able to access the funds at any time with minimal penalty.

Capital Assets

General capital assets usually result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Academy maintains a capitalization threshold of \$500 to \$50,000 depending on the nature of the item (i.e. buildings with a cost of \$50,000 or more are capitalized and equipment with a cost of \$500 or more are capitalized). The Academy does not possess any infrastructure. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|------------------------|------------------------|
| Land improvements | 40 yrs |
| Buildings/improvements | 40 yrs |
| Modular equipment | 10 yrs |
| Improvements | 10 yrs |
| Furniture | 7 yrs |
| Equipment | 5 yrs |

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of notes, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources.

See accompanying independent auditors’ report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In general, payments made within 60 days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 (expenses/expenditure) until then. The government does have items that qualify for reporting in this category. Note 9 outlines the outflows of resources associated with the pension base plan.

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 (revenues) until that time. The government has one type of items for this category.

The item is associated with the pension base plan. See Note 9 for details on the pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Net position represents the difference between assets and liabilities. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Academy, or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position includes the remaining net position that is not included in the categories above.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the government that can, by adoption of a policy prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the policy remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors has by policy authorized the finance committee to assign fund balance. The Board of Directors may also assign fund balance as it does with appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenses/expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenses/expenditures to the funds that initially paid for them are not presented on the financial statements.

The current year transfers included a transfer from the technology fund to the general fund for technology expenditures within the general fund and a transfer from the general fund to the capital construction projects fund for a capital project.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Income Taxes

Coeur d'Alene Charter Academy, Inc. is a nonprofit organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In accordance with generally accepted accounting principles, the organization is required to disclose certain information regarding potential liabilities regarding its tax positions it currently takes or has taken in prior years. Currently, there are no unrecognized tax benefits or liabilities that need to be recognized during current year or due to a tax position taken in a prior year. Therefore, the cumulative effect of the change on net position of applying provisions of the requirement in this first year of adoption is none. If the organization were to have a potential liability for such taxes, it would also accrue interest and penalties as a liability in the financial statements. The organization expects no unrecognized tax benefits that will be incurred within the next year of the date of these financial statements. There are no tax years that are currently under examination by federal or state tax authorities.

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Implementation of GASB Statement No. 87

As of July 1, 2021, the Academy adopted GASB Statement No. 87, Lease Accounting. The objective of this Statement is to improve the identification of leasing activities for accounting and financial reporting purposes and how those activities should be reported. The effect of the implementation of this standard on beginning net position is disclosed in Note 12.

Implementation of GASB Statement No. 84

As of July 1, 2021, the Academy adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Academy reported all Associated Student Body Activities in the financial statements as special revenue funds. The effect of the implementation of this standard on beginning net position and fund balance is disclosed in Note 12.

NOTE 2 - CASH AND CASH EQUIVALENTS

The carrying amount of the Academy's deposits with financial institutions was \$2,712,062 and the bank balance was \$2,766,656. Investments of the Academy are funds held by bankcda, Mountain West Bank, and First Interstate Bank.

Market value materially approximates cost at June 30, 2022. Idaho State Code allows the Academy to invest idle monies in certain categories. No violations of those categories have occurred during the year. Custodial credit risk is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it.

| | |
|--|---------------------|
| <i>Deposits without exposure to custodial credit risk:</i> | |
| Amount insured by FDIC or other agencies | \$ 650,317 |
| <i>Deposits with exposure to custodial credit risk:</i> | |
| Amount collateralized with securities held in trust, but not in the Academy's name | 2,116,339 |
| Total bank balance (deposits) | <u>\$ 2,766,656</u> |
| The carrying amount is displayed as follows in the financial statements | |
| Statement of net position (page 9) | \$ 2,517,295 |
| Statement of net position - fiduciary funds (page 15) | |
| Expendable building trust | 152,191 |
| Expendable scholarship trust | 42,576 |
| Total carrying amount | <u>\$ 2,712,062</u> |
| Cash and cash equivalents at June 30, 2022 consist of the following: | |
| Cash | |
| Deposits with financial institutions and cash on hand | \$ 98,596 |
| Cash equivalents | |
| Money markets | 2,613,466 |
| Total carrying amount | <u>\$ 2,712,062</u> |

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - ACCOUNTS RECEIVABLE

State of Idaho - The amount due from the state represents unreceived distributions and reimbursements from state administered funds applicable to the year ended June 30, 2022.

