

Hayden Canyon Charter School

Year Ended June 30, 2023

Audited Financial Statements



HAYDEN CANYON CHARTER SCHOOL
Table of Contents

Financial Section

Independent Auditor's Report..... 1

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 5

Statement of Activities 6

Fund Financial Statements

Balance Sheet – Governmental Funds..... 7

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds..... 10

Notes to Financial Statements 13

Required Supplementary Information

Budgetary Comparison Schedule – General and Major Special Revenue Funds..... 26

Schedule of Employer’s Share of Net Pension Asset and Liability and Schedule of Employer Contributions 28

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds..... 29

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds..... 33

Other Reports

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*..... 37



Independent Auditor's Report

Board of Directors
Hayden Canyon Charter School

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hayden Canyon Charter School (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2023, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on All Other Opinion Units Described Below

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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, and 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.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 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 and individual nonmajor fund financial statements 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, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
October 13, 2023

HAYDEN CANYON CHARTER SCHOOL

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$1,133,287
Receivables:	
State Sources	75,039
Federal Sources	462,551
Total Current Assets	<u>1,670,877</u>
Noncurrent Assets	
Nondepreciable Capital Assets	2,888,336
Depreciable Net Capital Assets	8,590,454
Total Noncurrent Assets	<u>11,478,790</u>
Total Assets	<u>13,149,667</u>
Deferred Outflows of Resources	
Pension Items	886,275
Total Deferred Outflows of Resources	<u>886,275</u>
Total Assets and Deferred Outflows of Resources	<u>\$14,035,942</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$29,806
Salaries & Benefits Payable	275,530
Unspent Grant Allocation	66,330
Long-Term Liabilities, Current	55,000
Total Current Liabilities	<u>426,666</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	15,344,724
Total Noncurrent Liabilities	<u>15,344,724</u>
Total Liabilities	<u>15,771,390</u>
Deferred Inflows of Resources	
Pension Items	6,314
Total Deferred Inflows of Resources	<u>6,314</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,777,704</u>
Net Position	
Net Investment in Capital Assets	(2,506,210)
Restricted:	
Special Programs	0
Capital Projects	120,282
Debt Service	548,096
Unrestricted	96,070
Total Net Position	<u>(1,741,762)</u>
Total Liabilities and Net Position	<u>\$14,035,942</u>

See Accompanying Notes

HAYDEN CANYON CHARTER SCHOOL

Statement of Activities Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$1,342,379	\$52,800	\$738,563		(\$551,016)
Secondary School	265,678		132,841		(132,837)
Special Education	192,473		29,707		(162,766)
Special Education Preschool	0				0
School Activity	41,867				(41,867)
Support Service Programs					
Attendance - Guidance - Health	100,477		7,982		(92,495)
Special Education Support Services	144,155		96,555		(47,600)
Instruction Improvement	62,804		5,696		(57,108)
Instruction-Related Technology	54,772		51,616		(3,156)
Board of Education	57,269				(57,269)
District Administration	0				0
School Administration	378,299		14,004		(364,295)
Business Operation	51,816				(51,816)
Central Service	98,533		72,000		(26,533)
Administrative Technology Service	63,499		25,680		(37,819)
Buildings - Care	39,900				(39,900)
Maintenance - Non-Student Occupied	0				0
Maintenance - Student Occupied	130,761		8,875		(121,886)
Maintenance - Grounds	17,152				(17,152)
Security	46,900		46,900		0
Pupil-To-School Transportation	40,058				(40,058)
Pupil-Activity Transportation	808				(808)
General Transportation	9,773				(9,773)
Non-Instructional Programs					
Child Nutrition	399				(399)
Community Services	0				0
Capital Assets - Student Occupied	181,596				(181,596)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	897,472				(897,472)
Total	\$4,218,840	\$52,800	\$1,230,419	\$0	(2,935,621)
General Revenues					
Local Revenues					69,216
State Revenues					3,223,770
Federal Revenues					0
Pension Revenue (Expense)					(468,720)
Total General Revenues					2,824,266
Change in Net Position					
					(111,355)
Net Position - Beginning					
					(1,630,407)
Net Position - Ending					
					(\$1,741,762)

