

# COEUR D'ALENE CHARTER ACADEMY, INC.

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2016

*Prepared By*

*Anderson*  
**BROS. CPA's, P.A.**

1810 E Schneidmiller Ave. Ste. 310  
Post Falls, Idaho 83854  
208-777-1099 (phone) 208-773-5108 (fax)

**Coeur d’Alene Charter Academy, Inc.**

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FINANCIAL SECTION  
INDEPENDENT AUDITORS' REPORT



1810 E Schneidmiller Ave. Ste. 310  
Post Falls, Idaho 83854  
208-777-1099 (phone) 208-773-5108 (fax)

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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, 2016, 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.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

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, 2016, 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.

## **Other Matters**

### *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 budgetary comparison information on pages 3-8 and 33-35 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.

### *Other 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 combining nonmajor fund financial statements and agency funds – schedule of changes in deposit balances of student body funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the agency funds – schedule of changes in deposit balances of student body funds 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. Such 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 agency funds – schedule of changes in deposit balances of student body 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 13, 2016 on our consideration of Coeur d'Alene Charter Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coeur d'Alene Charter Academy, Inc.'s internal control over financial reporting and compliance.



Anderson Bros. CPA's, P.A.  
Post Falls, Idaho  
October 13, 2016

FINANCIAL SECTION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

# **Coeur d'Alene Charter Academy, Inc.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2016**

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, 2016.

### **FINANCIAL HIGHLIGHTS**

- Due to a stable student population, generous local donors, and a slowly improving economy our revenues continued rising and were up 11.6% over the previous year (expenses increased at a slower pace of 8.8%).
- Increased revenues, borrowed funds and healthy fund balances allowed us to complete our largest building project in history. We were also able to substantially improve security and safety equipment.
- New reporting requirements (GASB 68 Accounting and Financial Reporting for Pensions) substantially altered the reporting requirements of government sub-units beginning with the fiscal year ended 2015. Fluctuations in the values reported annually by this requirement will have a significant impact on reported results.

### **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.

### **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).

# Coeur d'Alene Charter Academy, Inc.

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2016

### OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

#### Government-wide Statements (Continued)

- 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. The Academy excludes these activities from government-wide statements because they cannot be used for its operations.



# Coeur d'Alene Charter Academy, Inc.

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2016

### FINANCIAL ANALYSIS

#### Net Position

One indicator of the Academy's financial state is net position. Assets exceeded liabilities by \$2,192,092 as of June 30, 2016. This represented a 34.8% increase in net position over last year. The net increase is due to significant increases in capital assets and deferred outflows of resources, increases in total liabilities, and decreases in deferred outflows of resources, see schedule below. Table 1 provides a summary of the Academy's net position.

**Table 1**  
**Statements of Net Position**  
**June 30, 2016 and 2015**

	<u>2016</u>	<u>Restated 2015</u>
<b>ASSETS</b>		
Current and other assets	\$ 1,287,361	\$ 1,391,874
Capital assets, net of accumulated depreciation	4,715,258	3,785,368
Total assets	<u>6,002,619</u>	<u>5,177,242</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>696,485</u>	<u>304,881</u>
<b>LIABILITIES</b>		
Long-term liabilities outstanding	2,305,146	1,974,089
Net pension liability	1,059,116	599,039
Other liabilities	459,605	457,950
Total liabilities	<u>3,823,867</u>	<u>3,031,078</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>683,145</u>	<u>824,647</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,410,112	1,811,279
Restricted	4,549	51,076
Unrestricted	(222,569)	(235,957)
Total net position	<u>\$ 2,192,092</u>	<u>\$ 1,626,398</u>

# Coeur d'Alene Charter Academy, Inc.

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2016

### FINANCIAL ANALYSIS (CONTINUED)

#### Changes in Net Position

Table 2 shows the changes in net position for the fiscal year ended 2016. Total revenues exceeded expenses by \$565,694. The net change over last year is attributed to an increase in revenues of \$480,800 and an increase in expenses of \$326,274. 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, 2016 and 2015**

	<u>2016</u>	<u>Restated 2015</u>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 97,597	\$ 82,763
Operating & capital grants and contributions	122,346	10,219
General revenues:		
State revenues	4,168,807	3,944,518
Other local support	216,732	87,092
Interest and investment earnings	5,196	5,286
Total revenues	<u>4,610,678</u>	<u>4,129,878</u>
<b>EXPENSES</b>		
Instructional services	2,734,822	2,629,231
Support services	1,000,290	915,960
Non-instruction	29,454	26,626
Interest on long-term debt	85,317	80,258
Defined benefit plan (revenue) expense	195,101	66,635
Total expenses	<u>4,044,984</u>	<u>3,718,710</u>
<b>CHANGES IN NET POSITION</b>	<u>\$ 565,694</u>	<u>\$ 411,168</u>

**Coeur d'Alene Charter Academy, Inc.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2016**

**FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Funds**

The Academy completed the year with a total governmental fund balance of \$827,756 which is a decrease from the prior year fund balance by \$106,168, or 11.9%. The change is largely a result of a substantial investment in capital assets represented in Table 3.

