

FORREST M. BIRD CHARTER SCHOOLS, INC.

SANDPOINT, IDAHO

Audited Financial Statements

For the Years Ended June 30, 2015 and 2014

FORREST M. BIRD CHARTER SCHOOLS, INC.

Sandpoint, Idaho

**Audited Financial Statements
For the Years Ended June 30, 2015 and 2014**



FORREST M. BIRD CHARTER SCHOOLS, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Forrest M. Bird Charter Schools, Inc.
Sandpoint, Idaho 83864

Report on the Financial Statements

We have audited the accompanying financial statements of Forrest M. Bird Charter Schools, Inc. (an Idaho nonprofit corporation) which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forrest M. Bird Charter Schools, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Forrest M. Bird Charter Schools, Inc. will continue as a going concern. As discussed in Note 10 to the financial statements, Forrest M. Bird Charter School's current liabilities exceed its current assets by \$290,489 which raises substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 3, 2015, on our consideration of Forrest M. Bird Charter Schools, 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 Governmental Auditing standards in considering Forrest M. Bird Charter Schools, Inc.'s internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
October 3, 2015

**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 Trustees
Forrest M. Bird Charter Schools, Inc.
Sandpoint, Idaho 83864

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 Forrest M. Bird Charter Schools, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Forrest M. Bird Charter Schools, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Forrest M. Bird Charter Schools, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Forrest M. Bird Charter Schools, 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 for deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financials statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Forrest M. Bird Charter Schools, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of your 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 organization'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 organization's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, ID
October 3, 2015

FINANCIAL STATEMENTS



FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

STATEMENTS OF FINANCIAL POSITION
For the Years Ended June 30, 2015 and 2014

	2015	2014
ASSETS		
Current Assets		
Cash	356,022	1,052,486
Federal receivable	14,478	-
State support receivable	62,862	82,713
Prepaid expenses	71,376	21,515
Total Current Assets	504,738	1,156,714
Fixed Assets		
Land and buildings	4,869,870	4,869,870
Fixtures and equipment	71,310	71,310
Less accumulated depreciation	(985,251)	(856,737)
Net Fixed Assets	3,955,929	4,084,443
Total Assets	\$ 4,460,667	\$ 5,241,157
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	99,110	112,462
Salaries and benefits payable	243,682	223,266
Accrued interest	8,277	8,527
Deferred revenue	330,859	1,058,808
Due to students fund	348	15,154
Current portion of long-term debt	112,951	106,636
Total Current Liabilities	795,227	1,524,853
Long-term liabilities, less current portion	3,111,009	3,226,061
Net Assets		
Unrestricted	455,968	402,799
Restricted for Debt Service	98,463	87,444
Total Net Assets	554,431	490,243
Total Liabilities and Net Assets	\$ 4,460,667	\$ 5,241,157

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue, Grants, and Other Support		
Federal support	175,171	41,302
State support	2,523,726	2,116,429
Interest	510	385
Local support	<u>1,803,909</u>	<u>501,148</u>
Total Revenue, Grants and Other Support	<u>4,503,316</u>	<u>2,659,264</u>
Expense		
Program (instructional)	1,630,935	1,341,591
Administrative (support)	2,180,041	1,058,777
Non-instructional	359,055	103,223
Depreciation	128,514	128,514
Interest on long-term debt	<u>140,583</u>	<u>145,443</u>
Total Expense	<u>4,439,128</u>	<u>2,777,548</u>
Change in net assets	64,188	(118,284)
Net assets - beginning of year	<u>490,243</u>	<u>608,527</u>
Net assets - end of year	<u>\$ 554,431</u>	<u>\$ 490,243</u>

