



FORREST M. BIRD CHARTER SCHOOLS, INC.

Sandpoint, Idaho



Audited Financial Statements
For the Years Ended
June 30, 2023 and 2022 (Restated)

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

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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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forrest M. Bird Charter Schools, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022 (Restated), and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Forrest M. Bird Charter Schools, Inc. as of June 30, 2023 and 2022 (Restated), 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

The Organization has adopted ASC 842, *Leases*, as further described in Note 3. Our opinion is not modified with respect to this matter.

The Organization has restated the financial statements as of June 30, 2022, as described in Note 12. Our opinion is not modified with respect to this matter.

Basis for Opinion

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 Forrest M. Bird Charter Schools, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Forrest M. Bird Charter Schools, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Forrest M. Bird Charter Schools, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forrest M. Bird Charter Schools, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules I through XI have been presented for purposes of additional analysis and is 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.

Emphasis of Matter related to Supplementary Information

We draw your attention to Note 2 which requires Forrest M. Bird Charter Schools, Inc. to submit to the Idaho State Department of Education financial statements in accordance with accounting principles generally accepted in the United States of America for governmental entities. 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 September 18, 2023, 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 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 Forrest M. Bird Charter Schools, Inc.'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 Forrest M. Bird Charter Schools, Inc.'s internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
September 18, 2023



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

To the Board of Directors
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 statements of financial position as of June 30, 2023 and 2022 (Restated), and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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, Idaho
September 18, 2023

FINANCIAL STATEMENTS



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

STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022 (Restated)

| | 2023 | 2022 (Restated) |
|---|--------------|------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | 1,551,232 | 1,437,731 |
| Federal receivable | 90,016 | 78,780 |
| State support receivable | 50,488 | 7,876 |
| Prepaid expenses | 11,460 | 14,770 |
| Total current assets | 1,703,196 | 1,539,157 |
| Property and equipment: | | |
| Land | 14,227 | 14,227 |
| Buildings and land improvements | 5,033,196 | 5,011,723 |
| Fixtures and equipment | 174,392 | 168,768 |
| Less: accumulated depreciation | (2,099,106) | (1,944,167) |
| Net property and equipment | 3,122,709 | 3,250,551 |
| Right-of-use assets: | | |
| Right-of-use lease asset | 17,009 | 17,009 |
| Less: accumulated amortization | (8,292) | (4,146) |
| Net right-of-use assets | 8,717 | 12,863 |
| Restricted assets: | | |
| Cash with donor restrictions | 107,583 | 91,789 |
| Total restricted assets | 107,583 | 91,789 |
| Total assets | \$ 4,942,205 | \$ 4,894,360 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | 28,610 | 27,145 |
| Salaries and benefits payable | 344,339 | 314,346 |
| Accrued interest | 4,716 | 5,451 |
| Current portion of long-term debt | 101,594 | 97,658 |
| Current portion of right-of-use lease liability | 4,164 | 8,779 |
| Total current liabilities | 483,423 | 453,379 |
| Long-term liabilities: | | |
| Long-term debt - net of current portion | 2,300,981 | 2,402,032 |
| Less: unamortized debt issuance costs | (14,221) | (16,277) |
| Right-of-use lease liability - net of current portion | 4,615 | 4,127 |
| Net long-term liabilities | 2,291,375 | 2,389,882 |
| Total liabilities | 2,774,798 | 2,843,261 |
| Net assets: | | |
| Without donor restrictions | 2,059,824 | 1,959,310 |
| With donor restrictions | 107,583 | 91,789 |
| Total net assets | 2,167,407 | 2,051,099 |
| Total liabilities and net assets | \$ 4,942,205 | \$ 4,894,360 |

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

STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|--|---------------------|
| REVENUE, GRANTS, AND OTHER SUPPORT | | | |
| Federal support | - | 551,117 | 551,117 |
| State support | 2,720,095 | 80,996 | 2,801,091 |
| Local support | 7,820 | 38,843 | 46,663 |
| Interest | 2,115 | - | 2,115 |
| | <hr/> | <hr/> | <hr/> |
| Total revenue, grants, and other support | 2,730,030 | 670,956 | 3,400,986 |
| | <hr/> | <hr/> | <hr/> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| Restrictions satisfied by payments | 655,162 | (655,162) | - |
| Total net assets released from restrictions | 655,162 | (655,162) | - |
| | <hr/> | <hr/> | <hr/> |
| EXPENSE | | | |
| Program (instructional) | 1,905,309 | - | 1,905,309 |
| Administrative (support) | 1,091,165 | - | 1,091,165 |
| Non-instructional | 29,449 | - | 29,449 |
| Debt-service interest | 99,670 | - | 99,670 |
| Depreciation | 154,939 | - | 154,939 |
| Right-of-use lease expense | 4,146 | - | 4,146 |
| | <hr/> | <hr/> | <hr/> |
| Total expense | 3,284,678 | - | 3,284,678 |
| | <hr/> | <hr/> | <hr/> |
| Change in net assets | 100,514 | 15,794 | 116,308 |
| Net assets - beginning of year | 1,959,310 | 91,789 | 2,051,099 |
| | <hr/> | <hr/> | <hr/> |
| Net assets - end of year | <u>\$ 2,059,824</u> | <u>\$ 107,583</u> | <u>\$ 2,167,407</u> |

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

STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2022 (Restated)

