

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

Audited Financial Statements
For the Years Ended June 30, 2018 and 2017

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

**Audited Financial Statements
For the Years Ended June 30, 2018 and 2017**



MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report	1-2
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 <i>Government Auditing Standards</i>	3-4
 FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows.....	7
Notes to the Financial Statements	8-12
 SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Supplementary Information	13
Schedule I – Statements of Functional Expense	14–15
Schedule II – Statement of Net Position	16
Schedule III – Balance Sheet	17
Schedule IV – Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	18
 GENERAL FUND	
Schedule V – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	19
Schedule VI – Statement of Expenditures By Function - Budget and Actual.....	20-22

SPECIAL REVENUE FUNDS

Schedule VII – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... 23

Technology - State Fund

Schedule VIII – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... 24

Substance Abuse - State Fund

Schedule IX – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 25

IDEA Part B (611 School Age 3-21) Fund

Schedule X – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 26

Child Nutrition Fund

Schedule XI – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... 27

Bond Redemption & Interest Fund

Schedule XII – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 28

Plant Facility Fund

Schedule XIII – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 29

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Moscow Charter School, Inc.
Moscow, Idaho 83843

Report on the Financial Statements

We have audited the accompanying financial statements of Moscow Charter School, Inc. (an Idaho non-profit corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moscow Charter School, Inc. as of June 30, 2018 and 2017, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2018, on our consideration of Moscow Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Moscow Charter School, Inc.'s internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
September 11, 2018

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
Moscow Charter School, Inc.
Moscow, Idaho 83843

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 Moscow Charter School, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of the section and was not designed to identify all deficiencies in the internal control that might be material weakness or significant deficiencies. Given these limitations, during our

audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Hayden Ross, PLLC

Moscow, Idaho
September 11, 2018

FINANCIAL STATEMENTS



MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Current Assets:		
Cash	49,709	46,077
Investments	600,379	539,752
Accounts receivable	500	674
State support receivable	29,376	29,171
Other receivables	3,292	14,875
Prepaid expenses	24,867	21,676
Total Current Assets	708,123	652,225
Property and Equipment:		
Land	140,121	140,121
Buildings and improvements	1,095,278	1,079,057
Furniture and equipment	47,457	45,733
Construction in progress	5,511	5,511
Less: accumulated depreciation	(491,554)	(456,742)
Net Property and Equipment	796,813	813,680
Total Assets	\$ 1,504,936	\$ 1,465,905
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	15,177	4,757
Accrued interest payable	587	653
Salaries and benefits payable	60,664	55,773
Accrued vacation payable	4,066	3,780
Deferred revenue	1,043	851
Current portion of long-term debt	39,570	38,633
Total Current Liabilities	121,107	104,447
Long- Term Liabilities		
Principal amount, net of current portion	296,628	335,283
Less: unamortized debt issuance costs	(2,458)	(3,441)
Net Long-Term Liabilities	294,170	331,842
Net Assets:		
Unrestricted	1,089,659	1,029,616
Total Net Assets	1,089,659	1,029,616
Total Liabilities and Net Assets	\$ 1,504,936	\$ 1,465,905

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenue, Grants, and Other Support		
Contributions	42,406	37,042
Federal support	39,726	49,454
State support	1,174,337	1,152,114
Interest	10,310	4,697
Other	33,974	30,731
	<hr/>	<hr/>
Total Revenue, Grants and Other Support	1,300,753	1,274,038
	<hr/>	<hr/>
Expense		
Program (instructional)	740,242	688,040
Administrative (support)	412,442	377,317
Non-instructional	36,922	36,661
Interest on long term debt	16,292	17,883
Depreciation	34,812	36,922
	<hr/>	<hr/>
Total Expense	1,240,710	1,156,823
	<hr/>	<hr/>
Change in net assets	60,043	117,215
	<hr/>	<hr/>
Net assets - beginning of year	1,029,616	912,401
	<hr/>	<hr/>
Net assets - end of year	<u>\$ 1,089,659</u>	<u>\$ 1,029,616</u>