HAYDEN CANYON CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General Fund</u>	<u>CSP Grant</u>	<u>Bond R & I Fund</u>	<u>Capital Construction Fund</u>
Assets				
Cash & Investments	\$464,909		\$548,096	\$120,282
Receivables:				
Local Sources				
State Sources	75,039			
Federal Sources				
Due From Other Funds	396,221			
Total Assets	<u>\$936,169</u>	<u>\$0</u>	<u>\$548,096</u>	<u>\$120,282</u>
Liabilities				
Accounts Payable	\$29,806			
Due To Other Funds				
Salaries & Benefits Payable	275,530			
Unspent Grant Allocation				
Total Liabilities	<u>305,336</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				120,282
Debt Service			548,096	
Unassigned	630,833			
Total Fund Balances	<u>630,833</u>	<u>0</u>	<u>548,096</u>	<u>120,282</u>
Total Liabilities and Fund Balances	<u>\$936,169</u>	<u>\$0</u>	<u>\$548,096</u>	<u>\$120,282</u>

HAYDEN CANYON CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$0	\$1,133,287
Receivables:		
Local Sources	0	0
State Sources	0	75,039
Federal Sources	462,551	462,551
Due From Other Funds	0	396,221
Total Assets	<u>\$462,551</u>	<u>\$2,067,098</u>
Liabilities		
Accounts Payable	\$0	\$29,806
Due To Other Funds	396,221	396,221
Salaries & Benefits Payable	0	275,530
Unspent Grant Allocation	66,330	66,330
Total Liabilities	<u>462,551</u>	<u>767,887</u>
Fund Balances		
Restricted:		
Special Programs	0	0
Capital Projects	0	120,282
Debt Service	0	548,096
Unassigned	0	630,833
Total Fund Balances	<u>0</u>	<u>1,299,211</u>
Total Liabilities and Fund Balances	<u>\$462,551</u>	<u>\$2,067,098</u>

HAYDEN CANYON CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

**Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities**

Total Governmental Fund Balances \$1,299,211

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 11,478,790

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (15,399,724)

Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds. 879,961

Net Position of Governmental Activities (\$1,741,762)

HAYDEN CANYON CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	<u>General Fund</u>	<u>CSP Grant</u>	<u>Bond R & I Fund</u>	<u>Capital Construction Fund</u>
Revenues				
Local Revenue	\$702,841		\$52,879	
State Revenue	3,223,770			
Federal Revenue	20,161	\$38,622		
Total Revenues	<u>3,946,772</u>	<u>38,622</u>	<u>52,879</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School	1,275,607	2,078		
Secondary School	289,465			
Special Education	162,766			
Special Education Preschool				
School Activity	41,867			
Support Service Programs				
Attendance - Guidance - Health	92,495			
Special Education Support Services	47,600			
Instruction Improvement	57,108			
Instruction-Related Technology	3,156	35,818		
Board of Education	57,269			
District Administration				
School Administration	364,295	726		
Business Operation	51,816			
Central Service	26,533			
Administrative Technology Service	37,819			
Buildings - Care	39,900			
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied	121,886			
Maintenance - Grounds	17,152			
Security				
Pupil-To-School Transportation	40,058			
Pupil-Activity Transportation	808			
General Transportation	9,773			
Non-Instructional Programs				
Child Nutrition	399			
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				3,647,106
Debt Service - Principal			50,000	
Debt Service - Interest			897,472	
Total Expenditures	<u>2,737,772</u>	<u>38,622</u>	<u>947,472</u>	<u>3,647,106</u>
Excess (Deficiency) of Revenues Over Expenditures	1,209,000	0	(894,593)	(3,647,106)
Other Financing Sources (Uses)				
Transfers In			840,063	3,767,388
Transfers Out	(840,063)		(3,767,388)	
Total Other Financing Sources (Uses)	<u>(840,063)</u>	<u>0</u>	<u>(2,927,325)</u>	<u>3,767,388</u>
Net Change in Fund Balances	368,937	0	(3,821,918)	120,282
Fund Balances - Beginning	261,896	0	4,370,014	0
Fund Balances - Ending	<u>\$630,833</u>	<u>\$0</u>	<u>\$548,096</u>	<u>\$120,282</u>