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|--|---------------------|
| REVENUE, GRANTS, AND OTHER SUPPORT | | | |
| Federal support | - | 462,971 | 462,971 |
| State support | 2,554,205 | 83,214 | 2,637,419 |
| Local support | 12,036 | 12,326 | 24,362 |
| Interest | 708 | - | 708 |
| | <hr/> | <hr/> | <hr/> |
| Total revenue, grants, and other support | 2,566,949 | 558,511 | 3,125,460 |
| | <hr/> | <hr/> | <hr/> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | |
| Restrictions satisfied by payments | 586,823 | (586,823) | - |
| Total net assets released from restrictions | 586,823 | (586,823) | - |
| | <hr/> | <hr/> | <hr/> |
| EXPENSE | | | |
| Program (instructional) | 1,874,485 | - | 1,874,485 |
| Administrative (support) | 980,525 | - | 980,525 |
| Non-instructional | 14,579 | - | 14,579 |
| Debt-service interest | 103,389 | - | 103,389 |
| Depreciation | 151,465 | - | 151,465 |
| Right-of-use lease expense | 4,146 | - | 4,146 |
| | <hr/> | <hr/> | <hr/> |
| Total Expense | 3,128,589 | - | 3,128,589 |
| | <hr/> | <hr/> | <hr/> |
| Change in net assets | 25,183 | (28,312) | (3,129) |
| Net assets - beginning of year | 1,934,127 | 120,101 | 2,054,228 |
| | <hr/> | <hr/> | <hr/> |
| Net assets - end of year | <u>\$ 1,959,310</u> | <u>\$ 91,789</u> | <u>\$ 2,051,099</u> |

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

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022 (Restated)

| | <u>2023</u> | <u>2022 (Restated)</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from state support | 2,758,479 | 2,677,205 |
| Cash received from federal support | 539,881 | 406,970 |
| Cash received from interest | 2,115 | 708 |
| Other cash received | 46,663 | 24,362 |
| Cash paid for interest | (94,203) | (101,538) |
| Cash paid to suppliers and employees | (2,995,301) | (2,842,244) |
| Net cash provided by operating activities | <u>257,634</u> | <u>165,463</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash paid for property and equipment | (27,097) | (46,223) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash paid on long-term debt | (97,115) | (93,839) |
| Cash paid on ROU lease liability | (4,127) | (4,103) |
| Net cash used in financing activities | <u>(101,242)</u> | <u>(97,942)</u> |
| Net increase in cash and cash equivalents | 129,295 | 21,298 |
| Cash and cash equivalents - beginning of year | <u>1,529,520</u> | <u>1,508,222</u> |
| Cash and cash equivalents - end of year | <u><u>\$ 1,658,815</u></u> | <u><u>\$ 1,529,520</u></u> |
| Reconciliation of change in Net Assets to Net | | |
| Cash Provided by Operating Activities: | | |
| Change in net assets | 116,308 | (3,129) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Amortization of unamortized debt issuance costs reported as interest expense | 2,056 | 2,056 |
| Amortization of right-of-use lease asset | 4,146 | 4,146 |
| Depreciation | 154,939 | 151,465 |
| (Increase) decrease in operating assets: | | |
| Federal support receivable | (11,236) | (56,001) |
| State support receivable | (42,612) | 39,786 |
| Prepaid expenses | 3,310 | 7,776 |
| Increase (decrease) in operating liabilities: | | |
| Accrued interest | (735) | (205) |
| Accounts payable | 1,465 | 8,767 |
| Salaries and benefits payable | 29,993 | 10,802 |
| Net cash provided by operating activities | <u><u>\$ 257,634</u></u> | <u><u>\$ 165,463</u></u> |
| Cash and cash equivalents reconciliation | | |
| Cash and cash equivalents without donor restrictions | 1,551,232 | 1,437,731 |
| Cash and cash equivalents with donor restrictions | 107,583 | 91,789 |
| | <u><u>\$ 1,658,815</u></u> | <u><u>\$ 1,529,520</u></u> |

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

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2023

| | <u>Program</u> <u>(Instructional)</u> | <u>Administrative</u> <u>(Support)</u> | <u>Other</u> | <u>Total</u> |
|----------------------------|--|---|-------------------|---------------------|
| Salaries | 1,287,011 | 462,243 | - | 1,749,254 |
| Benefits | 486,958 | 178,109 | - | 665,067 |
| Purchased services | 94,702 | 375,830 | 21,133 | 491,665 |
| Supplies-materials | 36,638 | 74,983 | 8,316 | 119,937 |
| Debt service interest | - | - | 99,670 | 99,670 |
| Depreciation | - | - | 154,939 | 154,939 |
| Right-of-use lease expense | - | - | 4,146 | 4,146 |
| Total expense | <u>\$ 1,905,309</u> | <u>\$ 1,091,165</u> | <u>\$ 288,204</u> | <u>\$ 3,284,678</u> |

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

STATEMENT OF FUNCTIONAL EXPENSE
For the Year Ended June 30, 2022 (Restated)

| | <u>Program</u> <u>(Instructional)</u> | <u>Administrative</u> <u>(Support)</u> | <u>Other</u> | <u>Total</u> |
|----------------------------|--|---|-------------------|---------------------|
| Salaries | 1,274,104 | 440,580 | - | 1,714,684 |
| Benefits | 456,192 | 159,399 | - | 615,591 |
| Purchased services | 94,468 | 327,059 | 12,105 | 433,632 |
| Supplies-materials | 49,721 | 53,487 | 2,474 | 105,682 |
| Debt service interest | - | - | 103,389 | 103,389 |
| Depreciation | - | - | 151,465 | 151,465 |
| Right-of-use lease expense | - | - | 4,146 | 4,146 |
| Total expense | <u>\$ 1,874,485</u> | <u>\$ 980,525</u> | <u>\$ 273,579</u> | <u>\$ 3,128,589</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023 and 2022 (Restated)

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 grade. 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

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

Cash - For purposes of the statement of cash flows, cash equivalents include money market accounts, time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. 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 is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business. The School's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

Property and Equipment - The cost of property and equipment is depreciated over the estimated useful lives of the assets. Major expenditures costing at least \$5,000 which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on the straight-line method for financial reporting purposes. The useful lives of property and equipment 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, 2023 and 2022 were \$154,939 and \$151,465, respectively.

Debt Issuance Costs - The School capitalizes the cost of loan origination fees which are amortized over the term of the loan. In accordance with ASU 2015-03 the amortization of debt issuance costs are reported as interest expense. Amounts included in interest expense for the years ended June 30, 2023 and 2022 was \$2,056 and \$2,056, respectively.