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Cash received from contributors	42,406	37,042
Cash received from state support	1,174,132	1,166,725
Cash received from federal support	39,726	49,454
Cash received from interest	9,788	4,697
Other cash received (paid)	46,445	(28)
Cash paid for interest	(15,375)	(16,963)
Cash paid to suppliers and employees	(1,177,200)	(1,092,153)
Net Cash Provided By Operating Activities	119,922	148,774
Cash Flows from Investing Activities		
Cash paid for property and equipment	(17,945)	(6,248)
Cash Flows from Financing Activities		
Cash paid on long-term debt	(37,718)	(36,131)
Net Increase in Cash and Cash Equivalents	64,259	106,395
Cash and Cash Equivalents- Beginning of Year	585,829	479,434
Cash and Cash Equivalents- End of Year	\$ 650,088	\$ 585,829
Reconciliation of Change in Net Assets to Net		
Cash Provided By Operating Activities:		
Change in net assets	60,043	117,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,812	36,922
Amortization of unamortized debt issuance costs reported as interest expense	983	983
Decrease (increase) in accounts receivable	174	(674)
Decrease (increase) in state support receivable	(205)	14,611
Decrease (increase) in other receivables	11,583	(14,615)
Decrease (increase) in prepaid expenses	(3,191)	(15,014)
Increase (decrease) in accounts payable	10,420	(785)
Increase (decrease) in interest payable	(66)	(63)
Increase (decrease) in salaries and benefits payable	4,891	6,870
Increase (decrease) in accrued vacation payable	286	3,780
Increase (decrease) in deferred revenue	192	(456)
Net Cash Provided by Operating Activities	\$ 119,922	\$ 148,774

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 1 Organization

The Moscow Charter School (the School) is a non-profit state-funded public school. The School serves elementary school aged children (K-8th) in the Latah County area. The School was approved in August 1998 by the Moscow Board of Education. The purpose of the school is to create innovative educational curriculums that can be studied and used in public education.

NOTE 2 Summary of Significant Accounting Policies

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

Limitations on unrestricted net assets at year-end consisted of:

	<u>2018</u>	<u>2017</u>
Other	\$18,914	\$7,677

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

Cash - The School has no requirement to hold cash in separate accounts. All deposits during the year were under the federally insured limit.

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 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after the returns are filed.

NOTE 2 Summary of Significant Accounting Policies (Continued)

Property and Equipment - The cost of property and equipment is depreciated over the estimated useful lives of the assets. Major expenditures costing at least \$1,000 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 39 years for buildings.

Depreciation expense for the years ending June 30, 2018 and 2017 was \$34,812 and \$36,922, respectively.

Accumulated Unpaid Vacation and Sick Pay - Moscow Charter School, Inc. employees are granted vacation and sick leave in varying amounts. In the event an employee voluntarily or involuntarily leaves Moscow Charter School, Inc., employees are compensated for any unused vacation time. Employees are not paid for sick leave upon termination.

Use of Estimates - The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses, and actual results may differ from estimated amounts.

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

Reports Required by the State - 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. The effects of GASB 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, have been recorded in the Statement of Net Position.

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

NOTE 3 Investments

The School has an account with the Local Government Investment Pool sponsored by the Idaho Legislature. The School carries the balance at fair market value, which also represents cost. The investment account is subject to market risk and is uninsured. At June 30, 2018 and 2017, the balance was \$600,379 and \$539,752, respectively.

NOTE 4 Long-Term Debt

Long-term debt for the School as of June 30, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Loan payable to US Bank, monthly installments of \$4,424 with interest at a fixed rate of 4.25% until December 15, 2018 when the rate maybe reset, matures December 15, 2020. Secured by real property.	336,198	373,916
Less Current Portion	<u>(39,570)</u>	<u>(38,633)</u>
Net Long-term Debt	<u>\$ 296,628</u>	<u>\$ 335,283</u>

Maturities of principal amounts of long-term debt at June 30, 2018 are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	
2019	39,570
2020	41,284
2021	255,344
Total	<u>\$ 336,198</u>

NOTE 5 Minimum Future Rental Payments

Minimum future rental payments under a noncancelable operation lease as of June 30, 2018 are as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	
2019	15,180
2020	15,180
Total	<u>\$ 30,360</u>

NOTE 6 Major Funding Source

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

	<u>2018</u>	<u>% of Total Revenue</u>
Idaho Department of Education	\$1,174,337	90.28%
	<u>2017</u>	<u>% of Total Revenue</u>
Idaho Department of Education	\$1,152,114	90.43%

NOTE 7 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 school district 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, 2017, the required contribution rate as a percentage of covered payroll for members was 6.79%. The employer rate as a percentage of covered payroll was 11.32%. The School's contributions required and paid were \$71,746, \$64,289, and \$59,491, for the three years ended June 30, 2018, 2017, and 2016, respectively.