NOTE 4 - CAPITAL ASSETS

Following is a recap of capital assets for the fiscal year ended June 30, 2022:

| | Balance 6/30/2021 | Increases | Decreases | Transfers | Balance 6/30/2022 |
|---|----------------------|-----------|-----------|-----------|----------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 621,646 | \$ - | \$ - | \$ - | \$ 621,646 |
| Construction in progress | 20,919 | 20,318 | - | (14,899) | 26,338 |
| Total capital assets, not being depreciated | 642,565 | 20,318 | - | (14,899) | 647,984 |
| Capital assets being depreciated: | | | | | |
| Land improvements | 430,871 | 1,500 | - | - | 432,371 |
| Buildings and improvements | 5,906,264 | 155,393 | - | 14,899 | 6,076,556 |
| Equipment and furniture | 1,622,964 | 137,015 | 61,183 | - | 1,698,796 |
| Total capital assets being depreciated | 7,960,099 | 293,908 | 61,183 | 14,899 | 8,207,723 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | 162,350 | 20,576 | - | - | 182,926 |
| Buildings and improvements | 1,895,103 | 173,189 | - | - | 2,068,292 |
| Equipment and furniture | 1,338,020 | 108,201 | 60,262 | - | 1,385,959 |
| Total accumulated depreciation | 3,395,473 | 301,966 | 60,262 | - | 3,637,177 |
| Total capital assets being depreciated, net | 4,564,626 | (8,058) | 921 | 14,899 | 4,570,546 |
| Total governmental activities capital assets, net | \$ 5,207,191 | \$ 12,260 | \$ 921 | \$ - | \$ 5,218,530 |

Depreciation and amortization expense of \$301,966 for the year ended June 30, 2022 was charged to the following governmental functions:

| | |
|---------------------------|-------------------|
| Secondary | \$ 290,654 |
| Custodial and maintenance | 5,920 |
| Security program | 5,392 |
| | <u>\$ 301,966</u> |

Following is a recap of the June 30, 2022 balances by generic location:

| | Secondary Programs | Custodial & Maintenance | School Administration & Business Operations | Security Program | Total |
|----------------------------|-----------------------|----------------------------|--|---------------------|---------------------|
| Land | \$ 621,646 | \$ - | \$ - | \$ - | \$ 621,646 |
| Construction in progress | 26,338 | - | - | - | 26,338 |
| Land improvements | 432,371 | - | - | - | 432,371 |
| Buildings and improvements | 6,068,635 | 7,920 | - | - | 6,076,555 |
| Equipment and furniture | 1,446,550 | 56,963 | 30,907 | 164,377 | 1,698,797 |
| | <u>\$ 8,595,540</u> | <u>\$ 64,883</u> | <u>\$ 30,907</u> | <u>\$ 164,377</u> | <u>\$ 8,855,707</u> |

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 - ACCRUED PAYROLL AND BENEFITS

Accrued payroll includes amounts due contracted teachers and other employees at June 30, 2022, which were not paid until July and August 2022, in conformity with contractual stipulations.

NOTE 6 - CHANGES IN LONG-TERM DEBT AND CURRENT MATURITIES

A summary of long-term debt is as follows:

| | Beginning Balance | Issued | Retired | Ending Balance | Amount Due Within One Year | Due in More Than One Year |
|--------------|----------------------|-------------|-------------------|---------------------|----------------------------------|---------------------------------|
| bankcda 9001 | \$ 269,797 | \$ - | \$ 37,466 | \$ 232,331 | \$ 38,735 | \$ 193,596 |
| bankcda 9002 | 26,535 | - | 3,685 | 22,850 | 3,809 | 19,041 |
| bankcda 9003 | 388,030 | - | 53,846 | 334,184 | 55,670 | 278,514 |
| bankcda 8001 | 82,426 | - | 11,446 | 70,980 | 11,834 | 59,146 |
| bankcda 8002 | 148,174 | - | 20,576 | 127,598 | 21,274 | 106,324 |
| bankcda 8003 | 423,803 | - | 58,864 | 364,939 | 60,858 | 304,081 |
| | <u>\$ 1,338,765</u> | <u>\$ -</u> | <u>\$ 185,883</u> | <u>\$ 1,152,882</u> | <u>\$ 192,180</u> | <u>\$ 960,702</u> |

