

Financial Statements

Idaho Connects Online School #469
Includes Supplemental Information
Year Ended June 30, 2023



Table of Contents

Introductory Section	3
Independent Auditors' Report	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	13
Notes to Financial Statements	14
Required Supplementary Information	
Budgetary (GAAP Basis) Comparison Schedule – General Fund	31
Notes to Required Supplementary Schedule	32
Schedule of Employer's Share of Net Pension Liability and of Employer Contributions	33
Schedule of Employer's Share of Net OPEB Asset – PERSI Sick Leave	34
Supplementary Information	
Combining Balance Sheet – Nonmajor Special Revenue Funds	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds	37
Federal Report	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39
Schedule of Findings and Responses	41

IDAHO CONNECTS ONLINE SCHOOL #469

Board of Trustees

David High

Chairman

Danny Robinson

Trustee

Don Reading

Trustee

Administrators

Vickie McCullough

Superintendent

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Idaho Connects Online School No. 469
Garden City, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Connects Online School No. 469 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Idaho Connects Online School No. 469, as of June 30, 2023, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Idaho Connects Online School No. 469 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

Idaho Connects Online School No. 469's 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 Idaho Connects Online School No. 469's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Idaho Connects Online School No. 469'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 Idaho Connects Online School No. 469's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023, on our consideration of the District'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Havis CPA's

Meridian, Idaho
November 9, 2023

BASIC FINANCIAL STATEMENTS

IDAHO CONNECTS ONLINE SCHOOL #469
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
Assets	
Cash and investments	\$ 1,186,053
Intergovernmental receivables	391,736
Other receivables	4,943
Prepaid expenses	73,482
Non-current assets:	
Net OPEB asset	114,857
Capital assets, net of accumulated depreciation	22,947
Right of use leased assets, net of accumulated amortization	<u>24,683</u>
Total Assets	1,818,701
Deferred Outflows	
Pension obligations	1,553,525
OPEB obligations	<u>147,671</u>
Total Deferred Outflows	<u>1,701,196</u>
Total Assets and Deferred Outflows	<u><u>\$ 3,519,897</u></u>
Liabilities	
Accounts payable	\$ 59,839
Accrued expenses	126,036
Lease liability, current portion	19,486
Lease liability, net of current portion	6,805
Net pension liability	<u>2,123,211</u>
Total Liabilities	2,335,377
Deferred Inflows	
Pension obligations	19,590
OPEB obligations	<u>51,594</u>
Total Deferred Inflows	71,184
Net Position	
Net investment in capital assets	21,339
Restricted	143,795
Unrestricted	<u>948,202</u>
Total Net Position	<u>1,113,336</u>
Total Liabilities, Deferred Inflows and Net Position	<u><u>\$ 3,519,897</u></u>

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental Activities:					
Instruction	\$ 3,638,103	\$ 2,160	\$ 203,899	\$	\$ (3,432,044)
Support services	609,765		47,426		(562,339)
Total Governmental Activities	\$ 4,247,868	\$ 2,160	\$ 251,325	\$	(3,994,383)
			General Revenues		
			State Sources		3,398,431
			Earnings on investments		36,233
			Total General Revenues		3,434,664
			Change in Net Position		(559,719)
			Net Position, Beginning of Year		1,673,055
			Net Position, End of Year		\$ 1,113,336

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and investments	\$ 1,086,989	\$ 99,064	\$ 1,186,053
Intergovernmental receivables, net	338,709	53,027	391,736
Other receivables	4,943		4,943
Due from other funds	53,027	44,731	97,758
Prepaid expense	<u>73,482</u>		<u>73,482</u>
Total Assets	1,557,150	196,822	1,753,972
Liabilities			
Accounts payable	59,839		59,839
Accrued payroll liabilities	126,036		126,036
Due to other funds	<u>44,731</u>	<u>53,027</u>	<u>97,758</u>
Total Liabilities	230,606	53,027	283,633
Fund Balance			
Nonspendable	73,482		73,482
Committed		143,795	143,795
Unassigned	<u>1,253,062</u>		<u>1,253,062</u>
Total Fund Balances	<u>1,326,544</u>	<u>143,795</u>	<u>1,470,339</u>
Total Liabilities and Fund Balances	<u>\$ 1,557,150</u>	<u>\$ 196,822</u>	<u>\$ 1,753,972</u>

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balance - total governmental funds \$ 1,470,339

Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. These
assets, net of accumulated depreciation, consist of:

Cost of capital assets	89,958	
Accumulated depreciation and amortization	(42,328)	
Total capital assets, net of accumulated depreciation		47,630

Some assets in the fund statements are not financial resources
and are therefore recognized as long-term assets:

Net OPEB asset	114,857	
		114,857

Deferred outflows of resources not reported in the funds:

Pension related	1,553,525	
OPB related	147,671	
		1,701,196

Long-term liabilities, applicable to governmental activities
are not due and payable in the current period and therefore are
not reported as fund liabilities. These liabilities consist of:

Net pension liability	(2,123,211)	
Lease liability	(26,291)	
		(2,149,502)

Deferred inflows of resources not reported in the funds:

Pension related	(19,590)	
OPB related	(51,594)	
		(71,184)

Total net position of governmental activities \$ 1,113,336

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
State	\$ 3,353,700	\$ 44,731	\$ 3,398,431
Federal		251,325	251,325
Earnings on investments	36,233		36,233
Other	<u>2,160</u>		<u>2,160</u>
Total Revenues	3,392,093	296,056	3,688,149
Expenditures			
Instructional	3,044,946	353,202	3,398,148
Support Services	<u>580,814</u>	<u>51,253</u>	<u>632,067</u>
Total Expenditures	<u>3,625,760</u>	<u>404,455</u>	<u>4,030,215</u>
Excess (Deficiency) of Revenues			
Over Expenditures	(233,667)	(108,399)	(342,066)
Other Financing Sources (Uses)			
Transfers in (out)	<u>(153,130)</u>	<u>153,130</u>	
Net Change in Fund Balances	(386,797)	44,731	(342,066)
Fund Balances, Beginning of Year	<u>1,713,341</u>	<u>99,064</u>	<u>1,812,405</u>
Fund Balances, End of Year	<u>\$ 1,326,544</u>	<u>\$ 143,795</u>	<u>\$ 1,470,339</u>

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ (342,066)

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

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets are allocated over their
estimated useful lives as depreciation expense. In the current period,
these amounts are:

Capital outlay	34,421	
Depreciation and amortization expense	(29,986)	
		4,435

Some expenses reported in the Statement of Activities do not require use
of current financial resources and therefore are not reported as
expenditures in the governmental funds:

Net change in pension related items	(311,222)	
Net change in OPEB related items	71,267	
Lease principal payments	17,867	
		(222,088)

Change in Net Position of Governmental Activities \$ (559,719)

See accompanying notes to basic financial statements.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Financial Reporting Entity

The accompanying financial statements present the activities of Idaho Connects Online School No. 469 (the Charter). The Charter receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the Charter is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are volunteers and have decision-making authority, the power to designate management, the ability to significantly influence operation, and the primary accountability for fiscal matters. In addition, the Charter's reporting entity does not contain any component units.

Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the Charter. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Charter's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.
- Indirect expenses - expenses of the general government related to the administration and support of the Charter's programs, such as personnel and accounting (but not interest on long-term debt), are allocated to programs based on their percentage of total primary government expenses. Interest expenses are allocated to the programs that manage the capital assets financed with long-term debt.
- Program revenues - include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Charter's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds would be aggregated and reported as nonmajor funds.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

The Charter reports the following major governmental fund:

- *General fund.* - This is the Charter's primary operating fund. It accounts for all financial resources of the Charter, except those required to be accounted for in another fund.

Measurement Focus /Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Charter receives value without directly giving equal value in return, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Charter considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Fund Balance Reporting and Governmental Funds

Different measurement focuses and basis of accounting are used in the government-wide Statement of Net Position and in the Governmental Fund Balance Sheet.

The Charter uses the following fund balance categories in the Governmental Fund Balance Sheet:

- *Nonspendable.* Balances, for example, in permanent funds, prepaid expenditures, and inventories that are permanently precluded from conversion to cash.
- *Restricted.* Balances, consisting of restricted assets, constrained to a specific purpose by enabling legislation, external parties, or constitutional provisions.
- *Unassigned.* Balances available for any purpose.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

The remaining fund balance classifications (committed) are either not applicable or no formal policy has yet been established to be able to utilize such classifications of fund balance. However, if there had been committed funds, these amounts would have been decided by the Board of Trustees, the Charter's highest level of decision making authority, through a formal action. The Board of Trustees also has the authority to assign funds or authorize another official to do so.

Under the terms of grant agreements, the Charter funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position and fund balances available to financial the program. When both restricted and unrestricted resources are available for use, it is the Charter's intent to use restricted resources first, then unrestricted resources as they are needed.