HAYDEN CANYON CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Local Revenue	\$52,800	\$808,520
State Revenue	71,885	3,295,655
Federal Revenue	413,247	472,030
Total Revenues	537,932	4,576,205
Expenditures		
Instructional Programs		
Elementary School	209,591	1,487,276
Secondary School	5,870	295,335
Special Education	29,707	192,473
Special Education Preschool	0	0
School Activity	0	41,867
Support Service Programs		
Attendance - Guidance - Health	7,982	100,477
Special Education Support Services	96,555	144,155
Instruction Improvement	5,696	62,804
Instruction-Related Technology	15,798	54,772
Board of Education	0	57,269
District Administration	0	0
School Administration	13,278	378,299
Business Operation	0	51,816
Central Service	72,000	98,533
Administrative Technology Service	25,680	63,499
Buildings - Care	0	39,900
Maintenance - Non-Student Occupied	0	0
Maintenance - Student Occupied	8,875	130,761
Maintenance - Grounds	0	17,152
Security	46,900	46,900
Pupil-To-School Transportation	0	40,058
Pupil-Activity Transportation	0	808
General Transportation	0	9,773
Non-Instructional Programs		
Child Nutrition	0	399
Community Services	0	0
Capital Assets - Student Occupied	0	0
Capital Assets - Non-Student Occupied	0	3,647,106
Debt Service - Principal	0	50,000
Debt Service - Interest	0	897,472
Total Expenditures	537,932	7,908,904
Excess (Deficiency) of Revenues Over Expenditures	0	(3,332,699)
Other Financing Sources (Uses)		
Transfers In	0	4,607,451
Transfers Out	0	(4,607,451)
Total Other Financing Sources (Uses)	0	0
Net Change in Fund Balances	0	(3,332,699)
Fund Balances - Beginning	0	4,631,910
Fund Balances - Ending	\$0	\$1,299,211

HAYDEN CANYON CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

Page 3 of 3

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of
Activities**

Net Change in Fund Balances - Total Governmental Funds (\$3,332,699)

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period. 3,465,510

Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 50,000

Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds. (294,166)

Change in Net Position of Governmental Activities (\$111,355)

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Hayden Canyon Charter School (the School) is organized as a nonprofit corporation providing public charter school educational services as authorized by Section 33 of Idaho Code.

Idaho Code Section 33-5210(3) requires charter schools to comply with the same financial reporting requirements imposed on school districts, i.e. – on a governmental, rather than nonprofit, basis of accounting. Additionally, enabling legislation creates charter schools as public entities, i.e. – as public schools, subject to provisions common with other governmental entities as set forth in Idaho Code Section 33-5204. Accordingly, the School's basis of presentation follows the governmental, rather than nonprofit, reporting model.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to charter schools. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds, when present, are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the CSP grant fund, which is used to account for certain funding for expansion of operations.

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the capital construction fund, used to account for bond proceeds, facility construction and betterments.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants. Investments also

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

include U.S. government securities and are stated at fair value using quoted market prices (Level 1) or best available estimate.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of depreciable assets is recorded using the straight line method.

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term is recorded using the straight-line method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Compensated absences will be paid by the fund in which the employee works.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis. Other post-employment benefits will be paid by the fund in which the employee works.