NOTE 7 - LONG-TERM DEBT

| <u>Payee</u> | <u>Terms</u> | <u>Security</u> | <u>Balance June 30, 2022</u> |
|--------------|--|--|----------------------------------|
| bankcda | \$3,782.61 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4904 N. Duncan Drive 711 W. Kathleen Ave. Coeur d'Alene, ID 83815 | \$232,331 |
| bankcda | \$371.99 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4904 N. Duncan Drive Coeur d'Alene, ID 83815 | \$22,850 |
| bankcda | \$5,436.69 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive 711 W. Kathleen Ave. Coeur d'Alene, ID 83815 | \$334,184 |
| bankcda | \$1,155.53 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive Coeur d'Alene, ID 83815 | \$70,980 |
| bankcda | \$2,077.25 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive Coeur d'Alene, ID 83815 | \$127,598 |
| bankcda | \$5,942.35 per month including an interest rate of 3.10% until January 2028. | Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive Coeur d'Alene, ID 83815 | \$364,939 |

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 – LONG-TERM DEBT (CONCLUDED)

Long-term debt maturities are as follows:

| Year | Principal | Interest | Payments |
|-------------|-----------|----------|-----------|
| 2023 | 192,180 | 33,000 | 225,180 |
| 2024 | 198,152 | 27,028 | 225,180 |
| 2025 | 204,453 | 20,727 | 225,180 |
| 2026 | 210,883 | 14,297 | 225,180 |
| 2027 | 217,511 | 7,669 | 225,180 |
| 2028 | 129,703 | 1,341 | 131,044 |
| | 1,152,882 | 104,062 | 1,256,944 |

NOTE 8 – LONG-TERM LEASES PAYABLE – RIGHT-TO-USE ASSETS

The Academy entered into an agreement to lease copiers for 60 months, beginning January 29, 2020. The lease terminates December 2024. Under the terms of the lease, the Academy pays a monthly base fee of \$465.07. All lease payments are made by the general fund.

At June 30, 2022, the Academy has recognized right-to-use assets of \$27,158 and a lease liability of \$13,148 related to the right-to-use assets. During the fiscal year, the Academy recorded \$5,432 in amortization expense for the right-to-use assets. The amortization expense is allocated to secondary programs on the statement of activities. The Academy used an interest rate of 1.82% for the assets.

| | Restated | | | Balance 6/30/2022 |
|------------------------------------|----------------------|------------|-----------|----------------------|
| | Balance 6/30/2021 | Increases | Decreases | |
| Governmental activities: | | | | |
| Right-to-use assets: | | | | |
| Copiers | \$ 27,158 | \$ - | \$ - | \$ 27,158 |
| Less accumulated amortization for: | | | | |
| Copiers | 8,147 | 5,432 | - | 13,579 |
| Total right-to-use assets, net | \$ 19,011 | \$ (5,432) | \$ - | \$ 13,579 |

Future payments on the lease agreements are as follows:

| Year | Principal | Interest | Total Payments |
|-------------|-----------|----------|-------------------|
| 2023 | \$ 5,378 | \$ 203 | \$ 5,581 |
| 2024 | 5,476 | 105 | 5,581 |
| 2025 | 2,294 | 15 | 2,309 |
| | \$ 13,148 | \$ 323 | \$ 13,471 |

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description

The Coeur d'Alene Charter Academy contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Academy's contributions were \$338,327 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Academy reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension asset was based on the Academy's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the Academy's proportion was 0.07592878%.

For the year ended June 30, 2022, the Academy recognized pension revenue of \$48,833. At June 30, 2022, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 88,353 | \$ 34,857 |
| Changes in assumptions or other inputs | - | - |
| Net difference between projected and actual earnings on pension plan investments | 688,344 | 1,883,517 |
| Changes in the Academy's proportion and differences between the Academy's contributions and the Academy's proportionate contributions | 21,271 | 67,338 |
| Academy's contributions subsequent to the measurement date | 355,191 | - |
| Total | \$ 1,153,159 | \$ 1,985,712 |

\$355,191 reported as deferred outflows of resources related to pensions resulting from Academy's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 4.8 and 4.6 for the measurement period June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

| Year ended June 30: | |
|---------------------|-----------|
| 2023 | (217,222) |
| 2024 | (196,708) |
| 2025 | (400,881) |
| 2026 | 9,488 |

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|-------|
| Inflation | 2.30% |
| Salary increases** | 3.05% |
| Investment rate of return* | 6.35% |
| Cost-of-living (COLA) adjustments | 1.00% |

*net of pension plan investment expense

**there is an individual additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on the years of service.

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality rates were based on the RP - 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension asset as of June 30, 2021 is based on the results of an actuarial valuation date July 1, 2021.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2021.