NOTE 2 Summary of Significant Accounting Policies (Continued)

Leases - The School leases copiers. The School determines if an arrangement is a lease at inception. Operating and financing leases are included as lease right-of-use (ROU) assets, other current liabilities, and lease liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the School used an incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. The School's lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants. In evaluating contracts to determine if they qualify as a lease, the School considers factors such as if we have obtained substantially all of the rights to the underlying asset through exclusivity, if we can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, the School uses rates implicit in the lease, or if not readily available, the School used an incremental borrowing rate. The School has chosen to utilize the "Daily Treasury Par Yield Curve Rates" from the US Department of the Treasury for their incremental borrowing rate. For each lease, the rate listed for the date of the lease commencement (that approximates the lease term for each individual lease) will be used.

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.

Net Assets - Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. The School's board may designate assets without restrictions for specific operational purposes from time to time.

NOTE 2 Summary of Significant Accounting Policies (Continued)

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantor. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Reports Required by the State - Idaho Department of Education requires the School to submit financial information in accordance with accounting principles generally accepted in the United States of America for governmental entities. This information is included as supplemental information to the basic financial statements. The General Fund accounts for activities for general operations and the other funds presented are used to account for activities related to restricted funds and grants the School received.

Revenue Recognition - The School has implemented ASU 2014-09 Revenue from Contracts with Customers, and has applied the five-step process to their contract revenue. The School has determined that it has no earnings from contract revenue that would be subject to the requirements of ASU 2014-09, *Revenue from Contracts with Customers*.

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 material subsequent events have occurred.

NOTE 3 Recently Adopted Accounting Guidance

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the standard effective July 1, 2022, and recognized and measured leases existing at July 1, 2021 (the beginning of the earliest comparative period presented), using a modified retrospective approach, with certain practical expedients available.

The School elected the available practical expedients to account for its existing operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

NOTE 3 Recently Adopted Accounting Guidance (Continued)

As a result of the adoption of the new lease accounting guidance, the School recognized on July 1, 2021, a lease liability of \$17,009, which represents the present value of the remaining operating lease payments of \$17,273, discounted using incremental borrowing rates of .28% and 1.73%, and a right-of-use asset of \$17,009, which represents the lease liability of \$17,009.

The standard had a material impact on the statement of financial position, statement of activities, and statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

NOTE 4 Long-Term Debt

Long-term debt for the School as of June 30, 2023 and 2022 consists of the following:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Mountain West Bank (MWB) loan, secured by real property, payable at \$16,281 per month including interest at 3.98%. The note matures May 2030. | <u>2,402,575</u> | <u>2,499,690</u> |
| Total Long Term Debt | 2,402,575 | 2,499,690 |
| Less Current Portion | <u>(101,594)</u> | <u>(97,658)</u> |
| Net Long-term Debt | <u>\$ 2,300,981</u> | <u>\$ 2,402,032</u> |

Future debt service is as follows:

| Fiscal Year <u>Ended June 30,</u> | |
|--|---------------------|
| 2024 | 101,594 |
| 2025 | 105,712 |
| 2026 | 109,997 |
| 2027 | 114,456 |
| 2028 | 119,095 |
| Thereafter | <u>1,851,721</u> |
| Total | <u>\$ 2,402,575</u> |

NOTE 5 Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------|----------------------|
| Subject to expenditure for specified purpose | | |
| Donor specified contributions | 4,000 | 12 |
| Student funds | 40,393 | 40,365 |
| Special revenue funds | 51,412 | 51,412 |
| Maintenance match | 11,778 | - |
| | <u>11,778</u> | <u>-</u> |
| Total | <u>\$ 107,583</u> | <u>\$ 91,789</u> |

NOTE 6 Liquidity and Availability of Resources

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Financial assets available, at year end: | | |
| Cash and cash equivalents | 1,658,815 | 1,529,520 |
| Receivables | 140,504 | 86,656 |
| Total financial assets available, at year end | <u>1,799,319</u> | <u>1,616,176</u> |
| Less those unavailable for general expenses within one year, due to: | | |
| Contractual or donor-imposed restrictions: | | |
| Restricted by donor with time or purpose restrictions | <u>(107,583)</u> | <u>(91,789)</u> |
| Financial assets available to meet cash needs for general expenses within one year | <u>\$ 1,691,736</u> | <u>\$ 1,524,387</u> |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

NOTE 7 Major Funding Sources

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

| | <u>2023</u> | <u>% of Total Revenue</u> |
|-------------------------------|-------------|---------------------------|
| Idaho Department of Education | \$2,801,091 | 82.36% |
| | | |
| | <u>2022</u> | <u>% of Total Revenue</u> |
| Idaho Department of Education | \$2,637,419 | 84.14% |

NOTE 8 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, 2023, the required contribution rate as a percentage of covered payroll for members was 7.16%. The employer rate as a percentage of covered payroll was 11.94%. The School's contributions required and paid were \$203,973 and \$201,059 for the years ended June 30, 2023 and 2022, 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 asset of contributing entities for benefits provided through the pension plan (the net pension asset). As of June 30, 2022, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 83.09% funded. The School's proportion of the net pension asset 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 0.04270154% and the estimated net pension liability was \$1,681,910.

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 9 Other Post-Employment Benefit Plan – Sick Leave Plan

The School contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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.

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

The contribution rate for employees are set by statute at .065% of covered compensation for state members. Covered school members' contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020, PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended through June 30, 2026, therefore the School's contributions required and paid were \$0 for the years ended June 30, 2023 and 2022.

PERSI is subject to pronouncement issued by the Governmental Accounting Standards Board (GASB) and was required to implement GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective as of June 30, 2017. The statement established standards and specified the required approach for measuring the OPEB asset of contributing entities for benefits provided through the OPEB plan (the net OPEB asset). As of June 30, 2022, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 127.21% funded. The School's proportion of the net OPEB asset was based on the School's share of contributions in the Base Plan OPEB plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the School's proportion was 0.1009444% and the estimated OPEB sick leave asset was \$76,846.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. The reports may be obtained from PERSI's website www.persi.idaho.gov.