**Table 3  
Statements of Revenues, Expenditures  
and Changes in Fund Balance-Governmental Funds  
For the Years Ending June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Total % Change</u>
<b>REVENUES</b>			
Interest	\$ 5,196	\$ 5,286	-1.70%
Other local revenue	314,329	169,855	85.06%
State support	4,253,777	3,944,518	7.84%
Title programs and other federal revenues	37,376	10,219	265.75%
Total revenues	<u>4,610,678</u>	<u>4,129,878</u>	<u>11.64%</u>
<b>EXPENDITURES</b>			
Instructional services	2,736,782	2,670,181	2.49%
Support services	1,050,250	975,479	7.67%
Non-instruction	29,454	26,626	10.62%
Capital asset program	1,146,100	185,232	518.74%
Debt service (P&I)	254,260	238,513	6.60%
Total expenditures	<u>5,216,846</u>	<u>4,096,031</u>	<u>27.36%</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt	500,000	-	100.00%
Transfers in	759,709	119,430	536.11%
Transfers out	<u>(759,709)</u>	<u>(119,430)</u>	<u>-536.11%</u>
Total other financing sources (uses)	<u>500,000</u>	<u>-</u>	<u>100.00%</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (106,168)</u>	<u>\$ 33,847</u>	<u>413.67%</u>

**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. Revenue received by the State is largely based on those figures. The budget for 2015-2016 was amended in March 2016 and had a few minor amendments in the remainder of the year.

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 spending, improving revenues and the investment in capital expenditures.

# **Coeur d'Alene Charter Academy, Inc.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2016**

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

#### **Capital Assets**

An overview of capital asset changes for the fiscal year is contained in note 4 on page 24 (notes to financial statements). The changes are a result of the net effect of depreciation and the completion of a building construction project. Total capital assets, after accumulated depreciation, at the end of the fiscal year are \$4,715,258.

#### **Long-Term Debt**

Six notes are currently held by bankcda on Academy real property (note 6, pg 25 & 26). Five were renegotiated in January 2011 to reduce the interest rates to 3.85%, with the balance due in January 2021. All other terms were unchanged. A new construction note was executed on July 29, 2015 at a rate of 3.35% and will be due in July 2021. No prepayment penalty applies to the six notes. 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 a steady recovery from the recession and there appears to be a political interest in restoring education funding to pre-recession levels. There is still some uncertainty and 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 remain steady. State funding should improve with expected state revenue projections.
- Health reform and continued political change on the federal and state level will continue to drive a major part of the future revenues and expenses of the Academy.

### **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 [gmabile@cdacharter.org](mailto:gmabile@cdacharter.org).

FINANCIAL SECTION  
BASIC FINANCIAL STATEMENTS

# Coeur d'Alene Charter Academy

## STATEMENT OF NET POSITION

June 30, 2016

### ASSETS

Cash and cash equivalents	\$ 1,170,514
Receivables	111,945
Prepaid expenses	4,902
Capital assets not being depreciated	621,646
Capital assets, net of accumulated depreciation	<u>4,093,612</u>
Total assets	<u>6,002,619</u>

### DEFERRED OUTFLOWS OF RESOURCES

PERSI pension plan	<u>696,485</u>
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### LIABILITIES

Accounts Payable	19,500
Accrued payroll and benefits	386,405
Deposits	53,700
Noncurrent liabilities:	
Due within one year	181,713
Due in more than one year	2,123,433
Net pension liability	<u>1,059,116</u>
Total liabilities	<u>3,823,867</u>

### DEFERRED INFLOWS OF RESOURCES

PERSI pension plan	<u>683,145</u>
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### NET POSITION

Net investment in capital assets	2,410,112
Restricted	4,549
Unrestricted	<u>(222,569)</u>
Total Net Position	<u>\$ 2,192,092</u>