Pensions – For purposes of measuring the net pension asset/liability and pension revenue/expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the Base Plan) and additions to/deductions from the 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. Pension obligations will be paid by the fund in which the employee works.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Income Taxes – The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business activities. The School's tax returns for the current year and prior two years are subject to examination by the IRS and state tax authorities, generally for three years after they are filed.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$464,909
Investments - U.S. Government Securities	<u>668,378</u>
Total	<u><u>\$1,133,287</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$464,909 and the bank balances were \$468,186. Of the bank balances, \$253,583 was insured, and the remainder was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

Investment Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
U.S. Gov't Securities	\$668,378	\$668,378
Total	<u>\$668,378</u>	<u>\$668,378</u>

Credit rate risk (Moody's rating scale):

Investment Type	Investment Rating Schedule	
	AAA	Total
U.S. Gov't Securities	\$668,378	\$668,378
Total	<u>\$668,378</u>	<u>\$668,378</u>

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
State Sources			
Foundation Program	\$75,039		\$75,039
Total	\$75,039		\$75,039
Federal Sources			
Special Programs		\$462,551	\$462,551
Total		\$462,551	\$462,551

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$1,224,466			\$1,224,466
Construction in Progress	1,663,870			1,663,870
Total	2,888,336	\$0	\$0	2,888,336
Depreciable Capital Assets				
Buildings	5,222,450	3,647,106		8,869,556
Equipment	136,366			136,366
Subtotal	5,358,816	3,647,106	0	9,005,922
Accumulated Depreciation				
Buildings	208,898	177,391		386,289
Equipment	24,974	4,205		29,179
Subtotal	233,872	181,596	0	415,468
Total	5,124,944	3,465,510	0	8,590,454
Net Capital Assets	\$8,013,280	\$3,465,510	\$0	\$11,478,790

Depreciation expense of \$181,596 was charged to the capital assets – student occupied program.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

E. LONG-TERM LIABILITIES

Bonded Debt – At year end, the School’s bonded debt was as follows:

	Outstanding
2020A - \$7,270,000 - facilities revenue bonds (tax-exempt issuance) for capital acquisition, due in annual installments with interest at 6.95% through 2054/55, secured by real estate, paid through the bond redemption & interest fund	\$7,270,000
2020B - \$1,005,000 - facilities revenue bonds (taxable issuance) for capital acquisition, due in annual installments with interest at 7.15% through 2030/31, secured by real estate, paid through the bond redemption & interest fund	570,000
2022A - \$5,910,000 - facilities revenue bonds (tax-exempt issuance) for facilities expansion, due in annual installments with interest at 4.25% through 2061/62, secured by real estate, paid through the bond redemption & interest fund	5,910,000
2022B - \$235,000 - facilities revenue bonds (taxable issuance) for facilities expansion, due in annual installments with interest at 4.75% through 2028/29, secured by real estate, paid through the bond redemption & interest fund	235,000
Total	\$13,985,000

Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
6/30/24	\$55,000	\$808,358
6/30/25	60,000	804,426
6/30/26	130,000	800,136
6/30/27	140,000	792,450
6/30/28	140,000	784,196
6/30/29-33	920,000	3,781,919
6/30/34-38	1,300,000	3,469,853
6/30/39-43	1,740,000	3,037,465
6/30/44-48	2,340,000	2,448,432
6/30/49-53	3,155,000	1,645,936
6/30/54-58	2,635,000	611,523
6/30/59-62	1,370,000	160,854
Total	\$13,985,000	\$19,145,548

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

Changes in long-term liabilities are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2020A F.R. Bonds	\$7,270,000			\$7,270,000	
2020B F.R. Bonds	620,000		\$50,000	570,000	\$55,000
2022A F.R. Bonds	5,910,000			5,910,000	
2022B F.R. Bonds	235,000			235,000	
Net Pension Liability	0	\$1,414,724		1,414,724	-
Total	<u>\$14,035,000</u>	<u>\$1,414,724</u>	<u>\$50,000</u>	<u>\$15,399,724</u>	<u>\$55,000</u>

Interest and related costs of \$897,472 were charged to the debt service – interest program.