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

| <u>Capital Market Assumptions from Callen 2021</u> | <u>Target Allocation</u> | <u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u> | <u>Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|---|--------------------------|---|--|
| <u>Asset Class</u> | | | |
| <u>Capital Market Assumptions from Callen 2021</u> | | | |
| Core Fixed Income | 30.00% | 1.80% | (0.02%) |
| Broad US Equities | 55.00% | 8.00% | 6.00% |
| Developed Foreign Equities | 15.00% | 8.25% | 6.25% |
| Assumed Inflation - Mean | | 2.00% | 2.00% |
| Assumed Inflation - Standard Deviation | | 1.50% | 1.50% |
| Portfolio Arithmetic Mean Return | | 6.18% | 4.18% |
| Portfolio Standard Deviation | | 12.29% | 12.29% |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | 5.55% | 3.46% |
| Assumed Investment Expenses | | 0.40% | 0.40% |
| Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses | | 5.15% | 3.06% |
| <u>Investment Policy Assumptions from PERSI November 2019</u> | | | |
| Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.14% |
| Portfolio Standard Deviation | | | 14.16% |
| <u>Economic/Demographic Assumptions from Milliman 2021</u> | | | |
| Valuation Assumptions Chosen by PERSI Board | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.05% |
| Assumed Inflation | | | 2.30% |
| Long-Term Expected Geometric Rate of Return, Net of Investment Expenses | | | 6.35% |

Discount Rate

The discount rate used to measure the total pension asset was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense

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

The following presents the Academy's proportionate share of the net pension asset calculated using the discount rate of 6.35%, as well as what the Academy's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35%) or 1-percentage-point higher (7.35%) than the current rate:

See accompanying independent auditors' report

Coeur d'Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONCLUDED)

| | 1% Decrease (5.35%) | Current Discount Rate (6.35%) | 1% Increase (7.35%) |
|--|------------------------|-------------------------------------|------------------------|
| District's proportionate share of the net pension liability (asset) | | | |
| Total Plan | \$ 2,084,580 | \$ (59,967) | \$ (1,817,895) |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At June 30, 2022, Coeur d'Alene Charter Academy reported a payable to the defined benefit pension plan of \$43,650 for legally required employer contributions on the accrued July and August payroll for certified staff.

NOTE 10 - FUND BALANCE ITEMS

Non-spendable items – balances in permanent funds and inventories that are precluded from conversion to cash. There are no non-spendable items.

Restricted items – resources restricted to a specific purpose by enabling legislation, external parties or constitutional provisions. The restrictions are as follows:

| | |
|-----------------------------------|------------|
| Restricted for technology | \$ 41,319 |
| Restricted for substance abuse | 26,486 |
| Restricted for student activities | 170,672 |
| Total restricted fund balances | \$ 238,477 |

Committed items – balances with constraints imposed by the Board of Directors that can only be changed by Board action. There are no committed items.

Assigned items – amounts intended for a specific purpose by the Board of Directors and are appropriations of existing fund balances. The Board has the following assignments as of June 30, 2022:

| | |
|----------------------------------|--------------|
| Facility improvements | \$ 1,275,773 |
| Debt retirement | 230,000 |
| Classroom textbooks and supplies | 184,000 |
| Professional development | 105,653 |
| Total assigned fund balances | \$ 1,795,426 |

All items are represented in the Maintenance & Operations Fund #100.

See accompanying independent auditors' report

Coeur d’Alene Charter Academy, Inc.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 - FUND BALANCE ITEMS (CONCLUDED)

Unassigned items – amounts available for any purpose. These items represent the remaining balances in governmental funds after other reservations. There are no unassigned items.

NOTE 11 - RISK MANAGEMENT

The Academy pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Academy 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 Academy contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

An outside insurance company protects professional liability with a \$3,000,000 liability per occurrence and a \$5,000,000 aggregate umbrella. Vehicles are also covered by the same insurance company with no deductible for comprehensive or collision. Automobile liability has a \$3,000,000 single limit of liability.