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

**Coeur d'Alene Charter Academy**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016**

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating	Capital	Revenue and
			Grants and Contributions	Grants & Contributions	Changes in
Governmental Activities					Net Position
					Governmental
					Activities
Instruction programs:					
Secondary program	\$ 2,594,320	\$ 97,597	\$ -	\$ 84,970	\$ (2,411,753)
Exceptional child program	55,240	-	-	-	(55,240)
Interscholastic & school activity program	85,262	-	-	-	(85,262)
Support services programs:					
Attendance-guidance-health program	146,793	-	-	-	(146,793)
Special education support services program	14,391	-	37,376	-	22,985
Instructional related technology program	4,699	-	-	-	(4,699)
School administration program	346,763	-	-	-	(346,763)
Business operations program	198,916	-	-	-	(198,916)
Custodial and maintenance program	286,183	-	-	-	(286,183)
Security and safety program	2,153	-	-	-	(2,153)
Transportation program	392	-	-	-	(392)
Non-instruction enterprise operations	29,454	-	-	-	(29,454)
Interest on long-term debt	85,317	-	-	-	(85,317)
Defined benefit plan (revenue) expense	195,101	-	-	-	(195,101)
Total Governmental Activities	<u>\$ 4,044,984</u>	<u>\$ 97,597</u>	<u>\$ 37,376</u>	<u>\$ 84,970</u>	<u>\$ (3,825,041)</u>

General revenues:	
State revenue	4,168,807
Other local support	216,732
Interest and investment earnings	5,196
Total general revenues	<u>4,390,735</u>
Change in Net Position	565,694
Net position - July 1, 2015	1,912,882
Prior period adjustment	(286,484)
Net position - June 30, 2016	<u>\$ 2,192,092</u>

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

## Coeur d'Alene Charter Academy

### BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2016

	General Fund	Non-Major Special Revenue Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,164,130	\$ 6,384	\$ 1,170,514
Due from other funds	35,037	-	35,037
Receivables	76,908	35,037	111,945
Prepaid expenses	4,902	-	4,902
Total assets	\$ 1,280,977	\$ 41,421	\$ 1,322,398
<b>LIABILITIES</b>			
Accounts payable	\$ 17,665	1,835	\$ 19,500
Accrued payroll and benefits	386,405	-	386,405
Due to other funds	-	35,037	35,037
Deposits	53,700	-	53,700
Total liabilities	457,770	36,872	494,642
<b>FUND BALANCES</b>			
Non-spendable	4,902	-	4,902
Restricted	-	4,549	4,549
Assigned	818,305	-	818,305
Total fund balances	823,207	4,549	827,756
Total liabilities and fund balances	\$ 1,280,977	\$ 41,421	\$ 1,322,398

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



## Coeur d'Alene Charter Academy

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

June 30, 2016

Total fund balances at June 30, 2016 - Governmental Funds		\$ 827,756
Cost of capital assets at June 30, 2016	\$ 7,277,308	
Less: Accumulated depreciation as of June 30, 2016		
Buildings	(1,184,043)	
Equipment and furniture	(1,290,738)	
Land improvements	<u>(87,269)</u>	4,715,258
Deferred outflows of resources-PERSI pension plan		696,485
Long-term liabilities at June 30, 2016:		
Long-term debt payable		(2,305,146)
Net pension liability		(1,059,116)
Deferred inflows of resources-PERSI pension plan		<u>(683,145)</u>
Net position of governmental activities at June 30, 2016		<u><u>\$ 2,192,092</u></u>

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

**Coeur d'Alene Charter Academy**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2016**

	General Fund	Capital Projects Fund	* Plant Facilities Lottery Fund	Non-Major Special Revenue Funds	Total
<b>REVENUES</b>					
Interest income	\$ 5,196	\$ -	\$ -	\$ -	\$ 5,196
Other local revenue	174,329	140,000	-	-	314,329
State assistance and reimbursements	4,157,769	-	42,267	53,741	4,253,777
Title programs and other federal revenues	2,339	-	-	35,037	37,376
Total revenues	<u>4,339,633</u>	<u>140,000</u>	<u>42,267</u>	<u>88,778</u>	<u>4,610,678</u>
<b>EXPENDITURES</b>					
Instruction programs:					
Secondary programs	2,593,802	-	-	-	2,593,802
Exceptional child programs	32,076	-	-	23,164	55,240
Interscholastic & school activity programs	87,740	-	-	-	87,740
Total instruction programs	<u>2,713,618</u>	<u>-</u>	<u>-</u>	<u>23,164</u>	<u>2,736,782</u>
Support services programs:					
Attendance, guidance and health program	159,414	-	-	-	159,414
Special services program	6,624	-	-	11,873	18,497
Instructional related technology program	-	-	-	4,699	4,699
School administration program	371,379	-	-	-	371,379
Business operations program	213,439	-	-	-	213,439
Custodial and maintenance program	280,277	-	-	-	280,277
Security and safety program	2,153	-	-	-	2,153
Transportation program	392	-	-	-	392
Total support services programs	<u>1,033,678</u>	<u>-</u>	<u>-</u>	<u>16,572</u>	<u>1,050,250</u>
Non-instruction enterprise operations	29,454	-	-	-	29,454
Capital asset program	128,555	889,542	76,379	51,624	1,146,100
Debt service program:					
Principal retirement	168,943	-	-	-	168,943
Interest	85,317	-	-	-	85,317
Total debt service program	<u>254,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,260</u>
Total expenditures	<u>4,159,565</u>	<u>889,542</u>	<u>76,379</u>	<u>91,360</u>	<u>5,216,846</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	180,068	(749,542)	(34,112)	(2,582)	(606,168)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	500,000	-	-	-	500,000
Transfers in	10,000	749,542	167	-	759,709
Transfers out	(749,709)	-	-	(10,000)	(759,709)
Total other financing sources (uses)	<u>(239,709)</u>	<u>749,542</u>	<u>167</u>	<u>(10,000)</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(59,641)</u>	<u>-</u>	<u>(33,945)</u>	<u>(12,582)</u>	<u>(106,168)</u>
<b>FUND BALANCES, beginning PRIOR PERIOD ADJUSTMENT</b>	893,067	-	33,945	17,131	944,143
<b>FUND BALANCES, ending</b>	<u>\$ 823,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,549</u>	<u>\$ 827,756</u>