F. PENSION PLAN

Plan description

The School 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.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

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 74% for police and firefighters. As of June 30, 2022 it was 7.16% for general employees and 9.13% 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 School's contributions were \$174,554 for the year ended June 30, 2023.

Pension asset/liabilities, pension revenue (expense), and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School'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 School's proportion was 0.03591802 percent.

For the year ended June 30, 2023, the School recognized pension revenue (expense) of (\$468,720). At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$155,568	\$6,314
Changes in assumptions or other inputs	230,642	
Net difference between projected and actual earnings on pension plan investments	325,511	
Employer contributions subsequent to the measurement date	174,554	
Total	\$886,275	\$6,314

\$174,554 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending June 30, 2024.

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, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

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

Year Ended	
6/30/24	(\$168,689)
6/30/25	(183,128)
6/30/26	(84,696)
6/30/27	(268,895)
Total	<u><u>(\$705,408)</u></u>

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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return, net of investment expenses	6.35%
Cost-of-living adjustments	1.00%

Contributing members, service retirement members, and beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

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 liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

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 2022.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount rate

The discount rate used to measure the total pension liability 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 administrative expense.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

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

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$2,496,849</u>	<u>\$1,414,724</u>	<u>\$529,032</u>

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.

Impact on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
Due To Fund	Nonmajor Governmental	Total
General	\$396,221	\$396,221
Total	\$396,221	\$396,221

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

HAYDEN CANYON CHARTER SCHOOL
Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$840,063	Debt Service
Bond R & I	\$840,063	3,767,388	Debt Service
Capital Construction	3,767,388		Debt Service
Total	<u>\$4,607,451</u>	<u>\$4,607,451</u>	

HAYDEN CANYON CHARTER SCHOOL

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2023

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Revenue	\$0	\$0	\$702,841	\$702,841
State Revenue	3,424,208	3,424,208	3,223,770	(200,438)
Federal Revenue	0	0	20,161	20,161
Total Revenues	<u>3,424,208</u>	<u>3,424,208</u>	<u>3,946,772</u>	<u>522,564</u>
Expenditures				
Instructional Programs				
Elementary School	1,317,720	1,317,720	1,275,607	42,113
Secondary School	175,200	175,200	289,465	(114,265)
Special Education	207,865	207,865	162,766	45,099
Special Education Preschool	0	0	0	0
School Activity	12,000	12,000	41,867	(29,867)
Support Service Programs				
Attendance - Guidance - Health	85,150	85,150	92,495	(7,345)
Special Education Support Services	10,205	10,205	47,600	(37,395)
Instruction Improvement	13,000	13,000	57,108	(44,108)
Instruction-Related Technology	0	0	3,156	(3,156)
Board of Education	52,303	52,303	57,269	(4,966)
District Administration	0	0	0	0
School Administration	420,099	420,099	364,295	55,804
Business Operation	50,796	50,796	51,816	(1,020)
Central Service	30,000	30,000	26,533	3,467
Administrative Technology Service	72,000	72,000	37,819	34,181
Buildings - Care	36,000	36,000	39,900	(3,900)
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	45,000	45,000	121,886	(76,886)
Maintenance - Grounds	5,000	5,000	17,152	(12,152)
Security	0	0	0	0
Pupil-To-School Transportation	0	0	40,058	(40,058)
Pupil-Activity Transportation	0	0	808	(808)
General Transportation	45,967	45,967	9,773	36,194
Non-Instructional Programs				
Child Nutrition	0	0	399	(399)
Community Services	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	50,000	50,000	0	50,000
Debt Service - Interest	576,000	576,000	0	576,000
Total Expenditures	<u>3,204,305</u>	<u>3,204,305</u>	<u>2,737,772</u>	<u>466,533</u> *
Excess (Deficiency) of Revenues Over Expenditures				
	219,903	219,903	1,209,000	989,097
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	(840,063)	(840,063) *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(840,063)</u>	<u>(840,063)</u>
Net Change in Fund Balances	219,903	219,903	368,937	149,034
Fund Balances - Beginning	261,896	261,896	261,896	0
Fund Balances - Ending	<u>\$481,799</u>	<u>\$481,799</u>	<u>\$630,833</u>	<u>\$149,034</u>