The Academy provides life, with accidental death and dismemberment insurance, as well as medical, dental and vision insurance to most employees through an insurance company.

NOTE 12 – PRIOR PERIOD ADJUSTMENT – ADOPTION OF GASB 87 and GASB 84

During the fiscal year ended June 30, 2022, the Academy implemented GASB Statement No. 87, Leases. This new standard requires the Academy to recognize a lease liability and an intangible right-to-use asset for leased assets that were previously classified as operating leases. The Academy has qualifying leases under this new Standard. The net position on June 30, 2021 has been restated to account for this change.

During the fiscal year ended June 30, 2022, the Academy implemented GASB Statement No. 84, Fiduciary Activities. The implementation of this standard requires governments to report activities associated with student clubs and activities in the financial statements as special revenue funds. The fund balance and the net position must be restated as of June 30, 2021. Fund balance and net position as of June 30, 2021 was restated to retroactively report the beginning net cash and fund balance and net position.

The restatement of net position is identified as follows:

| | |
|--|---------------------|
| Beginning net position as previously stated at June 30, 2021 | \$ 4,490,556 |
| Prior period adjustment related to GASB 87, leases | 582 |
| Prior period adjustment related to GASB 84, associated student body activities | 178,503 |
| Net position restated at June 30, 2021 | <u>\$ 4,669,641</u> |

The restatement of fund balance is identified as follows:

| | |
|--|---------------------|
| Beginning fund balance as previously stated at June 30, 2021 | \$ 1,798,740 |
| Prior period adjustment related to GASB 84, associated student body activities | 178,503 |
| Fund balance restated at June 30, 2021 | <u>\$ 1,977,243</u> |

See accompanying independent auditors' report

REQUIRED SUPPLEMENTARY INFORMATION

Coeur d'Alene Charter Academy, Inc.
SCHEDULE OF ACADEMY'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 - Fiscal Years *

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Academy's portion of the net pension liability (asset) | 0.0759288% | 0.0797332% | 0.0785743% | 0.0804339% | 0.0761426% | 0.0806130% | 0.0804288% | 0.0813738% |
| Academy's proportionate share of the net pension liability (asset) | \$ (59,967) | \$ 1,851,510 | \$ 896,904 | \$ 1,186,414 | \$ 1,196,831 | \$ 1,634,149 | \$ 1,059,116 | \$ 599,039 |
| Academy's covered-employee payroll | \$ 2,974,799 | \$ 2,839,264 | \$ 2,853,743 | \$ 2,668,702 | \$ 2,587,850 | \$ 2,406,489 | \$ 2,357,683 | \$ 2,252,790 |
| Academy's proportional share of the net pension liability (asset) as a percentage of its covered-employee payroll | -2.02% | 65.21% | 31.43% | 44.46% | 46.25% | 67.91% | 44.92% | 26.59% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 100.36% | 88.22% | 93.79% | 91.69% | 90.68% | 87.26% | 91.38% | 94.95% |

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Coeur d'Alene Charter Academy will present information for those to use for which information is available.

Data reported is measured as of June 30, 2021 (measurement date)

SCHEDULE OF ACADEMY'S CONTRIBUTIONS
Last 10 - Fiscal Years *

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 299,789 | \$ 312,826 | \$ 300,657 | \$ 312,358 | \$ 256,762 | \$ 239,632 | \$ 263,084 | \$ 264,499 |
| Contributions in relation to the statutorily required contribution | \$ (342,402) | \$ (343,362) | \$ (306,503) | \$ (296,913) | \$ (271,347) | \$ (269,275) | \$ (269,927) | \$ (253,061) |
| Contribution (deficiency) excess | \$ (42,613) | \$ (30,536) | \$ (5,846) | \$ 15,445 | \$ (14,585) | \$ (29,643) | \$ (6,843) | \$ 11,437 |
| Academy's covered-employee payroll | \$ 2,974,799 | \$ 2,839,264 | \$ 2,853,743 | \$ 2,668,702 | \$ 2,587,850 | \$ 2,406,489 | \$ 2,357,683 | \$ 2,252,790 |
| Contributions as a percentage of covered-employee payroll | 11.51% | 12.09% | 10.74% | 11.13% | 10.49% | 11.19% | 11.45% | 11.23% |

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Coeur d'Alene Charter Academy will present information for those to use for which information is available.