PERSI is subject to pronouncement issued by the Governmental Accounting Standards Board (GASB) and was required to implement GASB 67, *Financial Reporting for Pension Plan-an amendment of GASB Statement No. 25*, effective as of June 30, 2014. The statement established standards and specified the required approach for measuring the pension liability of contributing entities for benefits provided through the pension plan (the net pension liability). As of June 30, 2017, the most recent available audited financial statement of PERSI at the time of issuance, the Plan was reported to be 90.68% funded. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017 the School's proportion was .0181196% and the estimated net pension liability was \$284,809.

NOTE 7 Employee's Retirement System (Continued)

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.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION**

To the Board of Directors
Moscow Charter School, Inc.
Moscow, Idaho 83843

We have audited the financial statements of Moscow Charter School, Inc. as of and for the years ended June 30, 2018 and 2017, and have issued our report thereon dated September 11, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information presented on pages 14 through 29 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financials 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 basic financial statements taken as a whole.

Emphasis of Matter

We draw your attention to Note 2 which requires Moscow Charter School, 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. Schedules II through XIII have been presented for this purpose. Our opinion is not modified with respect to this matter.

Hayden Ross, PLLC

Moscow, Idaho
September 11, 2018

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended June 30, 2018

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non- Instructional</u>	<u>Total</u>
Salaries	521,932	175,471	3,683	701,086
Benefits	166,221	45,751	481	212,453
Purchased services	28,255	143,446	23,246	194,947
Supplies-materials	23,834	41,112	9,512	74,458
Insurance	-	6,662	-	6,662
Interest	-	-	16,292	16,292
Depreciation	-	-	34,812	34,812
Total Expense	<u>\$ 740,242</u>	<u>\$ 412,442</u>	<u>\$ 88,026</u>	<u>\$ 1,240,710</u>

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

SCHEDULE I - STATEMENT OF FUNCTIONAL EXPENSE

For the Year Ended June 30, 2017

	<u>Program (Instructional)</u>	<u>Administrative (Support)</u>	<u>Non- Instructional</u>	<u>Total</u>
Salaries	499,706	166,629	4,964	671,299
Benefits	158,900	38,712	736	198,348
Purchased services	10,007	128,207	21,810	160,024
Supplies-materials	19,427	37,107	9,151	65,685
Insurance	-	6,662	-	6,662
Interest	-	-	17,883	17,883
Depreciation	-	-	36,922	36,922
Total Expense	<u>\$ 688,040</u>	<u>\$ 377,317</u>	<u>\$ 91,466</u>	<u>\$ 1,156,823</u>

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

SCHEDULE II - STATEMENT OF NET POSITION
June 30, 2018

ASSETS

Current Assets:

Cash	49,709
Investments	600,379
Accounts receivable	500
State support receivable	29,376
Other receivables	3,292
Prepaid expenses	24,867
Total current assets	<u>708,123</u>

Noncurrent Assets:

Land	140,121
Construction in progress	5,511
Capital assets being depreciated	1,142,735
Less: accumulated depreciation	<u>(491,554)</u>
Total noncurrent assets	<u>796,813</u>

Total assets 1,504,936

DEFERRED OUTFLOWS OF RESOURCES

Pension related items 120,839

LIABILITIES

Current Liabilities:

Accounts payable and other current liabilities	80,494
Unearned revenue	1,043
Current portion of long-term debt	39,570
Total current liabilities	<u>121,107</u>

Noncurrent Liabilities:

Noncurrent portion of long-term debt	296,628
Net pension liability	<u>284,809</u>
Total noncurrent liabilities	<u>581,437</u>

Total liabilities 702,544

DEFERRED INFLOWS OF RESOURCES

Pension related items 42,723

NET POSITION

Net investment in capital assets	460,615
Restricted	18,914
Unrestricted	<u>400,979</u>

Total net position \$ 880,508

Adjustments to conform with GAAP:

Unamortized debt issuance costs	2,458
Pension related items	
Deferred outflow of resources	(120,839)
Deferred inflow of resources	42,723
Net pension liability	<u>284,809</u>