There is also no formal policy regarding the use of committed, assigned, or unassigned fund balances. However, it is the Charter's intent that when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the Charter considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

All special revenue funds are restricted by either the federal government or the State of Idaho and must be spent according to the stipulations of the corresponding federal or state program.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

As of July 1, 2022, the Charter adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology accounting based on the foundational principle that subscriptions are financings of the right to use an underlying asset. The standard requires recognition of certain right to use subscription assets and liabilities for subscriptions that previously were recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, there was no effect on beginning fund balance or net position.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Cash Equivalents

A “Pooled Cash” concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents.

Prepaid Expenses

Prepaid balances are for payments made by the Charter in the current year to provide services occurring in the subsequent year, and the reserve for prepaid expenses has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Receivables

All trade and other receivables are shown net of an allowance for uncollectible amounts. As of June 30, 2023, no allowance was considered necessary for intergovernmental receivables.

Capital Assets

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are shown below.

	<u>Capitalization</u> <u>Policy</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings and Improvements	\$ 5,000	Straight-line	20-50 years
Equipment	\$ 5,000	Straight-line	3-10 years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives. The Charter’s capital assets of \$34,421 are comprised of laptop computers. Current year depreciation expense was \$11,474, and accumulated depreciation was \$11,474 as of June 30, 2023.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

At June 30, 2023, the Charter has recorded right to use leased assets as a result of implementing Governmental Accounting Standards Board (GASB) 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

Accounts Payable

Accounts payable represent debts that will be paid in the next billing cycle. Accounts payable are not over 60 days past due.

Lease Liabilities

Lease liabilities represent the Charter's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on the borrowing rate stated in the lease or the Charter's incremental borrowing rate.

Income Taxes

The Charter is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Charter may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2023. The Charter files Form 990 in the U.S. federal jurisdiction. The Charter is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Pensions

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

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset – Sick Leave, deferred outflows of resources and deferred inflows of resources related to OPEB – Sick Leave, and OPEB – Sick Leave expense; (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund’s fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note B – Cash and Investments

As of June 30, 2023, cash and investments were reported in the basic financial statements in the following categories:

	<u>2023</u>	
	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash		
Bank deposits	\$ 336,902	\$ 185,812
LGIP	1,000,241	1,000,241

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned. The Charter has an Insured Cash Sweep (ICS) agreement with a local financial institution to provide for custodial risk for the cash balance associated with their checking account in excess of the FDIC insurance limits. As of June 30, 2023, all of the Charter's checking account deposits at this local financial institution were covered by the federal depository insurance. Deposits in the state LGIP fund are not covered by the FDIC.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note B – Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. The Charter's investment policy is structured to meet the Charter's anticipated cash flows, liquidity of investment portfolio and safety of principal. In addition, the policy limits the purchase of investments to those with original maturity of less than 36 months.

Investments

The Charter follows Idaho Statute that outlines qualifying investment options as follows:

Idaho Code authorizes the Charter to invest any available funds in obligations issued or guaranteed by the United States Treasury, the State of Idaho, local Idaho municipalities and taxing districts, the Farm Credit System, or Idaho public corporations, as well as time deposit accounts and repurchase agreements.

Credit Risk

The Charter also maintains a demand deposit cash account at a local brokerage institution. The cash at this brokerage institution is insured by the Security Investment Protection Corporation (SIPC). SIPC insures up to \$250,000 in cash in the event of broker/dealer failure. At June 30, 2023, \$86,902 of the Charter's demand deposit cash was uninsured by the SIPC.

Note C – Intergovernmental Receivables

Amounts due from other governments consist of \$391,736, as appropriations from the State of Idaho for school support and agreed-upon tuition fees from other Idaho school districts.

Note D – Pension Plan

Plan Description

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

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note D – Pension Plan (Continued)

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Charter's contributions were \$295,620 for the year ended June 30, 2023.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note D – Pension Plan (Continued)

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

At June 30, 2023, the Charter reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter’s proportion of the net pension liability was based on the Charter’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 Charter’s proportion was 0.05390560 percent.

For the year ended June 30, 2023, the Charter recognized pension expense of \$569,621. At June 30, 2023, the Charter reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 233,476	\$ 9,477
Changes in assumptions or other inputs	346,147	0
Net difference between projected and actual earnings on pension plan investments	488,526	0
Changes in the employer’s proportion and differences between the employer’s contributions and the employer’s proportionate contributions	189,756	10,113
The Charter’s contributions subsequent to the measurement date	<u>295,620</u>	<u>0</u>
Total	<u>\$ 1,553,525</u>	<u>\$ 19,590</u>

\$295,620 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note D – Pension Plan (Continued)

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021, the beginning of the measurement period ended June 30, 2021, is 4.6 and 4.6 years for the measurement period ended June 30, 2022.