*Total expenditures (over) under appropriations are: (\$373,530)

HAYDEN CANYON CHARTER SCHOOL

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2023

CSP Grant	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Revenue	\$0	\$0	\$0	\$0
State Revenue	0	0	0	0
Federal Revenue	0	0	38,622	38,622
Total Revenues	<u>0</u>	<u>0</u>	<u>38,622</u>	<u>38,622</u>
Expenditures				
Instructional Programs				
Elementary School	0	0	2,078	(2,078)
Secondary School	0	0	0	0
Special Education	0	0	0	0
Special Education Preschool	0	0	0	0
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Instruction-Related Technology	0	0	35,818	(35,818)
Board of Education	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	726	(726)
Business Operation	0	0	0	0
Central Service	0	0	0	0
Administrative Technology Service	0	0	0	0
Buildings - Care	0	0	0	0
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	0	0	0	0
Maintenance - Grounds	0	0	0	0
Security	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Community Services	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>38,622</u>	<u>(38,622) *</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances				
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Total expenditures (over) under appropriations are: (\$38,622)*

HAYDEN CANYON CHARTER SCHOOL
Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

Schedule of Employer's Share of Net Pension Asset and Liability*

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2022	0.02782790%	(\$21,978)	\$1,038,501	-2.12%	100.36%
2023	0.03591802%	\$1,414,724	\$1,416,407	99.88%	83.09%

*As of the measurement date of the net pension (asset) liability.

Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$169,119	\$169,119	\$0	\$1,416,407	11.94%
2023	\$174,554	\$174,554	\$0	\$1,461,926	11.94%

Schedules above intended to show information for 10 years. Information for additional years will be presented as it becomes available.

HAYDEN CANYON CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Kindergarten	Technology	Substance Abuse	ESSER III
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$350,153
Due From Other Funds				
Total Assets	\$0	\$0	\$0	\$350,153
Liabilities				
Accounts Payable				
Due To Other Funds				\$284,324
Salaries & Benefits Payable				
Unspent Grant Allocation				65,829
Total Liabilities	\$0	\$0	\$0	350,153
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Debt Service				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	\$0	\$0	\$0	\$350,153

HAYDEN CANYON CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Title I-A ESSA IBP	ESSER I	ESSER II	IDEA Part B 611 School Age 3-21
	Assets			
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$26,537		\$501	\$69,664
Due From Other Funds				
Total Assets	\$26,537	\$0	\$501	\$69,664
Liabilities				
Accounts Payable				
Due To Other Funds	\$26,036		\$501	\$69,664
Salaries & Benefits Payable				
Unspent Grant Allocation	501			
Total Liabilities	26,537	\$0	501	69,664
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Debt Service				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	\$26,537	\$0	\$501	\$69,664

HAYDEN CANYON CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE	Title II-A ESSA SEI
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources			\$10,000	\$5,696
Due From Other Funds				
Total Assets	\$0	\$0	\$10,000	\$5,696
Liabilities				
Accounts Payable				
Due To Other Funds			\$10,000	\$5,696
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	10,000	5,696
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Debt Service				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	\$0	\$0	\$10,000	\$5,696

HAYDEN CANYON CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenues		Total
	SLFRF	Title V-B ESSA REI	
Assets			
Cash & Investments			\$0
Receivables:			
Local Sources			0
State Sources			0
Federal Sources			462,551
Due From Other Funds			0
Total Assets	\$0	\$0	\$462,551
Liabilities			
Accounts Payable			\$0
Due To Other Funds			396,221
Salaries & Benefits Payable			0
Unspent Grant Allocation			66,330
Total Liabilities	\$0	\$0	462,551
Fund Balances			
Restricted:			
Special Programs			0
Capital Projects			0
Debt Service			0
Unassigned			0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$0	\$0	\$462,551