Data reported is measured as of June 30, 2021 (measurement date)

Coeur d'Alene Charter Academy, Inc.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|--------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Interest income | \$ 5,000 | \$ 5,000 | \$ 6,263 | \$ 1,263 |
| Other local revenue | 171,000 | 186,000 | 221,997 | 35,997 |
| State assistance and reimbursements | 4,723,974 | 4,723,974 | 4,705,036 | (18,938) |
| Title programs and other federal revenues | - | - | - | - |
| Total revenues | <u>4,899,974</u> | <u>4,914,974</u> | <u>4,933,296</u> | <u>18,322</u> |
| EXPENDITURES: | | | | |
| Instruction programs: | | | | |
| Secondary programs | 2,998,807 | 3,005,338 | 2,878,501 | (126,837) |
| Exceptional Child Programs | 44,995 | 44,995 | 26,083 | (18,912) |
| Interscholastic & school activity programs | 119,449 | 119,449 | 102,155 | (17,294) |
| Total instruction programs | <u>3,163,251</u> | <u>3,169,782</u> | <u>3,006,739</u> | <u>(163,043)</u> |
| Support services programs: | | | | |
| Attendance, guidance and health program | 145,841 | 145,841 | 138,904 | (6,937) |
| Special education support services program | 5,000 | 15,000 | - | (15,000) |
| Instructional improvement program | - | 70,000 | 6,325 | (63,675) |
| Instructional related technology program | - | - | - | - |
| School administration program | 576,037 | 590,888 | 570,177 | (20,711) |
| General administrative services | - | - | 50 | 50 |
| Business operations program | 341,770 | 353,962 | 317,031 | (36,931) |
| Custodial and maintenance program | 369,177 | 379,559 | 333,795 | (45,764) |
| Security and safety program | 6,000 | 6,000 | 5,140 | (860) |
| Transportation program | 5,000 | 5,000 | 469 | (4,531) |
| Total support services programs | <u>1,448,825</u> | <u>1,566,250</u> | <u>1,371,891</u> | <u>(194,359)</u> |
| Non-instruction enterprise operations | 40,000 | 55,000 | 64,483 | 9,483 |
| Capital asset program | - | 20,000 | 10,000 | (10,000) |
| Debt service program: | | | | |
| Principal retirement | 180,000 | 187,000 | 191,164 | 4,164 |
| Interest | 50,000 | 43,000 | 39,566 | (3,434) |
| Total debt service program | <u>230,000</u> | <u>230,000</u> | <u>230,730</u> | <u>730</u> |
| Total expenditures | <u>4,882,076</u> | <u>5,041,032</u> | <u>4,683,843</u> | <u>(357,189)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 17,898 | (126,058) | 249,453 | 375,511 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 14,029 | 14,029 | 8,291 | (5,738) |
| Transfers out | (1,213,424) | (1,286,693) | (101,040) | 1,185,653 |
| Contingency reserve | (240,000) | (240,000) | - | 240,000 |
| Total other financing sources (uses) | <u>(1,439,395)</u> | <u>(1,512,664)</u> | <u>(92,749)</u> | <u>1,419,915</u> |
| NET CHANGE IN FUND BALANCES | <u>(1,421,497)</u> | <u>(1,638,722)</u> | <u>156,704</u> | <u>1,795,426</u> |
| FUND BALANCES, beginning | <u>1,421,497</u> | <u>1,638,722</u> | <u>1,638,722</u> | <u>-</u> |
| FUND BALANCES, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,795,426</u> | <u>\$ 1,795,426</u> |

Coeur d'Alene Charter Academy, Inc.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt services, and capital project funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund, special revenue funds, and debt service funds. This is in conformance with Idaho State Statutes which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- The Academy publishes a proposed budget for public review.
- Public hearings are set for comments.
- Prior to July 1, the budget is adopted by resolution of the Board of Directors and published.
- The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the fund level.

During the fiscal year ended June 30, 2022, the budget was amended to reflect revised revenue and expense estimates. The amendment was properly approved by the Board of Directors.