\* Not a major fund

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

## Coeur d'Alene Charter Academy

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2016

Total net changes in fund balances for the year ended June 30, 2016	\$ (106,168)
Add: Capital outlay which is considered expenditures	1,146,100
Less: Depreciation expense for the year ended June 30, 2016	(216,210)
Add: Current year PERSI contributions	268,130
Add: Defined benefit plan expense	(195,101)
Less: Other financing source revenue	(500,000)
Add: Loan payments considered as an expenditure	168,943
Change in net position of governmental activities for the year ended June 30, 2016	<u>\$ 565,694</u>

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

**Coeur d'Alene Charter Academy**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2016**

	<b>Expendable Building Trust Fund</b>	<b>Expendable Scholarship Trust Fund</b>	<b>Student Body Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 57,617	\$ 37,425	\$ 103,274
Total assets	<u>57,617</u>	<u>37,425</u>	<u>103,274</u>
<b>LIABILITIES</b>			
Due to student groups	-	-	103,274
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 103,274</u>
<b>NET POSITION</b>			
Held in trust	<u>\$ 57,617</u>	<u>\$ 37,425</u>	

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

**Coeur d'Alene Charter Academy**

**STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS**

**For the Year Ended June 30, 2016**

	<b>Expendable Building Trust Fund</b>	<b>Expendable Scholarship Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Contributions	\$ 45,001	\$ 17,160
Interest earnings	187	88
Total additions	<u>45,188</u>	<u>17,248</u>
 <b>DEDUCTIONS</b>		
Contribution expense	145,000	-
Auction expenses	2,969	-
Scholarships	-	6,500
Total deductions	<u>147,969</u>	<u>6,500</u>
 <b>CHANGE IN NET POSITION</b>	 (102,781)	 10,748
 <b>NET POSITON, beginning of year</b>	 <u>160,398</u>	 <u>26,677</u>
 <b>NET POSITION, end of year</b>	 <u>\$ 57,617</u>	 <u>\$ 37,425</u>

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

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### 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.

#### A. 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:

#### B. 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.

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

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Fund Accounting (Continued)

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.

*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.

*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 agency and trust funds. The trust funds are an expendable building fund and a scholarship fund maintained and distributed by the Academy. The agency fund accounts for assets held by the Academy as an agent for school organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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.

#### C. 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.

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Basis of Presentation (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.

#### D. 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.



# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Basis of Accounting (continued)

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.

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.

#### E. 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, 2016, investments were limited to money market accounts and certificates of deposit.

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.

#### F. 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:

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Capital Assets (continued)**

<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

**G. 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.

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.

**H. 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.

**I. 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, however they have chosen to net them with deferred inflows of resources on the statement of financial position. Note 7 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.

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Deferred Outflows/Inflows of Resources (continued)

The item is associated with the pension base plan. See Note 7 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.

#### J. Net Position Flow Assumption

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are 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. 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.

#### K. 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.

#### L. 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.

# **Coeur d'Alene Charter Academy, Inc.**

## **NOTES TO THE FINANCIAL STATEMENTS June 30, 2016**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **M. 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.

#### **N. Extraordinary and Special Items**

Extraordinary items are transactions that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Directors and that are either unusual in nature or infrequent in occurrence. Neither type of transactions occurred during the fiscal year ended June 30, 2016.