NOTE 10 Right-of-use Lease Asset/Liability

The School has financing leases for equipment. The leases have remaining lease terms of 3 to 4 years. As of June 30, 2023, assets recorded under finance leases were \$17,009, and accumulated amortization associated with finance leases was \$8,292.

NOTE 10 Right-of-use Lease Asset/Liability (Continued)

Total finance lease expense for the year ended June 30, 2023 and 2022, is as follows:

| Year Ended June 30, | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| Amortization expense by class of underlying asset | | |
| Copy Machine | 4,146 | 4,146 |
| Total amortization expense | 4,146 | 4,146 |
| Interest on lease liabilities | 84 | 84 |
| Variable lease expense | - | - |
| Total finance lease cost | <u>\$ 4,230</u> | <u>\$ 4,230</u> |

During the year ended June 30, 2023, the following changes occurred in finance lease assets:

| Lease Assets | Beginning of Year | Additions | Modifications & Remeasurements | Subtractions | End of Year | Amounts Due Within One Year |
|---------------------------------------|-------------------|----------------|--------------------------------|-------------------|-----------------|-----------------------------|
| Copy Machine | 17,009 | - | - | - | 17,009 | |
| | 17,009 | - | - | - | 17,009 | |
| Less: Accumulated Amortization | | | | | | |
| Copy Machine | (4,146) | (4,146) | - | - | (8,292) | |
| | (4,146) | (4,146) | - | - | (8,292) | |
| Total Lease Assets, net | <u>12,863</u> | <u>(4,146)</u> | <u>-</u> | <u>-</u> | <u>8,717</u> | |
| Lease Liabilities | <u>\$ 12,906</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,128)</u> | <u>\$ 8,778</u> | <u>\$ 4,164</u> |

Future minimum lease payments under non-cancellable leases as of June 30, 2023, were as follows:

| FY Ending June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total Payments</u> |
|------------------------------|------------------|-----------------|-----------------------|
| 2024 | 4,164 | 50 | 4,215 |
| 2025 | 3,604 | 14 | 3,618 |
| 2026 | 1,010 | 1 | 1,011 |
| Total Future Payments | <u>8,778</u> | <u>65</u> | <u>8,843</u> |

NOTE 11 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 2023 and 2022. At fiscal year-end 2023, cash exceeded FDIC insurance by \$1,515,547. At fiscal year-end 2022, cash exceeded FDIC insurance by \$1,304,390.

NOTE 12 Restatement

The financial statements for the year ended June 30, 2022, have been restated for the adoption of ASC 842 Leases as described in Note 3.

SUPPLEMENTARY INFORMATION



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

SCHEDULE I - STATEMENT OF NET POSITION
June 30, 2023

| | | |
|--|------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | 1,551,232 | |
| Federal receivable | 90,016 | |
| State support receivable | 50,488 | |
| Prepaid expenses | 11,460 | |
| Total current assets | <u>1,703,196</u> | |
| Noncurrent assets: | | |
| Land | 14,227 | |
| Buildings and land improvements | 5,033,196 | |
| Fixtures and equipment | 174,392 | |
| Less: accumulated depreciation | (2,099,106) | |
| Right-of-use asset | 17,009 | |
| Less: accumulated amortization | (8,292) | |
| Cash with donor restrictions | 107,583 | |
| Net OPEB asset - sick leave | 76,846 | |
| Total noncurrent assets | <u>3,315,855</u> | |
| Total assets | | <u>5,019,051</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Net OPEB - sick leave related items | 93,442 | |
| Pension related items | 1,050,112 | |
| Total deferred outflows of resources | | <u>1,143,554</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and other current liabilities | 377,665 | |
| Current portion of long-term debt | 101,594 | |
| Current portion of right-of-use lease liability | 4,164 | |
| Total current liabilities | <u>483,423</u> | |
| Noncurrent liabilities: | | |
| Noncurrent portion of long-term debt | 2,300,981 | |
| Noncurrent portion of right-of-use lease liability | 4,615 | |
| Net pension liability | 1,681,910 | |
| Total noncurrent liabilities | <u>3,987,506</u> | |
| Total liabilities | | <u>4,470,929</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Net OPEB - sick leave related items | 34,519 | |
| Pension related items | 84,233 | |
| Total deferred inflows of resources | | <u>118,752</u> |
| NET POSITION | | |
| Net investment in capital assets | 720,072 | |
| Restricted | 107,583 | |
| Unrestricted | 745,269 | |
| Total net position | | <u>\$ 1,572,924</u> |
| Adjustments to conform with GAAP: | | |
| Unamortized debt issuance costs | 14,221 | |
| Pension and OPEB related items: | | |
| Net OPEB asset - sick leave | (76,846) | |
| Deferred outflow of resources | (1,143,554) | |
| Deferred inflow of resources | 118,752 | |
| Net pension liability | 1,681,910 | |
| Total adjustments to conform with GAAP | <u>594,483</u> | |
| Net Assets - end of year (GAAP) | | <u>\$ 2,167,407</u> |

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

SCHEDULE II - STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|--------------------------------|-------------------------|--|--|----------------------------|--|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Governmental activities: | | | | | |
| Instruction | 2,034,007 | - | 289,789 | - | (1,744,218) |
| Support services: | | | | | |
| Staff support | 12,330 | - | - | - | (12,330) |
| School/business administration | 712,247 | - | - | - | (712,247) |
| Maintenance/custodial | 224,658 | - | - | - | (224,658) |
| Transportation | 200,021 | - | - | - | (200,021) |
| Student activities | 29,449 | - | - | - | (29,449) |
| Debt services | 97,614 | - | - | - | (97,614) |
| Right-of-use lease expense | 4,146 | - | - | - | (4,146) |
| Depreciation, unallocated | 154,939 | - | - | - | (154,939) |
| Total School District | <u>\$ 3,469,411</u> | <u>\$ -</u> | <u>\$ 289,789</u> | <u>\$ -</u> | <u>(3,179,622)</u> |
| General revenues | | | | | |
| | | | | | 3,062,419 |
| | | | | | 46,663 |
| | | | | | 2,115 |
| | | | | | 3,111,197 |
| | | | | | (68,425) |
| | | | | | 1,641,349 |
| | | | | | \$ 1,572,924 |