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Cash received from state support	2,543,577	2,105,739
Cash received from federal support	160,693	44,047
Cash received from interest	510	385
Other cash received	1,075,960	1,559,956
Cash paid for interest	(250)	(145,679)
Cash paid to suppliers and employees	(4,368,217)	(2,526,918)
Net Cash Provided by Operating Activities	(587,727)	1,037,530
Cash Flows from Financing Activities		
Payment on long-term debt and fees	(108,737)	(103,892)
Net Increase (Decrease) in Cash	(696,464)	933,638
Cash - Beginning of Year	1,052,486	118,848
Cash - End of Year	\$ 356,022	\$ 1,052,486
Reconciliation of Change in Net Assets to Net		
Cash Provided by Operating Activities:		
Change in net assets	64,188	(118,284)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	128,514	128,514
Decrease (increase) in federal support receivable	(14,478)	-
Decrease (increase) in state support receivable	19,851	(10,690)
Decrease (increase) in other receivable	-	2,745
Decrease (increase) in prepaid expenses	(49,861)	(8,138)
Increase (decrease) in accrued interest	(250)	(236)
Increase (decrease) in accounts payable	(13,352)	(37,134)
Increase (decrease) in deferred revenue	(727,949)	1,058,808
Increase (decrease) in due to student funds	(14,806)	15,154
Increase (decrease) in salaries and benefits payable	20,416	6,791
Net Cash Provided by Operating Activities	\$ (587,727)	\$ 1,037,530

FORREST M. BIRD CHARTER SCHOOLS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2015 and 2014

NOTE 1 Organization

The Forrest M. Bird Charter Schools, Inc. (the School) is a non-profit state-funded public school. The school serves 6th through 12th grades. The school was approved in January 2001 by the Lake Pend Oreille School District Board of Trustees. The expansion to a high school was approved by the Lake Pend Oreille School District Board of Trustees in August of 2008.

NOTE 2 Summary of Significant Accounting Policies

Restricted Support - The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, either when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The School reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Basis of Accounting - The School uses the accrual basis of accounting. Revenues are recognized as earned, and expenses are recognized when incurred.

Cash - The School has no requirement to hold cash in separate accounts.

Accounts Receivable - No allowance for uncollectible accounts is calculated by the School since all receivables were deemed to be collectible.

Income Tax Status - The School's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Fixed Assets - The cost of fixed assets is depreciated over the estimated useful lives of the assets. The School has a capitalization threshold policy of \$5,000. Depreciation is computed on the straight-line method for financial reporting purposes. The useful lives of fixed assets for purposes of computing depreciation are 5 to 7 years for office furniture and equipment and 40 years for buildings. Depreciation expense for the years ending June 30, 2015 and 2014 was \$128,514 and \$128,514, respectively.

Use of Estimates - The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America

requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses, and actual results may differ from estimated amounts.

Statement of Cash Flows - For purposes of the Statement of Cash Flows, the School considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Reports Required by the State - The income statements required by the State included in the supplemental information report the unrestricted activity. The General Fund accounts for activities for general operations. The Special Revenue Funds account for the activities from the grants the School received. The School Plant Facility Fund accounts for activities related to the building facilities used by the School.

Subsequent Events - Subsequent events have been evaluated through the date of the auditor’s report. This is the date the financial statement were available to be issued. The School has concluded that no subsequent events have occurred.

NOTE 3 Long-Term Debt

Long-term debt for the School as of June 30, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
United States Department of Agriculture (USDA) secured by land, building, and equipment, payable at \$3,614 per month including interest at 4.5%. The note matures January 2029.	439,427	462,454
United States Department of Agriculture (USDA) secured by land, building, and equipment, payable at \$1,065 per month including interest at 4.5%. The note matures March 2039.	185,909	190,217
Columbia Bank secured by land, building, and equipment, payable at \$4,594.54 per month including interest. Interest is computed at a variable rate referenced to the prime rate as reported in the <i>Wall Street Journal</i> . The interest rate to be applied to unpaid principal will be at a rate of 2.0% over the prime rate. The interest rate at June 30, 2015 was 3.25%. The note matures December 2028.	605,173	639,530