#### **O. 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.

#### **P. 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.

### **NOTE 2: CASH AND CASH EQUIVALENTS**

The carrying amount of the Academy's deposits with financial institutions was \$1,368,830 and the bank balance was \$1,378,802. Investments of the Academy are funds held by bankcda, Mountain West Bank, and INB.

Market value materially approximates cost at June 30, 2016. 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.

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)**

*Deposits without exposure to custodial credit risk:*

Amount insured by FDIC or other agencies	\$ 778,320
Amount collateralized with securities held in trust, but not in the Academy's name	600,482
Total deposits without exposure to custodial credit risk	<u>1,378,802</u>

*Deposits with exposure to custodial credit risk:*

Amounts uninsured/uncollateralized-exposed to custodial credit risk	-
Total bank balance (deposits)	<u>\$ 1,378,802</u>

The carrying amount is displayed as follows in the financial statements

Statement of net position (page 8)	\$ 1,170,514
Statement of net position - fiduciary funds (page 14)	
Expendable building trust	57,617
Expendable scholarship trust	37,425
Student body agency funds	103,274
Total carrying amount	<u>\$ 1,368,830</u>

**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, 2016.

**NOTE 4: CAPITAL ASSETS**

Following is a recap of capital assets for the fiscal year ended June 30, 2016:

	Balance 6/30/2015	Increases	Decreases	Transfers	Balance 6/30/2016
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 621,646	\$ -	\$ -		\$ 621,646
Construction in progress	210,249	-	-	(210,249)	-
Total capital assets, not being depreciated	<u>831,895</u>	-	-	(210,249)	621,646
Capital assets being depreciated:					
Land improvements	303,722	-	-		303,722
Buildings and improvements	3,598,518	965,921	-	210,249	4,774,688
Equipment and furniture	1,397,073	180,179	-		1,577,252
Total capital assets being depreciated	<u>5,299,313</u>	1,146,100	-	210,249	6,655,662
Less accumulated depreciation for:					
Land improvements	76,675	10,594	-	-	87,269
Buildings and improvements	1,081,418	102,625	-	-	1,184,043
Equipment and furniture	1,187,747	102,991	-	-	1,290,738
Total accumulated depreciation	<u>2,345,840</u>	216,210	-	-	2,562,050
Total capital assets being depreciated, net	<u>2,953,473</u>	929,890	-	210,249	4,093,612
Total governmental activities capital assets, net	<u>\$ 3,785,368</u>	\$ 929,890	\$ -	\$ -	\$ 4,715,258

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

Depreciation expense of \$216,210 for the year ended June 30, 2016 was charged to the following governmental functions:

Institutional Services:	
Secondary	\$ 198,428
School administration	591
Custodial and maintenance	<u>17,191</u>
	<u><u>\$ 216,210</u></u>

Following is a recap of the June 30, 2016 balances by generic location:

	Secondary	Custodial & Maintenance	Administration and Other	Total
Land	\$ 621,646	\$ -	\$ -	\$ 621,646
Construction in progress	-	-	-	-
Land improvements	303,722	-	-	303,722
Buildings and improvements	4,774,688	-	-	4,774,688
Equipment and furniture	1,318,446	187,722	71,084	1,577,252
	<u>\$ 7,018,502</u>	<u>\$ 187,722</u>	<u>\$ 71,084</u>	<u>\$ 7,277,308</u>

**NOTE 5: ACCRUED PAYROLL AND BENEFITS**

Accrued payroll includes amounts due contracted teachers and other employees at June 30, 2016, which were not paid until July and August 2016, in conformity with contractual stipulations.

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

<u>Pavee</u>	<u>Terms</u>	<u>Security</u>	<u>2016</u>
bankcda	\$8,826.20 per month including an interest rate of 3.85% until January 2021 at which time the balance of \$292,506.52 is due.	Real property located at: 4904 N. Duncan Drive Coeur d'Alene, ID 83815  4916 N. Duncan Drive Coeur d'Alene, ID 83815	\$682,101
bankcda	\$2,814.49 per month including an interest rate of 3.85% until January 2021 at which time the of \$30,465.13 is due.	Real property located at: 4904 N. Duncan Drive Coeur d'Alene, ID 83815 balance	\$164,954
bankcda	\$3,435.63 per month including an interest rate of 3.85% until January 2021 at which time the \$412,858.09 is due.	Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive balance of Coeur d'Alene, ID 83815	\$515,304