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

SCHEDULE III - BALANCE SHEET
June 30, 2023

| | General | Special Revenue | Plant Facility | Totals |
|--|---------------------|----------------------------|---------------------------|---------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Assets: | | | | |
| Cash and investments | 1,618,422 | 40,393 | - | 1,658,815 |
| Federal receivable | - | 90,016 | - | 90,016 |
| State support program receivable | 50,488 | - | - | 50,488 |
| Due from other funds | - | 64,139 | - | 64,139 |
| Prepaid expenses | 11,460 | - | - | 11,460 |
| Total assets | 1,680,370 | 194,548 | - | 1,874,918 |
| Deferred outflows of resources | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,680,370 | \$ 194,548 | \$ - | \$ 1,874,918 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Accounts payable | 12,343 | 16,267 | - | 28,610 |
| Accrued payroll and benefits | 312,209 | 32,130 | - | 344,339 |
| Due to other funds | 9,793 | 54,346 | - | 64,139 |
| Total liabilities | 334,345 | 102,743 | - | 437,088 |
| Deferred inflows of resources: | - | - | - | - |
| Fund balance: | | | | |
| Nonspendable | 11,460 | - | - | 11,460 |
| Restricted | 15,778 | 91,805 | - | 107,583 |
| Unrestricted | 1,318,787 | - | - | 1,318,787 |
| Total fund balance | 1,346,025 | 91,805 | - | 1,437,830 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 1,680,370 | \$ 194,548 | \$ - | \$ 1,874,918 |

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

**SCHEDULE IV - RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2023**

| | |
|---|---------------------|
| Total fund balances - governmental funds | 1,437,830 |
| 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 as assets in governmental funds: | |
| Cost of capital assets | 5,221,815 |
| Accumulated depreciation | (2,099,106) |
| Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds: | |
| Cost of right to use assets | 17,009 |
| Accumulated amortization | (8,292) |
| Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities: | |
| Deferred outflow of resources | 1,050,112 |
| Deferred inflow of resources | (84,233) |
| Certain OPEB - sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities: | |
| Deferred outflow of resources | 93,442 |
| Deferred inflow of resources | (34,519) |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid | (4,716) |
| Total Net OPEB asset for PERSI - sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds. | 76,846 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following: | |
| Note payable | (2,402,575) |
| Right-of-use lease liability | (8,779) |
| Net pension liability | <u>(1,681,910)</u> |
| Total net position - governmental activities | <u>\$ 1,572,924</u> |

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

SCHEDULE V - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2023

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Plant Facility</u> | <u>Total</u> |
|--|-------------------------|--------------------------------------|---------------------------|---------------------|
| REVENUES | | | | |
| Local | 13,935 | 34,843 | - | 48,778 |
| State | 2,720,095 | 80,996 | - | 2,801,091 |
| Federal | - | 551,117 | - | 551,117 |
| Total revenues | <u>2,734,030</u> | <u>666,956</u> | <u>-</u> | <u>3,400,986</u> |
| EXPENDITURES | | | | |
| Instruction | 1,466,548 | 438,761 | - | 1,905,309 |
| Support | 900,983 | 190,182 | - | 1,091,165 |
| Non-instruction | - | 29,449 | - | 29,449 |
| Capital asset program | 18,561 | 8,536 | - | 27,097 |
| Debt service | 4,214 | - | 189,926 | 194,140 |
| Total expenditures | <u>2,390,306</u> | <u>666,928</u> | <u>189,926</u> | <u>3,247,160</u> |
| Excess (deficiency) of revenues over (under) expenditures | 343,724 | 28 | (189,926) | 153,826 |
| Other financing sources (uses): | | | | |
| Transfers in (out) | <u>(189,926)</u> | <u>-</u> | <u>189,926</u> | <u>-</u> |
| Change in fund balance | 153,798 | 28 | - | 153,826 |
| Fund balance - beginning of year | <u>1,192,227</u> | <u>91,777</u> | <u>-</u> | <u>1,284,004</u> |
| Fund balance - end of year | <u>\$ 1,346,025</u> | <u>\$ 91,805</u> | <u>\$ -</u> | <u>\$ 1,437,830</u> |

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

**SCHEDULE VI - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

| | | |
|---|------------------|--------------------|
| Net change in fund balances - total governmental funds | | 153,826 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual depreciation expense in the statement of activities: | | |
| Capital outlays | 27,097 | |
| Depreciation expense | <u>(154,939)</u> | (127,842) |
| Capital outlays to purchase right-of-use lease assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual amortization expense in the statement of activities: | | |
| Amortization expense | | (4,146) |
| Net pension asset adjustments: | | |
| Fiscal year 2022 employer PERSI contributions recognized as pension expense in the current year. | (201,059) | |
| Fiscal year 2023 employer PERSI contributions deferred to subsequent year | 203,973 | |
| Pension related amortization revenue (expense) | <u>(170,149)</u> | (167,235) |
| Net OPEB asset - sick leave adjustment: | | |
| OPEB related amortization revenue (expense) | | (19,555) |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due | | |
| | | (4,716) |
| Repayments of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position: | | |
| Debt consolidation principal payments | 97,115 | |
| Right-of-use lease principal payments | <u>4,128</u> | <u>101,243</u> |
| Net change in net position - governmental activities | | <u>\$ (68,425)</u> |