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

Year Ending <u>June 30,</u>	<u>Amount</u>
2024	\$ 253,167
2025	274,837
2026	127,112
2027	403,556

Actuarial Assumptions

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

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note D – Pension Plan (Continued)

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

Assumptions used to calculate the enclosed figures are described in our 2021 Experience Study. The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date July 1, 2021.

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

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

Discount Rate

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

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note D – Pension Plan (Continued)

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	\$ <u>3,747,260</u>	\$ <u>2,123,211</u>	\$ <u>793,969</u>

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2023, the Charter had no payables to the defined benefit pension plan for legally required employer contributions nor legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note E – PERSI OPEB – Sick Leave

The Charter 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 the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

IDAHO CONNECTS ONLINE SCHOOL #469

NOTES TO FINANCIAL STATEMENTS

Note E – PERSI OPEB – Sick Leave (Continued)

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

OPEB Benefits

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.

Employer Contributions

The contribution rate for employers 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. The Charter's contributions were \$16,093 for the year ended June 30, 2023.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Charter reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Charter's proportion of the net OPEB asset was based on the Charter's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2022, the Charter's proportion was 0.1508757 percent.

For the year ended June 30, 2023, the Charter recognized OPEB expense of \$14,750.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note E – PERSI OPEB – Sick Leave (Continued)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases, including inflation	3.05%
Investment rate of return, net of investment expenses	5.45%

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement and thus would have no impact.

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad US Equity	39.3%	8.53%
Global EX U.S. Equity	10.7%	9.09%
Fixed Income	50.0%	2.80%
Cash Equivalents	0.0%	2.25%

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note E – PERSI OPEB – Sick Leave (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan’s net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB asset to changes in the discount rate

The following presents the Employer’s proportionate share of the net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the Employer’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer’s proportionate share of the net pension liability (asset)	\$ <u>(81,038)</u>	\$ <u>(114,857)</u>	\$ <u>(145,780)</u>

OPEB plan fiduciary net position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the OPEB plan

At June 30, 2023, the Charter reported no payables to the defined benefit OPEB plan for legally required employer contributions. There were also no payables for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO FINANCIAL STATEMENTS

Note F – Risk Management

The Charter is exposed to a considerable number of risks of loss including, but not limited to, a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) worker’s compensation, i.e. employee injuries, and f) medical insurance costs of its employees. Commercial insurance policies are purchased to transfer the risk of loss for property and content damage, employee torts, worker’s compensation, i.e. employee injuries and professional liabilities.

Note G – Right to Use Leased Assets

The Charter has recognized one right to use leased asset, which is a leased office space in Garden City, Idaho. The related lease is discussed within Note H – Lease Obligations footnote. The right to use leased asset is amortized on a straight-line basis over the term of the related lease. Right to use leased asset activity for the year ended June 30, 2023, are as follows:

	<u>7/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/2023</u>
Leased office space	\$ 55,537	\$ 0	\$ 0	\$ 55,537
Less Accumulated Amortization	<u>(12,341)</u>	<u>(18,513)</u>	<u>0</u>	<u>(30,854)</u>
Right to use leased Asset, net	<u>\$ 43,196</u>	<u>\$ (18,513)</u>	<u>\$ 0</u>	<u>\$ 24,683</u>

Note H – Lease Obligations

The Charter leases office space in Garden, City Idaho. The lease period is for three years, ending October 31, 2024. Payments are due monthly and escalate on an annual basis along within annually-reconciled triple net terms, also required to be paid monthly. The lease agreement qualifies as other than a short term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 19,486	\$ 963	\$ 20,449
2025	<u>6,805</u>	<u>78</u>	<u>6,883</u>
Total	<u>\$ 26,291</u>	<u>\$ 1,041</u>	<u>\$ 27,332</u>