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 6: CHANGES IN LONG-TERM DEBT AND CURRENT MATURITIES (CONTINUED)**

<u>Pavee</u>	<u>Terms</u>	<u>Security</u>	<u>2016</u>
bankcda	\$2,263.52 per month including an interest rate of 3.85% until January 2021 at which time the \$89,021.51 is due.	Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive balance of Coeur d'Alene, ID 83815	\$186,621
bankcda	\$2,571.88 per month including an interest rate of 3.85% until June 2021 at which time the \$148,366.47 is due.	Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive balance of Coeur d'Alene, ID 83815	\$260,201
bankcda	\$2,217.02 per month including an interest rate of 3.35% until July 2021 at which time the \$442,912.66 is due.	Real property located at: 4921 N. Duncan Drive 4904 N. Duncan Drive balance of Coeur d'Alene, ID 83815	\$495,965

A summary of long-term debt is as follows:

	<b>Beginning</b>			<b>Ending</b>	<b>Amount Due</b>
	<b>Balance</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance</b>	<b>Within One</b>
					<b>Year</b>
bankcda 9001	\$ 759,818	\$ -	\$ 77,717	\$ 682,101	\$ 80,760
bankcda 9002	191,739	-	26,785	164,954	28,144
bankcda 9003	535,920	-	20,616	515,304	21,498
bankcda 8001	206,106	-	19,485	186,621	20,489
bankcda 8002	280,506	-	20,305	260,201	20,910
bankcda 8003	-	500,000	4,035	495,965	9,912
	<u>\$ 1,974,089</u>	<u>\$ 500,000</u>	<u>\$ 168,943</u>	<u>\$ 2,305,146</u>	<u>\$ 181,713</u>

Long-term debt maturities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 181,713	\$ 83,832	\$ 265,545
2018	188,484	77,061	265,545
2019	195,920	69,625	265,545
2020	203,608	61,937	265,545
2021	1,092,508	40,271	1,132,779
2022	442,913	1,236	444,149
	<u>\$ 2,305,146</u>	<u>\$ 333,962</u>	<u>\$ 2,639,108</u>

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 7: 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](http://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.

Employee membership data related to the PERSI Base Plan as of June 30, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	42,657
Terminated employees entitled to but not yet receiving benefits	11,859
Active plan members	<u>67,008</u>
	<u>121,524</u>

#### 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.



**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The Academy's contributions were \$266,890 for the year ended June 30, 2016.

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

At June 30, 2016, the Academy reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension liability 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, 2015, the Academy's proportion was 0.0804288 percent.

For the year ended June 30, 2016, the Academy recognized pension expense of \$195,101. At June 30, 2016, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 389,784	\$ 126,965
Changes in assumptions or other inputs	38,571	-
Net difference between projected and actual earnings on pension plan investments	-	556,180
Changes in the Academy's proportion and differences between the Academy's contributions and the Academy's proportionate contributions	-	-
Academy's contributions subsequent to the measurement date	268,130	-
Total	<u>\$ 696,485</u>	<u>\$ 683,145</u>

\$268,130 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, 2017.

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, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 and 5.6 for the measurement period June 30, 2014.

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:

<u>Year ended June 30:</u>	
2016	(108,643)
2017	(108,643)
2018	(108,643)
2019	78,856
2020	(7,716)

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### 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 liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.5% - 10.00%
Salary inflation	3.75%
Investment rate of return	7.10% Net of investment expenses
Cost-of-living adjustments	1.00%

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 in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2015 is based on the results of an actuarial valuation for that date.

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.

# Coeur d'Alene Charter Academy, Inc.

## NOTES TO THE FINANCIAL STATEMENTS June 30, 2016

### NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2014.

#### Actuarial Assumptions-(continued)

Asset Class	Index	Target Allocation	Term Expected Real Rate of Return *
Core Fixed Income Broad US	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
*Arithmetic return			
<u>Actuarial Assumptions</u>			
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Geometric Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			<u>7.10%</u>

#### Discount Rate

The discount rate used to measure the total pension liability was 7.10%. 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 liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Discount Rate (continued)

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 liability calculated using the discount rate of 7.10 percent, as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
Academy's proportionate share of the net pension liability (asset)	\$ 2,579,623	\$ 1,059,116	\$ (204,983)

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](http://www.persi.idaho.gov).

Payables to the pension plan

At June 30, 2016, Coeur d'Alene Charter Academy reported a payable to the defined benefit pension plan of \$33,211 for legally required employer contributions on the accrued July and August payroll for certified staff.

**NOTE 8: 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	\$ 4,549
Restricted for substance abuse	-
Restricted for plant facilities	-
Total restricted fund balances	<u>\$ 4,549</u>

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

**Coeur d'Alene Charter Academy, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 8: FUND BALANCE ITEMS (CONTINUED)**

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, 2016:

Building & grounds improvements	\$ 400,206
Debt retirement	205,156
Classroom textbooks and supplies	105,000
Professional development	60,550
Leadership premiums	35,393
Security/safety equipment	12,000
Total assigned fund balances	<u>\$ 818,305</u>

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

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 9: 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 10: PRIOR PERIOD ADJUSTMENT**

Coeur d'Alene Charter Academy returned IDEA Part B funds to the State of Idaho subsequent to the prior fiscal year end. This resulted in a prior period adjustment to the fund and government wide financial statements in the current year. As a result beginning fund balance in the fund statements and beginning net position, in the government wide financial statements decreased by \$10,219.