United States Department of Agriculture (USDA) secured by land, building, and equipment payable at \$8,118 per month including interest at 4.25%. The note matures July 2040.	1,501,178	1,534,030
Mountain West Bank (MWB) secured by land, building, and equipment, payable at \$3,408.90 per month including interest at 5.49%. The note matures February 2035.	<u>492,273</u>	<u>506,466</u>
Total Long-term Debt	3,223,960	3,332,697
Less Current Portion	<u>(112,951)</u>	<u>(106,636)</u>
Net Long-term Debt	<u>\$3,111,009</u>	<u>\$3,226,061</u>

Future debt service is as follows:

Fiscal Year End June 30,

2016	112,951
2017	117,731
2018	121,721
2019	126,312
2020	131,677
2021 and thereafter	<u>2,613,568</u>
Total	<u>\$3,223,960</u>

NOTE 4 Major Funding Sources

The School received a majority of its revenue from the Idaho Department of Education.

	<u>2015</u>	<u>% of Total Revenue</u>
Idaho Department of Education	\$2,523,726	56.0%
J.A. Kathryn Albertson Foundation	\$1,803,909	40.1%
	<u>2014</u>	<u>% of Total Revenue</u>
Idaho Department of Education	\$2,116,429	79.5%
J.A. Kathryn Albertson Foundation	\$464,866	17.5%

NOTE 5 Employee's Retirement System

Public Employee Retirement System of Idaho (PERSI), The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and

the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and charter school employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive 42 months.

The actuarially determined contribution requirements of the School and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2015, the required contribution rate as a percentage of covered payroll for members was 6.79%. The employer rate as a percentage of covered payroll was 11.32%. The School's contributions required and paid were \$199,688, \$141,700, and \$109,942, for the three years ended June 30, 2015, 2014, and 2013, respectively.

PERSI is subject to pronouncement issued by the Governmental Accounting Standards Board (GASB) and was required to implement GASB 67, Financial Reporting for Pension Plan-an amendment of GASB Statement No. 25, effective as of June 30, 2014. The statement established standards and specified the required approach for measuring the pension liability of contributing entities for benefits provided through the pension plan (the net pension liability). As of June 30, 2014, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 94.95% funded. 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, 2014 the School's proportion was 0.0462055 percent and the estimated net pension liability was \$340,144.

The actuarially determined contribution requirements of the School and its employees are established and may be amended by the PERSI Board of Trustees.

PERSI issues publicly available stand-alone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov.

NOTE 6 Concentration of Credit Risk

Forrest M. Bird Charter Schools, Inc. maintains five checking accounts at a single bank. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000

at an institution for fiscal year-end 2015 and 2014. At fiscal year-end 2015 cash exceeds FDIC insurance by \$124,239. At fiscal year-end 2014 cash exceeded FDIC insurance by \$798,349.

NOTE 7 Restricted Net Assets

The United States Department of Agriculture (USDA) loaned monies to the Forrest M. Bird Charter Schools Inc. for the construction of the high school building. One of the requirements of the loans is a debt service reserve account be established and funded by the School at a rate of one-tenth of the annual payment per year until a total of one annual payment has been accumulated. As of June 30, 2015 and 2014, the reserve amounts required by the USDA are \$98,463 and \$87,444, respectively.

NOTE 8 P-TECH Operating Agreement

On July 12, 2013 Forrest M. Bird Charter Schools (FBCS) entered into an operating agreement with Pathways in Technology Early College High School (P-TECH) Network of Idaho, LLC, to help provide early college access and professional technical training to high school students in Idaho no matter their physical location. FBCS will serve as the sole member of P-TECH and will operate as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. P-TECH shall operate as an independent entity separate from FBCS and any other entity and is required to be governed by a Board of Managers separate from the FBCS. FBCS will have one representative on the P-TECH Board of Managers. FBCS will provide support services for P-TECH including IT support, accounting services, institutional expertise, and education capabilities. FBCS may bill P-TECH for such services.

NOTE 9 Deferred Revenue

During fiscal year end June 30, 2015 and 2014, the school received three cash deposits totaling \$2,400,000 from the J.A. & K Albertson Foundation to implement the Idaho P-TECH Network described in Note 8. As of June 30, 2015, the school had spent \$2,069,141 of the award. The remaining amount of \$330,859 is being deferred in the financial statements and will be recognized in fiscal year June 30, 2016.