REQUIRED SUPPLEMENTARY INFORMATION

IDAHO CONNECTS ONLINE SCHOOL #469
BUDGETARY (GAAP BASIS) COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
State revenues	\$ 4,275,373	\$ 4,275,373	\$ 3,353,700	\$ (921,673)
Earnings on investments	1,000	1,000	36,233	35,233
Other revenue			2,160	2,160
Total Revenue	<u>4,276,373</u>	<u>4,276,373</u>	<u>3,392,093</u>	<u>(884,280)</u>
Expenditures				
Instructional	3,748,176	3,748,176	3,044,946	(703,230)
Support Services	<u>516,175</u>	<u>516,175</u>	<u>580,814</u>	<u>64,639</u>
Total Expenditures	<u>4,264,351</u>	<u>4,264,351</u>	<u>3,625,760</u>	<u>(638,591)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	12,022	12,022	(233,667)	(245,689)
Other Financing Sources (Uses)				
Transfers in (out)			<u>(153,130)</u>	<u>(153,130)</u>
Net Change in Fund Balance	<u>\$ 12,022</u>	<u>\$ 12,022</u>	<u>\$ (386,797)</u>	<u>\$ (398,819)</u>

IDAHO CONNECTS ONLINE SCHOOL #469
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

Note A – Budgets and Budgetary Accounting

The charter follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Prior to June 1, the Superintendent and the Board of Trustees prepare a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to July 1, the budget is legally enacted through passage at a board meeting.
- D. Formal budgetary integration is employed as a management control device during the year for all the funds.
- E. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

IDAHO CONNECTS ONLINE SCHOOL #469
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY AND
EMPLOYER CONTRIBUTIONS
For the Year Ended June 30, 2023

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years *

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employer's portion of the net pension liability	0.0206744%	0.0262038%	0.0333100%	0.0397894%	0.0362618%	0.0439405%	0.0451580%	0.0471049%	0.0539056%
Employer's proportionate share of the net pension liability (asset)	\$ 88,793	\$ 345,061	\$ 675,231	\$ 625,421	\$ 534,868	\$ 501,569	\$ 1,048,628	\$ (37,202)	\$ 2,123,211
Employer's covered-employee payroll	\$ 560,097	\$ 733,958	\$ 974,196	\$ 1,231,329	\$ 1,166,672	\$ 1,492,397	\$ 1,622,075	\$ 1,757,892	\$ 2,125,736
Employer's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	15.85%	47.01%	69.31%	50.79%	45.85%	33.61%	64.65%	2.12%	99.88%
Plan fiduciary net position as a percentage of total pension liability	94.95%	91.38%	87.26%	90.68%	91.69%	93.79%	88.22%	100.36%	127.21%

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

Data reported is measured as of June 30, 2022

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years *

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 83,084	\$ 110,279	\$ 139,386	\$ 132,067	\$ 168,939	\$ 191,998	\$ 209,893	\$ 253,813	\$ 295,620
Contributions in relation to statutorily required contribution	\$ 83,084	\$ 110,279	\$ 139,386	\$ 132,067	\$ 168,939	\$ 191,998	\$ 209,893	\$ 253,813	\$ 295,620
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 733,958	\$ 974,196	\$ 1,231,329	\$ 1,166,672	\$ 1,492,397	\$ 1,622,075	\$ 1,757,892	\$ 2,125,736	\$ 2,475,881
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%	11.32%	11.32%	11.84%	11.94%	11.94%	11.94%

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

IDAHO CONNECTS ONLINE SCHOOL #469
SCHEDULES OF EMPLOYER'S SHARE OF NET OPEB ASSET
PERSI SICK LEAVE PLAN
For the Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Asset

PERSI - OPEB Plan

Last 10 - Fiscal Years *

	2017	2018	2019	2020	2021	2022
Employer's portion of the net OPEB asset	0.1050%	0.0940%	0.1150%	0.1510%	0.1510%	0.1510%
Employer's proportionate share of the net OPEB asset	\$ 80,894	\$ 78,178	\$ 109,804	\$ 185,774	\$ 219,102	\$ 114,857
Employer's covered-employee payroll	\$ 1,231,329	\$ 1,166,672	\$ 1,492,397	\$ 1,622,075	\$ 1,757,892	\$ 2,125,736
Employer's proportionate share of net OPEB asset as a percentage of its covered-employee payroll	6.57%	6.70%	7.36%	11.45%	12.46%	5.40%
Plan fiduciary net position as a percentage of total OPEB asset	136.78%	135.69%	138.51%	152.87%	152.61%	127.21%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Charter will present information for those years for which information is available.

Data reported is measured as of June 30, 2022.