An error was made when adjusting the PERSI plan net pension liability and expense for the fiscal year ended June 30, 2015. There was a formula error in the tables provided by PERSI which were used to make the year-end adjustments and an error in contributions subsequent to the measurement date. The net pension liability and related pension expenses were understated by \$276,265. As a result beginning net position decreased by \$276,265, this is shown as a prior period adjustment in the current year.

FINANCIAL SECTION  
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 \***

	<u>2015</u>	<u>2014</u>
Academy's portion of the net pension liability	0.0804288%	0.0813738%
Distict's proportionate share of the net pension liability	\$ 1,059,116	\$ 599,039
Academy's covered-employee payroll	\$ 2,357,683	\$ 2,252,790
Academy's proportional share of the net pension liability as a percentage of its covered-employee payroll	44.92%	26.59%
Plan fiduciary net position as a percentage of the total pension liability	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, 2015 (measurement date)

**SCHEDULE OF ACADEMY'S CONTRIBUTIONS  
PERSI - Base Plan  
Last 10 - Fiscal Years \***

	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$ 263,084	\$ 264,465
Contributions in relation to the statutorily required contribution	\$ (258,370)	\$ (253,073)
Contribution (deficiency) excess	\$ 4,714	\$ 11,392
Academy's covered-employee payroll	\$ 2,357,683	\$ 2,252,790
Contributions as a percentage of covered-employee payroll	10.96%	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, 2016 (measurement date)

## Coeur d'Alene Charter Academy

### SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Interest income	\$ 5,000	\$ 5,000	\$ 5,196	\$ 196
Other local revenue	149,000	149,000	174,329	25,329
State assistance and reimbursements	4,059,722	4,059,722	4,157,769	98,047
Title programs and other federal revenues	-	-	2,339	2,339
Total revenues	<u>4,213,722</u>	<u>4,213,722</u>	<u>4,339,633</u>	<u>125,911</u>
<b>EXPENDITURES:</b>				
Instruction programs:				
Secondary programs	2,768,509	2,770,631	2,593,802	176,829
Exceptional child programs	-	32,077	32,076	1
Interscholastic & school activity programs	97,577	101,578	87,740	13,838
Total instruction programs	<u>2,866,086</u>	<u>2,904,286</u>	<u>2,713,618</u>	<u>190,668</u>
Support services programs:				
Attendance, guidance and health program	169,883	169,883	159,414	10,469
Special services program	5,000	15,823	6,624	9,199
School administration program	399,968	399,968	371,379	28,589
Business operations program	212,606	222,606	213,439	9,167
Custodial and maintenance program	323,708	323,707	280,277	43,430
Security and safety program	5,100	5,100	2,153	2,947
Transportation program	5,000	5,000	392	4,608
Total support services programs	<u>1,121,265</u>	<u>1,142,087</u>	<u>1,033,678</u>	<u>108,409</u>
Non-instruction enterprise operations	35,000	35,000	29,454	5,546
Capital asset program	179,526	179,526	128,555	50,971
Debt service program:				
Principal retirement	183,000	183,000	168,943	14,057
Interest	93,000	93,000	85,317	7,683
Total debt service program	<u>276,000</u>	<u>276,000</u>	<u>254,260</u>	<u>21,740</u>
Total expenditures	<u>4,477,877</u>	<u>4,536,899</u>	<u>4,159,565</u>	<u>377,334</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(264,155)	(323,177)	180,068	503,245
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	500,000	500,000	500,000	-
Transfers in	10,000	10,000	10,000	-
Transfers out	(854,500)	(854,500)	(749,709)	104,791
Contingency reserve	(210,433)	(215,171)	-	215,171
Total other financing sources (uses)	<u>(554,933)</u>	<u>(559,671)</u>	<u>(239,709)</u>	<u>319,962</u>
<b>NET CHANGE IN FUND BALANCES</b>	(819,088)	(882,848)	(59,641)	823,207
<b>FUND BALANCES, beginning</b>	819,088	893,067	893,067	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	(10,219)	(10,219)	-
<b>FUND BALANCES, ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,207</u>	<u>\$ 823,207</u>



## **Coeur d'Alene Charter Academy, Inc.**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2016**

#### **NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **Budgetary Information**

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, 2016, 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**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2016**