Lapsing of Appropriations – At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

FINANCIAL SECTION
OTHER SUPPLEMENTARY INFORMATION

Coeur d'Alene Charter Academy, Inc.
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2022

| | Technology Fund | Substance Abuse Fund | ESSER II (CRRSA) Fund | IDEA Part B Fund | COVID Fund | Associated Student Body Activity Fund | Total |
|--|----------------------------|-------------------------------------|--------------------------------------|---------------------------------|-----------------------|--|-------------------|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 41,319 | \$ 26,486 | \$ - | \$ - | \$ - | \$ 170,862 | \$ 238,667 |
| Receivables | - | - | 37,596 | 11,722 | - | - | 49,318 |
| Total assets | <u>\$ 41,319</u> | <u>\$ 26,486</u> | <u>\$ 37,596</u> | <u>\$ 11,722</u> | <u>\$ -</u> | <u>\$ 170,862</u> | <u>\$ 287,985</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 664 | \$ - | \$ 190 | \$ 854 |
| Due to other funds | - | - | 37,596 | 11,058 | - | - | 48,654 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>37,596</u> | <u>11,722</u> | <u>-</u> | <u>190</u> | <u>49,508</u> |
| FUND BALANCES | | | | | | | |
| Restricted | 41,319 | 26,486 | - | - | - | 170,672 | 238,477 |
| Total fund balances | <u>41,319</u> | <u>26,486</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>170,672</u> | <u>238,477</u> |
| Total liabilities and fund balances | <u>\$ 41,319</u> | <u>\$ 26,486</u> | <u>\$ 37,596</u> | <u>\$ 11,722</u> | <u>\$ -</u> | <u>\$ 170,862</u> | <u>\$ 287,985</u> |

Coeur d'Alene Charter Academy, Inc.
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

| | Technology Fund | Substance Abuse Fund | ESSER II (CRRSA) Fund | IDEA Part B Fund | COVID Fund | Associated Student Body Activity Fund | Total |
|--|--------------------|----------------------------|-----------------------------|------------------------|----------------|---|-------------------|
| REVENUES | | | | | | | |
| Other local revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 157,433 | \$ 157,433 |
| State assistance and reimbursements | 77,672 | 9,185 | - | - | - | - | 86,857 |
| Federal funds | - | - | 168,174 | 11,722 | 100,223 | - | 280,119 |
| Total revenues | <u>77,672</u> | <u>9,185</u> | <u>168,174</u> | <u>11,722</u> | <u>100,223</u> | <u>157,433</u> | <u>524,409</u> |
| EXPENDITURES | | | | | | | |
| Instruction programs: | | | | | | | |
| Secondary program | - | - | 130,278 | - | 64,028 | - | 194,306 |
| Special education programs | - | - | - | 392 | - | - | 392 |
| Interscholastic and school activity programs | - | - | 151 | - | 990 | 153,699 | 154,840 |
| Total instruction programs | <u>-</u> | <u>-</u> | <u>130,429</u> | <u>392</u> | <u>65,018</u> | <u>153,699</u> | <u>349,538</u> |
| Support services programs: | | | | | | | |
| Attendance, guidance and health programs | - | - | 6,530 | - | 1,842 | - | 8,372 |
| Special education support services program | - | - | - | 11,330 | - | - | 11,330 |
| Instructional related technology program | 16,932 | - | - | - | - | - | 16,932 |
| School administrative program | - | - | 14,027 | - | 14,435 | - | 28,462 |
| Business operations program | - | - | 9,735 | - | 9,519 | - | 19,254 |
| Custodial and maintenance program | - | - | 7,453 | - | 9,409 | - | 16,862 |
| Security and safety program | - | 3,862 | - | - | - | - | 3,862 |
| Total support services programs | <u>16,932</u> | <u>3,862</u> | <u>37,745</u> | <u>11,330</u> | <u>35,205</u> | <u>-</u> | <u>105,074</u> |
| Capital asset program | 113,730 | 3,855 | - | - | - | 11,565 | 129,150 |
| Total expenditures | <u>130,662</u> | <u>7,717</u> | <u>168,174</u> | <u>11,722</u> | <u>100,223</u> | <u>165,264</u> | <u>583,762</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (52,990) | 1,468 | - | - | - | (7,831) | (59,353) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | (8,291) | - | - | - | - | - | (8,291) |
| Total other financing sources (uses) | <u>(8,291)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(8,291)</u> |
| NET CHANGE IN FUND BALANCES | (61,281) | 1,468 | - | - | - | (7,831) | (67,644) |
| FUND BALANCES, beginning - restated | 102,600 | 25,018 | - | - | - | 178,503 | 306,121 |
| FUND BALANCES, ending | <u>\$ 41,319</u> | <u>\$ 26,486</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 170,672</u> | <u>\$ 238,477</u> |