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

GENERAL FUND
SCHEDULE VII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|---------------------|------------------|---|
| REVENUES | | | |
| Local: | | | |
| Interest | 2,115 | - | 2,115 |
| Contributions/donations | 7,478 | - | 7,478 |
| Other | 4,342 | - | 4,342 |
| Total local | <u>13,935</u> | <u>-</u> | <u>13,935</u> |
| State: | | | |
| Base support | 2,186,182 | 2,071,569 | 114,613 |
| Transportation | 39,329 | 80,000 | (40,671) |
| Exceptional child support | 45,000 | - | 45,000 |
| Benefit support | 268,884 | 264,064 | 4,820 |
| Lottery | 24,403 | 22,408 | 1,995 |
| Other state support | 156,297 | 159,590 | (3,293) |
| Total state | <u>2,720,095</u> | <u>2,597,631</u> | <u>122,464</u> |
| Total revenues | <u>2,734,030</u> | <u>2,597,631</u> | <u>136,399</u> |
| EXPENDITURES | | | |
| Instruction: | | | |
| Salaries | 1,041,255 | 1,012,342 | (28,913) |
| Benefits | 400,602 | 426,218 | 25,616 |
| Purchased services | 24,042 | 30,807 | 6,765 |
| Supplies-materials | 649 | - | (649) |
| Total instruction | <u>1,466,548</u> | <u>1,469,367</u> | <u>2,819</u> |
| Support: | | | |
| Salaries | 386,250 | 410,511 | 24,261 |
| Benefits | 156,344 | 166,819 | 10,475 |
| Purchased services | 327,934 | 323,923 | (4,011) |
| Supplies-materials | 30,455 | 22,511 | (7,944) |
| Total support | <u>900,983</u> | <u>923,764</u> | <u>22,781</u> |
| Capital objects | <u>18,561</u> | <u>9,000</u> | <u>(9,561)</u> |
| Debt service: | | | |
| Debt services - principal | 4,128 | 102,500 | 98,372 |
| Debt services - interest | 86 | 93,000 | 92,914 |
| Total debt service | <u>4,214</u> | <u>195,500</u> | <u>191,286</u> |
| Total expenditures | <u>2,390,306</u> | <u>2,597,631</u> | <u>207,325</u> |
| Excess (deficiency) of revenues over (under) expenditures | 343,724 | - | 343,724 |
| Other financing sources (uses) | | | |
| Transfer out | <u>(189,926)</u> | <u>-</u> | <u>(189,926)</u> |
| Change in fund balance | 153,798 | <u>\$ -</u> | <u>\$ 153,798</u> |
| Fund balance - beginning of year | <u>1,192,227</u> | | |
| Fund balance - end of year | <u>\$ 1,346,025</u> | | |

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

GENERAL FUND
SCHEDULE VIII - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

| | Actual | Budget | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|--|
| INSTRUCTION | | | |
| Secondary: | | | |
| Salaries | 877,581 | 840,027 | (37,554) |
| Benefits | 327,023 | 344,461 | 17,438 |
| Purchased services | 10,993 | 1,000 | (9,993) |
| Supplies-materials | 430 | - | (430) |
| Total secondary | <u>1,216,027</u> | <u>1,185,488</u> | <u>(30,539)</u> |
| Special education: | | | |
| Salaries | 163,674 | 172,315 | 8,641 |
| Benefits | 73,579 | 81,757 | 8,178 |
| Purchased services | 13,049 | 29,807 | 16,758 |
| Supplies-materials | 219 | - | (219) |
| Total special education | <u>250,521</u> | <u>283,879</u> | <u>33,358</u> |
| TOTAL INSTRUCTION | | | |
| Salaries | 1,041,255 | 1,012,342 | (28,913) |
| Benefits | 400,602 | 426,218 | 25,616 |
| Purchased services | 24,042 | 30,807 | 6,765 |
| Supplies-materials | 649 | - | (649) |
| Total instruction | <u>\$ 1,466,548</u> | <u>\$ 1,469,367</u> | <u>\$ 2,819</u> |
| SUPPORT | | | |
| Instructional improvement: | | | |
| Purchased services | 6,650 | 11,000 | 4,350 |
| School administration: | | | |
| Salaries | 333,139 | 344,906 | 11,767 |
| Benefits | 138,241 | 144,367 | 6,126 |
| Purchased Services | 37,689 | 40,023 | 2,334 |
| Supplies-materials | 15,044 | 20,000 | 4,956 |
| Total school administration | <u>524,113</u> | <u>549,296</u> | <u>25,183</u> |
| Building-care (custodial): | | | |
| Salaries | 41,274 | 46,527 | 5,253 |
| Benefits | 16,682 | 18,715 | 2,033 |
| Purchased services | 60,935 | 60,400 | (535) |
| Supplies-materials | 1,062 | 1,000 | (62) |
| Total building-care (custodial) | <u>119,953</u> | <u>126,642</u> | <u>6,689</u> |
| Maintenance – buildings & equipment (student-occupied): | | | |
| Salaries | 7,170 | 11,078 | 3,908 |
| Benefits | 453 | 2,170 | 1,717 |
| Purchased services | 2,555 | 2,500 | (55) |
| Supplies-materials | 13,527 | 1,511 | (12,016) |
| Total maintenance – buildings & equipment (student-occupied) | <u>23,705</u> | <u>17,259</u> | <u>(6,446)</u> |
| Maintenance - grounds: | | | |
| Salaries | 4,667 | 8,000 | 3,333 |
| Benefits | 968 | 1,567 | 599 |
| Purchased services | 20,084 | 10,000 | (10,084) |
| Supplies-materials | 822 | - | (822) |
| Total maintenance - grounds | <u>26,541</u> | <u>19,567</u> | <u>(6,974)</u> |
| Pupil-to-school transportation: | | | |
| Purchased services | 198,700 | 200,000 | 1,300 |
| Pupil-activity transportation: | | | |
| Purchased services | 1,321 | - | (1,321) |
| TOTAL SUPPORT | | | |
| Salaries | 386,250 | 410,511 | 24,261 |
| Benefits | 156,344 | 166,819 | 10,475 |
| Purchased services | 327,934 | 323,923 | (4,011) |
| Supplies-materials | 30,455 | 22,511 | (7,944) |
| Total support | <u>\$ 900,983</u> | <u>\$ 923,764</u> | <u>\$ 22,781</u> |
| CAPITAL ASSET PROGRAM | <u>\$ 18,561</u> | <u>\$ 9,000</u> | <u>\$ (9,561)</u> |
| DEBT SERVICES PROGRAM | | | |
| Debt services - principal | 4,128 | 102,500 | 98,372 |
| Debt services - interest | 86 | 93,000 | 92,914 |
| Total debt service | <u>4,214</u> | <u>195,500</u> | <u>191,286</u> |
| Total debt services | <u>\$ 4,214</u> | <u>\$ 195,500</u> | <u>\$ 191,286</u> |