Schedule of Employer Contributions

PERSI - OPEB Plan

Last 10 - Fiscal Years *

	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 15,544	\$ 16,206	\$ 10,543	\$ 13,402	\$ 13,817	\$ 16,093
Contributions in relation to statutorily required contribution	\$ 15,571	\$ 14,700	\$ 18,804	\$ 13,528	\$ 13,817	\$ 16,093
Contribution (deficiency) excess	\$ 27	\$ (1,506)	\$ 8,261	\$ 126	\$ -	\$ -
Employer's covered-employee payroll	\$ 1,166,672	\$ 1,492,397	\$ 1,622,075	\$ 1,757,892	\$ 2,125,736	\$ 2,475,881
Contributions as a percentage of covered-employee payroll	1.33%	0.98%	1.16%	0.77%	0.65%	0.65%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Charter will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

IDAHO CONNECTS ONLINE SCHOOL #469
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	<u>Technology</u>	<u>Students Come First PD Grant</u>	<u>Students Come First Mobile Grant</u>	<u>Title VI-B IDEA</u>	<u>CRRSA Act</u>	<u>Professional Development</u>	<u>ARPA Act SLFRE</u>	<u>Total</u>
Assets								
Cash and investments	\$ 86,714	\$ 7,259	\$ 3,000	\$ 0	\$ 0	\$ 2,091	\$ 0	\$ 99,064
Intergovernmental receivables, net	0	0	0	53,027	0	0	0	53,027
Due from other funds	<u>44,731</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,731</u>
Total Assets	<u>\$ 131,445</u>	<u>\$ 7,259</u>	<u>\$ 3,000</u>	<u>\$ 53,027</u>	<u>\$ 0</u>	<u>\$ 2,091</u>	<u>\$</u>	<u>\$ 196,822</u>
Liabilities								
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,027</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,027</u>
Total Liabilities	0	0	0	53,027	0	0	0	53,027
Fund Balances								
Restricted	<u>131,445</u>	<u>7,259</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>2,091</u>	<u>0</u>	<u>143,795</u>
Total Liabilities and Fund Balances	<u>\$ 131,445</u>	<u>\$ 7,259</u>	<u>\$ 3,000</u>	<u>\$ 53,027</u>	<u>\$ 0</u>	<u>\$ 2,091</u>	<u>\$ 0</u>	<u>\$ 196,822</u>

IDAHO CONNECTS ONLINE SCHOOL #469
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

	<u>Technology</u>	<u>Students Come First PD Grant</u>	<u>Students Come First Mobile Grant</u>	<u>Title VI-B IDEA</u>	<u>CRRSA Act</u>	<u>Professional Development</u>	<u>ARPA Act SLFRE</u>	<u>Total</u>
Revenues								
State	\$ 44,731	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,731
Federal	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,027</u>	<u>152,270</u>	<u>0</u>	<u>46,028</u>	<u>251,325</u>
Total Revenue	44,731	0	0	53,027	152,270	0	46,028	296,056
Expenditures								
Instruction	0	0	0	202,330	104,844	0	46,028	353,202
Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,827</u>	<u>47,426</u>	<u>0</u>	<u>0</u>	<u>51,253</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>206,157</u>	<u>152,270</u>	<u>0</u>	<u>46,028</u>	<u>404,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,731</u>	<u>0</u>	<u>0</u>	<u>(153,130)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(108,399)</u>
Other Financing Sources (Uses)								
Interfund transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>153,130</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>153,130</u>
Net Change in Fund Balance	44,731	0	0	0	0	0	0	44,731
Fund Balance, Beginning of Year	<u>86,714</u>	<u>7,259</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>2,091</u>	<u>0</u>	<u>99,064</u>
Fund Balance, End of Year	<u>\$ 131,445</u>	<u>\$ 7,259</u>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,091</u>	<u>\$ 0</u>	<u>\$ 143,795</u>

FEDERAL REPORT

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

Board of Directors
Idaho Connects Online School No. 469
Garden City, Idaho

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Connects Online School No. 469 as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Idaho Connects Online School No. 469's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2023-001, that we consider to be a significant deficiency.





Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Idaho Connects Online School No. 469's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Idaho Connects Online School No. 469's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Idaho Connects Online School No. 469's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hanis CPAs

Meridian, Idaho
November 9, 2023

IDAHO CONNECTS ONLINE SCHOOL #469
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2023

Finding 2023-001

Year-end closing process

Condition

The Charter did not have an effective process in place for reconciling and closing general ledger accounts at year-end.

**Management's
Response**

Reconciliations and review of interim financial statements by management will be conducted monthly. The process for timely and complete year-end close and reconciliation procedures will be further developed by management for the 2023/2024 fiscal year.