NOTE 10 Going Concern Consideration

As of June 30, 2015 Forrest M. Bird Charter School's (FBCS) current liabilities of \$795,227 exceed its current assets of \$504,738 by \$290,489. The effect of this situation is that FBCS may not have enough current assets to cover its current obligations if the obligations come due before FBCS collects more current assets. This factor raises doubt about FBCS's ability to continue as a going concern.

The Board of Directors and management are aware of the situation. The school is expecting to increase revenue in the near future by maintaining enrollment for the 2015-2016 school year which will give them an increase due to the increase in state support. Also, the school is expecting to receive \$81,250 in additional state foundation payment for building maintenance calculated at approximately \$250 per student. The school is also expecting to receive Federal funding from Title I, Title II, and IDEA Part B in the amount of approximately \$146,000 for the 2015-2016 school year.

At June 30, 2014 the current liabilities, \$1,524,853, exceeded the current assets, \$1,156,714, by \$368,139. In FYE June 30, 2015, the school has decreased the amount current liabilities exceeds current assets by \$77,650. The school expects to lower the margin again in FY 2015-2016 through the measures above.

Through increasing revenue and controlling expenses, the Board and Directors are predicting a continued increase in net assets in FY 2015-2016.

ADDITIONAL INFORMATION



INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors
Forrest M. Bird Charter Schools, Inc.
Sandpoint, Idaho 83864

We have audited the financial statements of Forrest M. Bird Charter Schools, Inc. (an Idaho non-profit corporation) as of and for the years ended June 30, 2015 and 2014, and have issued our report thereon dated October 3, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of functional expenses and Schedules I – VII are presented for the purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hayden Ross, PLLC

Moscow, Idaho
October 3, 2015

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2015

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non-Instruction</u>	<u>Total</u>
Salaries	1,056,363	767,063	-	1,823,426
Benefits	339,846	200,629	-	540,475
Purchased services	160,953	1,124,533	-	1,285,486
Supply-materials	73,773	87,816	-	161,589
Capital objects	-	-	359,055	359,055
Debt service interest	-	-	140,583	140,583
Depreciation and amortization	-	-	128,514	128,514
Total Expense	<u>\$ 1,630,935</u>	<u>\$ 2,180,041</u>	<u>\$ 628,152</u>	<u>\$ 4,439,128</u>

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE (Continued)
For the Year Ended June 30, 2014

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non-Instruction</u>	<u>Total</u>
Salaries	954,613	382,972	-	1,337,585
Benefits	311,381	106,630	-	418,011
Purchased services	59,679	503,997	-	563,676
Supply-materials	15,918	65,178	-	81,096
Insurance	-	-	103,223	103,223
Debt service interest	-	-	145,443	145,443
Depreciation	-	-	128,514	128,514
Total Expense	<u>\$ 1,341,591</u>	<u>\$ 1,058,777</u>	<u>\$ 377,180</u>	<u>\$ 2,777,548</u>

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE II - BALANCE SHEET
June 30, 2015

	General	Special Revenue	Totals (Memorandum Only)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash	350,173	-	350,173
Federal receivable	-	14,478	14,478
State support program receivable	62,862	-	62,862
Other receivable	5,501	-	5,501
Prepaid expenses	795	70,581	71,376
Due from other funds	-	325,805	325,805
Total assets	419,331	410,864	830,195
Deferred outflow of resources:			
	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 419,331	\$ 410,864	\$ 830,195
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts Payable	75,046	24,064	99,110
Accrued payroll and benefits	240,113	3,569	243,682
Due to other funds	317,453	8,352	325,805
Total liabilities	632,612	35,985	668,597
Deferred inflows of resources:			
Deferred revenue	-	330,859	330,859
Fund balance (deficit):			
Unrestricted	(213,281)	-	(213,281)
Restricted	-	44,020	44,020
Total fund balance	(213,281)	44,020	(169,261)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 419,331	\$ 410,864	\$ 830,195