	<b>Technology Fund</b>	<b>Substance Abuse Fund</b>	<b>IDEA Part B Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,384	\$ -	\$ -	\$ 6,384
Receivables	-	-	35,037	35,037
Total assets	<u>\$ 6,384</u>	<u>\$ -</u>	<u>\$ 35,037</u>	<u>\$ 41,421</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,835	\$ -	\$ -	\$ 1,835
Due to other funds	-	-	35,037	35,037
Total liabilities	<u>1,835</u>	<u>-</u>	<u>35,037</u>	<u>36,872</u>
<b>FUND BALANCES</b>				
Restricted	4,549	-	-	4,549
Total fund balances	<u>4,549</u>	<u>-</u>	<u>-</u>	<u>4,549</u>
Total liabilities and fund balances	<u>\$ 6,384</u>	<u>\$ -</u>	<u>\$ 35,037</u>	<u>\$ 41,421</u>

**Coeur d'Alene Charter Academy**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2016**

	<b>Technology Fund</b>	<b>Substance Abuse Fund</b>	<b>IDEA Part B Fund</b>	<b>Total</b>
<b>REVENUES</b>				
State assistance and reimbursements	\$ 42,703	\$ 11,038	\$ -	\$ 53,741
Federal funds	-	-	35,037	35,037
Total revenues	<u>42,703</u>	<u>11,038</u>	<u>35,037</u>	<u>88,778</u>
<b>EXPENDITURES</b>				
Instruction programs:				
Exceptional child programs	-	-	23,164	23,164
Total instruction programs	<u>-</u>	<u>-</u>	<u>23,164</u>	<u>23,164</u>
Support services programs:				
Special services program	-	-	11,873	11,873
Instructional related technology program	4,699	-	-	4,699
Total support services programs	<u>4,699</u>	<u>-</u>	<u>11,873</u>	<u>16,572</u>
Capital asset program	<u>34,094</u>	<u>17,530</u>	<u>-</u>	<u>51,624</u>
Total expenditures	<u>38,793</u>	<u>17,530</u>	<u>35,037</u>	<u>91,360</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,910	(6,492)	-	(2,582)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(10,000)	-	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(6,090)	(6,492)	-	(12,582)
<b>FUND BALANCES, beginning</b>	10,639	6,492	-	17,131
<b>FUND BALANCES, ending</b>	<u>\$ 4,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,549</u>

## Coeur d'Alene Charter Academy

### AGENCY FUNDS SCHEDULE OF CHANGES IN DEPOSIT BALANCES OF STUDENT BODY FUNDS For the Year Ended June 30, 2016

Activity	Cash June 30, 2015	Receipts	Disbursements	Cash June 30, 2016
Academic Team	\$ 458	\$ 1,356	\$ 1,346	\$ 468
Associated student body	4,347	5,796	4,421	5,722
Band	35,241	33,044	48,301	19,984
Basketball - boys	603	5,249	5,851	1
Basketball - girls	1,079	7,095	7,459	715
Bookstore	2,679	531	580	2,630
Chess	448	-	-	448
Choir	5,771	7,486	6,908	6,349
Civics programs	1,020	6,593	6,475	1,138
Classes 6-12	3,349	8,861	6,626	5,584
Drama	4,788	9,006	6,530	7,264
French/SFS	884	-	-	884
International travel	4,687	-	-	4,687
Journalism/Yearbook	16,081	21,537	20,196	17,422
Latin	130	-	-	130
Miscellaneous	7,452	-	261	7,191
NHS	1,105	2,370	1,539	1,936
P & C LeBlanc	6,246	-	5,401	845
Region 1	955	380	100	1,235
Science club	786	-	-	786
Soccer	1,976	11,237	4,692	8,521
Spanish	833	-	-	833
Speech and debate	1,816	1,546	2,585	777
Staff sunshine	207	510	558	159
Tennis	1,160	1,725	1,624	1,261
Track	2,802	2,390	4,270	922
Trail creek	2,753	20,753	20,746	2,760
Volleyball	2,978	2,774	4,504	1,248
Washington DC trips	-	-	-	-
Writing symposium	652	1,278	1,225	705
X-Country/Track	225	1,887	1,443	669
	<u>\$ 113,511</u>	<u>\$ 153,404</u>	<u>\$ 163,641</u>	<u>\$ 103,274</u>

REPORT REQUIRED BY GAO



1810 E Schneidmiller Ave. Ste. 310  
Post Falls, Idaho 83854  
208-777-1099 (phone) 208-773-5108 (fax)

**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 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, 2016, 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 13, 2016.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Anderson Bros. CPA's, P.A.  
Post Falls, Idaho  
October 13, 2016