Coeur d'Alene Charter Academy, Inc.
SCHEDULE OF CHANGES IN DEPOSIT BALANCES
OF ASSOCIATED STUDENT BODY ACTIVITIES
For the Year Ended June 30, 2022

| Activity | Cash | | | Transfers | Cash |
|-------------------------|----------------------|-------------------|----------------------|------------------|----------------------|
| | June 30, 2021 | Receipts | Disbursements | | June 30, 2022 |
| Academic team | \$ 2,363 | \$ - | \$ 93 | \$ - | \$ 2,270 |
| Art club | 606 | - | - | - | 606 |
| Associated student body | 4,429 | 3,133 | 4,045 | - | 3,517 |
| Band | 29,360 | 21,463 | 25,970 | - | 24,853 |
| Basketball | 1,000 | - | - | - | 1,000 |
| Bookstore | 4,361 | 82 | - | - | 4,443 |
| Boys soccer | 3,863 | 5,473 | 3,359 | - | 5,977 |
| Chess | 405 | - | - | - | 405 |
| Choir | 6,867 | 6,648 | 7,537 | - | 5,978 |
| Civics programs | 252 | - | - | - | 252 |
| Drama | 25,537 | 17,825 | 25,909 | - | 17,453 |
| French/SFS | 733 | 4,072 | 4,072 | - | 733 |
| Girls soccer | 11,767 | 19,519 | 21,746 | - | 9,540 |
| International travel | 4,152 | - | - | - | 4,152 |
| Journalism/Yearbook | 35,191 | 26,971 | 21,862 | - | 40,300 |
| Latin | 46 | - | - | - | 46 |
| Miscellaneous | 18,307 | 964 | - | - | 19,271 |
| NHS | 622 | 615 | 734 | - | 503 |
| Outdoor Club | 890 | - | - | - | 890 |
| Science club | 582 | - | - | - | 582 |
| Ski club | 2,798 | 6,902 | 8,126 | - | 1,574 |
| Spanish | 816 | - | - | - | 816 |
| Speech and debate | 4,194 | 1,515 | 4,160 | - | 1,549 |
| Staff sunshine | 498 | 530 | 663 | - | 365 |
| Tennis | 871 | 3,377 | 3,465 | - | 783 |
| Track | 5,774 | 4,695 | 3,265 | - | 7,204 |
| Trail creek | 3,898 | 14,990 | 14,815 | - | 4,073 |
| Volleyball | 4,458 | 1,235 | 3,300 | - | 2,393 |
| Washington DC trips | - | - | - | - | - |
| Writing symposium | 926 | - | - | - | 926 |
| X-Country | 2,119 | 1,351 | 1,088 | - | 2,382 |
| Senior Class | 661 | 5,711 | 3,861 | - | 2,511 |
| Junior Class | 66 | 100 | - | - | 166 |
| Sophomore Class | 3 | 100 | 91 | - | 12 |
| Freshman Class | - | - | - | - | - |
| 8th Grade | 70 | 100 | - | - | 170 |
| 7th Grade | 18 | - | - | - | 18 |
| Model UN | - | 3,410 | 2,120 | - | 1,290 |
| 6th Grade | - | 1,464 | 1,447 | - | 17 |
| Archery Club | - | 5,188 | 3,536 | - | 1,652 |
| | <u>\$ 178,503</u> | <u>\$ 157,433</u> | <u>\$ 165,264</u> | <u>\$ -</u> | <u>\$ 170,672</u> |

REPORT REQUIRED BY GAO

ANDERSONBROS.CPA

TAX, ASSURANCE, ACCOUNTING, ADVISORY

Office (208) 777-1099 Fax (202) 773-5108
1810 E. Schneidmiller Ave, Ste 310
Post Falls, ID 83854

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

To the Board of Directors
Coeur d'Alene Charter Academy, Inc.
Coeur d'Alene, ID 83814

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coeur d'Alene Charter Academy, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coeur d'Alene Charter Academy, Inc.'s basic financial statements and have issued our report thereon dated October 25, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Anderson Bros. CPAs
Post Falls, Idaho
October 25, 2022