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE III - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Interest	510	-	510
Other	110,681	-	110,681
Total local	<u>111,191</u>	<u>-</u>	<u>111,191</u>
State:			
Base support	1,690,381	1,705,934	(15,553)
Transportation	84,787	130,000	(45,213)
Benefit support	210,754	221,628	(10,874)
Lottery	14,257	6,500	7,757
Other state support	175,120	76,200	98,920
Total state	<u>2,175,299</u>	<u>2,140,262</u>	<u>35,037</u>
Federal:			
Other indirect	36,606	-	36,606
Total revenues	<u>2,323,096</u>	<u>2,140,262</u>	<u>182,834</u>
EXPENDITURES			
Instruction:			
Salaries	946,103	1,159,427	213,324
Benefits	314,869	401,907	87,038
Purchased services	48,934	-	(48,934)
Supply-materials	25,905	157,358	131,453
Capital objects	-	27,000	27,000
Debt Retirement	-	249,570	249,570
Insurance	-	5,000	5,000
Total instruction	<u>1,335,811</u>	<u>2,000,262</u>	<u>664,451</u>
Support:			
Salaries	290,747	-	(290,747)
Benefits	84,708	-	(84,708)
Purchased services	274,254	135,000	(139,254)
Supply-materials	36,828	-	(36,828)
Total support	<u>686,537</u>	<u>135,000</u>	<u>(551,537)</u>
Capital objects	11,483	-	(11,483)
Contingency reserve	-	90,000	90,000
Total expenditures	<u>2,033,831</u>	<u>2,225,262</u>	<u>191,431</u>
Excess(deficit) of revenues over(under) expenditures:	289,265	(85,000)	374,265
Other financing sources (uses):			
Transfer out	(249,570)	-	(249,570)
Change in fund balance	39,695	\$ (85,000)	\$ 124,695
Fund balance - beginning of year	<u>(252,976)</u>		
Fund balance - end of year (budget basis)	(213,281)		
Adjustments to conform with GAAP:			
Student fund cash balance	5,849		
Removal of interfund receivable from student funds	(5,501)		
Payable to student funds	(348)		
Capitalized capital objects	71,310		
Accumulated depreciation	(67,042)		
Net Assets - End of Year (GAAP)	<u>\$ (209,013)</u>		

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE IV - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2015

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION:			
Secondary			
Salaries	900,646	1,159,427	258,781
Benefits	301,718	401,907	100,189
Purchased services	48,934	-	(48,934)
Supply-materials	25,905	157,358	131,453
Capital Objects	-	27,000	27,000
Debt Retirement	-	249,570	249,570
Insurance	-	5,000	5,000
Total Secondary	<u>1,277,203</u>	<u>2,000,262</u>	<u>723,059</u>
Special Education Program			
Salaries	45,457	-	(45,457)
Benefis	13,151	-	(13,151)
Total Special Education Program	<u>58,608</u>	<u>-</u>	<u>(58,608)</u>
TOTAL INSTRUCTION:			
Salaries	946,103	1,159,427	213,324
Benefits	314,869	401,907	87,038
Purchased services	48,934	-	(48,934)
Supply-materials	25,905	157,358	131,453
Capital Objects	-	27,000	27,000
Debt Retirement	-	249,570	249,570
Insurance	-	5,000	5,000
Total Instruction	<u>\$ 1,335,811</u>	<u>\$ 2,000,262</u>	<u>\$ 723,059</u>
SUPPORT:			
Instructional Improvement Program			
Purchased services	656	-	(656)
School Administration Program			
Salaries	241,996	-	(241,996)
Benefits	71,953	-	(71,953)
Purchased Services	51,107	-	(51,107)
Supply-materials	23,692	-	(23,692)
Total School Administration Program	<u>388,748</u>	<u>-</u>	<u>(388,748)</u>
Maintenance - Student Occupied Buildings			
Salaries	26,813	-	(26,813)
Benefits	7,015	-	(7,015)
Purchased services	47,132	-	(47,132)
Supply-materials	11,320	-	(11,320)
Total Maintenance - Student Occupied Buildings	<u>92,280</u>	<u>-</u>	<u>(92,280)</u>
Maintenance Grounds			
Salaries	21,938	-	(21,938)
Benefits	5,740	-	(5,740)
Purchased services	1,189	-	(1,189)
Supply-materials	1,816	-	(1,816)
Total Maintenance Grounds	<u>30,683</u>	<u>-</u>	<u>(30,683)</u>
Maintenance - Grounds			
Purchased services	15,015	-	(15,015)
Total Maintenance - Grounds	<u>15,015</u>	<u>-</u>	<u>(15,015)</u>
Transportation			
Purchased services	159,155	135,000	(24,155)
TOTAL SUPPORT:			
Salaries	290,747	-	(290,747)
Benefits	84,708	-	(84,708)
Purchased services	274,254	135,000	(139,254)
Supply-materials	36,828	-	(36,828)
Total Support	<u>\$ 686,537</u>	<u>\$ 135,000</u>	<u>\$ (551,537)</u>
CAPITAL ASSET PROGRAM	<u>\$ 11,483</u>	<u>\$ -</u>	<u>\$ (11,483)</u>