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

SPECIAL REVENUE FUNDS
SCHEDULE IX - COMBINING BALANCE SHEET
June 30, 2023

| | Khan Grant | SDE Grant | Student Activities | Memorial Garden | Driver's Education | Professional Technical State | State Technology | Substance Abuse | ESSER III (ARPA) American Rescue Plan Act | Title I-A, ESSA Improving Basic Programs | ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act | ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act | IDEA Part B (611 School Age 3-21) |
|--|-------------|------------------|--------------------|-----------------|--------------------|------------------------------|------------------|-----------------|---|--|---|--|-----------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | | | |
| Assets: | | | | | | | | | | | | | |
| Cash | - | - | 40,393 | - | - | - | - | - | - | - | - | - | - |
| Due from other funds | 2 | 26,159 | - | - | - | - | 30,936 | 6,517 | - | - | - | - | 525 |
| Other receivables: | | | | | | | | | | | | | |
| Federal | - | - | - | - | - | - | - | - | 44,558 | 41,590 | - | - | - |
| Total assets | 2 | 26,159 | 40,393 | - | - | - | 30,936 | 6,517 | 44,558 | 41,590 | - | - | 525 |
| Deferred outflows of resources | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 2 | \$ 26,159 | \$ 40,393 | \$ - | \$ - | \$ - | \$ 30,936 | \$ 6,517 | \$ 44,558 | \$ 41,590 | \$ - | \$ - | \$ 525 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | 12,727 | - | - | - | - | - | - |
| Accrued payroll and benefits | - | - | - | - | - | - | - | - | 22,545 | 9,585 | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - | 22,013 | 32,005 | - | - | - |
| Total liabilities | - | - | - | - | - | - | 12,727 | - | 44,558 | 41,590 | - | - | - |
| Deferred inflows of resources | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fund balance: | | | | | | | | | | | | | |
| Restricted | 2 | 26,159 | 40,393 | - | - | - | 18,209 | 6,517 | - | - | - | - | 525 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | \$ 2 | \$ 26,159 | \$ 40,393 | \$ - | \$ - | \$ - | \$ 30,936 | \$ 6,517 | \$ 44,558 | \$ 41,590 | \$ - | \$ - | \$ 525 |

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

SPECIAL REVENUE FUNDS
SCHEDULE IX - COMBINING BALANCE SHEET (CONTINUED)
June 30, 2023

| | Title IV-A ESSA Student Support and Academic Enrichment | Title V-B ESSA Rural Education Initiative | IDEA Mini-Grants | Title II-A, ESEA Supporting Effective Instruction | Title IX-A Education for Homeless Children and Youth | ESSER III - (ARPA) Learning Loss | CARES - LMS | CARES - SEL | SLFRF Educator Premiums | Total |
|--|---|---|---------------------|---|--|---|-------------|-------------|-------------------------------|-------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | |
| Assets: | | | | | | | | | | |
| Cash | - | - | - | - | - | - | - | - | - | 40,393 |
| Due from other funds | - | - | - | - | - | - | - | - | - | 64,139 |
| Other receivables: | | | | | | | | | | |
| Federal | - | - | - | - | - | 3,868 | - | - | - | 90,016 |
| Total assets | - | - | - | - | - | 3,868 | - | - | - | 194,548 |
| Deferred outflows of resources | - | - | - | - | - | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,868</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 194,548</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | - | - | - | - | - | 3,540 | - | - | - | 16,267 |
| Accrued payroll and benefits | - | - | - | - | - | - | - | - | - | 32,130 |
| Due to other funds | - | - | - | - | - | 328 | - | - | - | 54,346 |
| Total liabilities | - | - | - | - | - | 3,868 | - | - | - | 102,743 |
| Deferred inflows of resources | - | - | - | - | - | - | - | - | - | - |
| Fund balance: | | | | | | | | | | |
| Restricted | - | - | - | - | - | - | - | - | - | 91,805 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,868</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 194,548</u> |

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

SPECIAL REVENUE FUNDS
SCHEDULE X - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2023