HAYDEN CANYON CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Kindergarten	Technology	Substance Abuse	ESSER III
Revenues				
Local Revenue	\$52,800			
State Revenue		\$65,370	\$6,515	
Federal Revenue				\$184,967
Total Revenues	52,800	65,370	6,515	184,967
Expenditures				
Instructional Programs				
Elementary School	52,800	30,069		16,797
Secondary School				
Special Education				20,940
Special Education Preschool				
School Activity				
Support Service Programs				
Attendance - Guidance - Health			6,515	
Special Education Support Services				
Instruction Improvement				
Instruction-Related Technology				15,798
Board of Education				
District Administration				
School Administration		13,278		
Business Operation				
Central Service				72,000
Administrative Technology Service		22,023		3,657
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				8,875
Maintenance - Grounds				
Security				46,900
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	52,800	65,370	6,515	184,967
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	\$0	\$0	\$0	\$0

HAYDEN CANYON CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Title I-A ESSA IBP	ESSER I	ESSER II	IDEA Part B 611 School Age 3-21
	IBP	ESSER I	ESSER II	IDEA Part B 611 School Age 3-21
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$26,037	\$206	\$706	\$69,664
Total Revenues	<u>26,037</u>	<u>206</u>	<u>706</u>	<u>69,664</u>
Expenditures				
Instructional Programs				
Elementary School	26,037		706	
Secondary School				
Special Education				5,000
Special Education Preschool				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services		206		64,664
Instruction Improvement				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>26,037</u>	<u>206</u>	<u>706</u>	<u>69,664</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

HAYDEN CANYON CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE	Title II-A ESSA SEI
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$832	\$31,685	\$10,000	\$5,696
Total Revenues	<u>832</u>	<u>31,685</u>	<u>10,000</u>	<u>5,696</u>
Expenditures				
Instructional Programs				
Elementary School			10,000	
Secondary School				
Special Education	832			
Special Education Preschool				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services		31,685		
Instruction Improvement				5,696
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>832</u>	<u>31,685</u>	<u>10,000</u>	<u>5,696</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

HAYDEN CANYON CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	<u>Special Revenues</u>		<u>Total</u>
	<u>SLFRF</u>	<u>Title V-B ESSA REI</u>	
Revenues			
Local Revenue			\$52,800
State Revenue			71,885
Federal Revenue	\$39,126	\$44,328	413,247
Total Revenues	<u>39,126</u>	<u>44,328</u>	<u>537,932</u>
Expenditures			
Instructional Programs			
Elementary School	28,854	44,328	209,591
Secondary School	5,870		5,870
Special Education	2,935		29,707
Special Education Preschool			0
School Activity			0
Support Service Programs			
Attendance - Guidance - Health	1,467		7,982
Special Education Support Services			96,555
Instruction Improvement			5,696
Instruction-Related Technology			15,798
Board of Education			0
District Administration			0
School Administration			13,278
Business Operation			0
Central Service			72,000
Administrative Technology Service			25,680
Buildings - Care			0
Maintenance - Non-Student Occupied			0
Maintenance - Student Occupied			8,875
Maintenance - Grounds			0
Security			46,900
Pupil-To-School Transportation			0
Pupil-Activity Transportation			0
General Transportation			0
Non-Instructional Programs			
Child Nutrition			0
Community Services			0
Capital Assets - Student Occupied			0
Capital Assets - Non-Student Occupied			0
Debt Service - Principal			0
Debt Service - Interest			0
Total Expenditures	<u>39,126</u>	<u>44,328</u>	<u>537,932</u>
Excess (Deficiency) of Revenues			
Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers In			0
Transfers Out			0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balances - Beginning	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**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***

Board of Directors
Hayden Canyon Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hayden Canyon Charter School (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated October 13, 2023. In our report, we expressed a qualified opinion on the governmental activities as management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’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 School's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
October 13, 2023