FORREST M. BIRD CHARTER SCHOOLS, INC.

Sandpoint, Idaho

SCHEDULE V - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2015

	State Technology Grant	Driver's Education	Title I	IDEA Part B School-Age	Substance Abuse	Title II-A	Khan Grant	PTech	SDE Grant	Total
REVENUES										
Local:										
Other Local	206	-	-	-	-	-	89,622	1,603,400	-	1,693,228
State:										
Other Support	19,143	7,688	-	-	4,080	-	-	-	317,516	348,427
Federal:										
Restricted	-	-	54,425	56,917	-	27,223	-	-	-	138,565
Total revenues	19,349	7,688	54,425	56,917	4,080	27,223	89,622	1,603,400	317,516	2,180,220
EXPENDITURES										
Instruction:										
Salaries	10,000	-	36,276	33,654	-	1,750	28,580	-	-	110,260
Benefits	418	-	9,910	8,574	-	352	5,723	-	-	24,977
Purchased Services	1,184	7,688	-	8,875	-	8,600	185	85,487	-	112,019
Supplies-materials	2,837	-	1,297	5,721	-	-	4,869	33,144	-	47,868
Total instruction	14,439	7,688	47,483	56,824	-	10,702	39,357	118,631	-	295,124
Support:										
Salaries	-	-	1,667	-	800	-	-	473,849	-	476,316
Benefits	-	-	-	-	61	-	-	115,860	-	115,921
Purchased Services	-	-	5,275	50	-	16,521	14,684	756,939	56,810	850,279
Supplies-materials	-	-	-	43	169	-	1,179	45,838	3,759	50,988
Total support	-	-	6,942	93	1,030	16,521	15,863	1,392,486	60,569	1,493,504
Capital Objects	4,910	-	-	-	-	-	28,213	92,283	222,166	347,572
Total expenditures	19,349	7,688	54,425	56,917	1,030	27,223	83,433	1,603,400	282,735	2,136,200
Change in fund balance	-	-	-	-	3,050	-	6,189	-	34,781	44,020
Fund balance-beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance-end of year	-	-	-	-	3,050	-	6,189	-	34,781	44,020
Adjustments to conform with GAAP:										
Capitalized capital objects	-	-	-	-	-	-	-	-	7,158	7,158
Depreciation expense	-	-	-	-	-	-	-	-	(4,293)	(4,293)
Net Assets - End of Year (GAAP)	\$ -	\$ -	\$ -	\$ -	\$ 3,050	\$ -	\$ 6,189	\$ -	\$ 37,646	\$ 46,885

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE VI - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOL PLANT FACILITY FUND
For the Year Ended June 30, 2015