| | Khan Grant | SDE Grant | Student Activities | Memorial Garden | Driver's Education | Professional Technical State | State Technology | Substance Abuse | ESSEER III (ARPA) American Rescue Plan Act | Title I-A, ESSA Improving Basic Programs | ESSEER I (CARES) Coronavirus Aid, Relief and Economic Security Act | ESSEER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act | IDEA Part B (611 School Age 3-21) |
|---|------------|-----------|--------------------|-----------------|--------------------|------------------------------|------------------|-----------------|--|--|--|---|-----------------------------------|
| REVENUES | | | | | | | | | | | | | |
| Local | - | - | 29,477 | 5,200 | - | - | 166 | - | - | - | - | - | - |
| State | - | - | - | - | 11,850 | 6,222 | 58,129 | 4,795 | - | - | - | - | - |
| Federal | - | - | - | - | - | - | - | - | 261,328 | 89,020 | 65 | 29,164 | 57,190 |
| Total revenues | - | - | 29,477 | 5,200 | 11,850 | 6,222 | 58,295 | 4,795 | 261,328 | 89,020 | 65 | 29,164 | 57,190 |
| EXPENDITURES | | | | | | | | | | | | | |
| Instruction: | | | | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | 124,910 | 47,231 | - | 10,346 | - |
| Benefits | - | - | - | - | - | - | - | - | 55,321 | 17,229 | - | 4,098 | - |
| Purchased services | - | - | - | - | 11,850 | - | - | - | - | 1,370 | - | - | 57,190 |
| Supplies-materials | - | - | - | 2,288 | - | 5,847 | - | - | 907 | 2,150 | - | - | - |
| Total instruction | - | - | - | 2,288 | 11,850 | 5,847 | - | - | 181,138 | 67,980 | - | 14,444 | 57,190 |
| Support: | | | | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | 11,595 | - | 40,345 | 13,919 | - | 10,134 | - |
| Benefits | - | - | - | - | - | - | - | - | 17,179 | - | - | 4,586 | - |
| Purchased services | - | - | - | - | - | 375 | 30,507 | - | 5,128 | 5,680 | - | - | - |
| Supplies-materials | - | - | - | - | - | - | 15,364 | - | 17,538 | 1,441 | 65 | - | - |
| Total support | - | - | - | - | - | 375 | 57,466 | - | 80,190 | 21,040 | 65 | 14,720 | - |
| Non-instruction | | | | | | | | | | | | | |
| Purchased services | - | - | 21,133 | - | - | - | - | - | - | - | - | - | - |
| Supplies-materials | - | - | 8,316 | - | - | - | - | - | - | - | - | - | - |
| Total non-instruction | - | - | 29,449 | - | - | - | - | - | - | - | - | - | - |
| Capital objects | - | - | - | 2,912 | - | - | 829 | 4,795 | - | - | - | - | - |
| Total expenditures | - | - | 29,449 | 5,200 | 11,850 | 6,222 | 58,295 | 4,795 | 261,328 | 89,020 | 65 | 29,164 | 57,190 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 28 | - | - | - | - | - | - | - | - | - | - |
| Change in fund balance | - | - | 28 | - | - | - | - | - | - | - | - | - | - |
| Fund balance-beginning of year, as restated | 2 | 26,159 | 40,365 | - | - | - | 18,209 | 6,517 | - | - | - | - | 525 |
| Fund balance-end of year | \$ 2 | \$ 26,159 | \$ 40,393 | \$ - | \$ - | \$ - | \$ 18,209 | \$ 6,517 | \$ - | \$ - | \$ - | \$ - | \$ 525 |

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

SPECIAL REVENUE FUNDS
SCHEDULE X - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
For the Year Ended June 30, 2023

| | Title IV-A ESSA Student Support and Academic Enrichment | Title V-B ESSA Rural Education Initiative | IDEA Mini-Grants | Title II-A, ESEA Supporting Effective Instruction | Title IX-A Education for Homeless Children and Youth | ESSER III - (ARPA) Learning Loss | CARES - LMS | CARES - SEL | SLFRF Educator Premiums | Total |
|--|---|---|---------------------|---|--|---|-------------|-------------|-------------------------------|-----------|
| REVENUES | | | | | | | | | | |
| Local | - | - | - | - | - | - | - | - | - | 34,843 |
| State | - | - | - | - | - | - | - | - | - | 80,996 |
| Federal | 10,000 | 24,891 | 250 | 15,553 | 3,671 | 17,603 | 363 | 44 | 41,975 | 551,117 |
| Total revenues | 10,000 | 24,891 | 250 | 15,553 | 3,671 | 17,603 | 363 | 44 | 41,975 | 666,956 |
| EXPENDITURES | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries | 10,000 | 1,450 | - | 13,005 | 3,671 | - | - | 44 | 35,099 | 245,756 |
| Benefits | - | 284 | - | 2,548 | - | - | - | - | 6,876 | 86,356 |
| Purchased services | - | - | 250 | - | - | - | - | - | - | 70,660 |
| Supplies-materials | - | 10,734 | - | - | - | 14,063 | - | - | - | 35,989 |
| Total instruction | 10,000 | 12,468 | 250 | 15,553 | 3,671 | 14,063 | - | 44 | 41,975 | 438,761 |
| Support: | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | - | 75,993 |
| Benefits | - | - | - | - | - | - | - | - | - | 21,765 |
| Purchased services | - | 5,843 | - | - | - | - | 363 | - | - | 47,896 |
| Supplies-materials | - | 6,580 | - | - | - | 3,540 | - | - | - | 44,528 |
| Total support | - | 12,423 | - | - | - | 3,540 | 363 | - | - | 190,182 |
| Non-instruction | | | | | | | | | | |
| Purchased services | - | - | - | - | - | - | - | - | - | 21,133 |
| Supplies-materials | - | - | - | - | - | - | - | - | - | 8,316 |
| Total non-instruction | - | - | - | - | - | - | - | - | - | 29,449 |
| Capital objects | - | - | - | - | - | - | - | - | - | 8,536 |
| Total expenditures | 10,000 | 24,891 | 250 | 15,553 | 3,671 | 17,603 | 363 | 44 | 41,975 | 666,928 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | - | - | - | - | - | 28 |
| Change in fund balance | - | - | - | - | - | - | - | - | - | 28 |
| Fund balance-beginning of year | - | - | - | - | - | - | - | - | - | 91,777 |
| Fund balance-end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 91,805 |

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

PLANT FACILITY FUND
SCHEDULE XI - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2023

| | | |
|---|----------------|--------------------|
| REVENUES | | <u>-</u> |
| EXPENDITURES | | |
| Debt service: | | |
| Debt service principal | 97,115 | |
| Debt service interest | <u>92,811</u> | |
| Total expenditures | | <u>189,926</u> |
| Excess (deficiency) of revenues over(under) expenditures | | (189,926) |
| Other financing sources | | |
| Transfer in | <u>189,926</u> | |
| Total other financing sources | | <u>189,926</u> |
| Change in fund balance | | - |
| Fund balance-beginning of year | | <u>-</u> |
| Fund balance-end of year | | <u><u>\$ -</u></u> |