REVENUES		-
EXPENDITURES		
Debt service principal	108,737	
Debt service interest	<u>140,833</u>	
Total expenditures		<u>249,570</u>
Excess (deficiency) of revenues over(under) expenditures		(249,570)
Other financing sources (uses):		
Transfer in	<u>249,570</u>	
Total other financing sources (uses)		<u>249,570</u>
Change in fund balance		-
Fund balance-beginning of year		<u>-</u>
Fund balance-end of year (budget basis)		-
Adjustments to conform with GAAP:		
Capitalized capital objects		4,862,712
Outstanding debt		(3,223,960)
Accumulated depreciation		(913,916)
Accrued interest		<u>(8,277)</u>
Net assets - end of year (GAAP)		<u><u>\$ 716,559</u></u>

FORREST M. BIRD CHARTER SCHOOLS, INC.
Sandpoint, Idaho

SCHEDULE VII - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
All FUNDS
For the Year Ended June 30, 2015

	General Fund	State Technology Grant	Driver's Education	Title I	IDEA Part B School-Age	Substance Abuse	Title II-A	Khan Grant	PTech	SDE Grant	Plant Facilities	Total
REVENUES												
Local:												
Other Local	111,191	206	-	-	-	-	-	89,622	1,603,400	-	-	1,804,419
State:												
Other Support	2,175,299	19,143	7,688	-	-	4,080	-	-	-	317,516	-	2,523,726
Federal:												
Restricted	36,606	-	-	54,425	56,917	-	27,223	-	-	-	-	175,171
Total revenues	2,323,096	19,349	7,688	54,425	56,917	4,080	27,223	89,622	1,603,400	317,516	-	4,503,316
EXPENDITURES												
Instruction:												
Salaries	946,103	10,000	-	36,276	33,654	-	1,750	28,580	-	-	-	1,056,363
Benefits	314,869	418	-	9,910	8,574	-	352	5,723	-	-	-	339,846
Purchased Services	48,934	1,184	7,688	-	8,875	-	8,600	185	85,487	-	-	160,953
Supplies-materials	25,905	2,837	-	1,297	5,721	-	-	4,869	33,144	-	-	73,773
Total instruction	1,335,811	14,439	7,688	47,483	56,824	-	10,702	39,357	118,631	-	-	1,630,935
Support:												
Salaries	290,747	-	-	1,667	-	800	-	-	473,849	-	-	767,063
Benefits	84,708	-	-	-	-	61	-	-	115,860	-	-	200,629
Purchased Services	274,254	-	-	5,275	50	-	16,521	14,684	756,939	56,810	-	1,124,533
Supplies-materials	36,828	-	-	-	43	169	-	1,179	45,838	3,759	-	87,816
Total support	686,537	-	-	6,942	93	1,030	16,521	15,863	1,392,486	60,569	-	2,180,041
Capital Objects	11,483	4,910	-	-	-	-	-	28,213	92,283	222,166	-	359,055
Other services												
Debt services - principal	-	-	-	-	-	-	-	-	-	-	108,737	108,737
Debt services - interest	-	-	-	-	-	-	-	-	-	-	140,833	140,833
Total other services	-	-	-	-	-	-	-	-	-	-	249,570	249,570
Total expenditures	2,033,831	19,349	7,688	54,425	56,917	1,030	27,223	83,433	1,603,400	282,735	249,570	4,419,601
Excess (defecyency) of revenues over expenditures	289,265	-	-	-	-	3,050	-	6,189	-	34,781	(249,570)	83,715
Other financing sources:												
Transfer in	-	-	-	-	-	-	-	-	-	-	249,570	249,570
Transter out	(249,570)	-	-	-	-	-	-	-	-	-	-	(249,570)
Total other financing sources	(249,570)	-	-	-	-	-	-	-	-	-	249,570	-
Change in fund balance	39,695	-	-	-	-	3,050	-	6,189	-	34,781	-	83,715
Fund balance-beginning of year	(252,976)	-	-	-	-	-	-	-	-	-	-	(252,976)
Fund balance-end of year	\$ (213,281)	\$ -	\$ -	\$ -	\$ -	\$ 3,050	\$ -	\$ 6,189	\$ -	\$ 34,781	\$ -	\$ (169,261)