209,151

Net Assets - End of year (GAAP) \$ 1,089,659

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

SCHEDULE III - BALANCE SHEET

June 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Totals</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash	30,795	18,914	49,709
Investments	600,379	-	600,379
State support program receivable	29,376	-	29,376
Other receivables	3,792	-	3,792
Prepaid expenses	24,867	-	24,867
Total assets	<u>689,209</u>	<u>18,914</u>	<u>708,123</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 689,209</u>	<u>\$ 18,914</u>	<u>\$ 708,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	15,177	-	15,177
Accrued payroll and benefits	64,730	-	64,730
Unearned revenue	1,043	-	1,043
Accrued interest payable	587	-	587
Total liabilities	<u>81,537</u>	<u>-</u>	<u>81,537</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Nonspendable	24,867	-	24,867
Restricted	-	18,914	18,914
Unrestricted	582,805	-	582,805
Total fund balance	<u>607,672</u>	<u>18,914</u>	<u>626,586</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 689,209</u>	<u>\$ 18,914</u>	<u>\$ 708,123</u>

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

**SCHEDULE IV - RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2018**

Total Fund Balances - Governmental Funds 626,586

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	1,288,367
Accumulated depreciation	(491,554)

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	120,839
Deferred inflow of resources	(42,723)

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	(336,198)
Net pension liability	(284,809)

Total Net Position - Governmental Activities \$ 880,508

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

GENERAL FUND
SCHEDULE V - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Earnings on Investments	10,310	9,000	1,310
Contributions/donations	42,406	30,000	12,406
Other	21,156	15,000	6,156
Total local	<u>73,872</u>	<u>54,000</u>	<u>19,872</u>
State:			
Base support	867,609	865,531	2,078
Benefit support	113,286	113,400	(114)
Lottery	10,976	10,976	-
Other state support	127,632	123,199	4,433
Total state	<u>1,119,503</u>	<u>1,113,106</u>	<u>6,397</u>
Total revenues	<u>1,193,375</u>	<u>1,167,106</u>	<u>26,269</u>
EXPENDITURES			
Instruction:			
Salaries	506,010	505,467	(543)
Benefits	160,741	160,798	57
Purchased services	28,255	38,670	10,415
Supplies-materials	23,834	21,450	(2,384)
Total instruction	<u>718,840</u>	<u>726,385</u>	<u>7,545</u>
Support:			
Salaries	167,963	165,655	(2,308)
Benefits	44,999	44,933	(66)
Purchased services	130,512	153,807	23,295
Supplies-materials	15,995	18,750	2,755
Capital objects	-	8,200	8,200
Insurance	6,662	6,700	38
Total support	<u>366,131</u>	<u>398,045</u>	<u>31,914</u>
Non-instruction:			
Supplies-materials	9,004	10,000	996
Capital objects	1,213	-	(1,213)
Total non-instruction	<u>10,217</u>	<u>10,000</u>	<u>(217)</u>
Total expenditures	<u>1,095,188</u>	<u>1,134,430</u>	<u>39,242</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98,187</u>	<u>32,676</u>	<u>65,511</u>
Other financing uses:			
Transfer out	<u>(69,249)</u>	<u>(56,175)</u>	<u>(13,074)</u>
Change in fund balance	28,938	<u>\$ (23,499)</u>	<u>\$ 52,437</u>
Fund balance - beginning of year	<u>578,734</u>		
Fund balance - end of year	607,672		
Adjustments to conform with GAAP:			
Capitalize capital objects	44,669		
Accumulated depreciation	<u>(34,236)</u>		
Net Assets - End of year (GAAP)	<u>\$ 618,105</u>		

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

GENERAL FUND
SCHEDULE VI - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Elementary School Program			
Salaries	372,864	373,951	1,087
Benefits	114,579	114,924	345
Purchased services	25,393	29,800	4,407
Supplies-materials	16,570	14,000	(2,570)
Total Elementary School Program	<u>529,406</u>	<u>532,675</u>	<u>3,269</u>
Secondary School Program			
Salaries	98,013	96,737	(1,276)
Benefits	33,835	33,601	(234)
Purchased services	744	6,200	5,456
Supplies-materials	6,628	5,950	(678)
Total Secondary School Program	<u>139,220</u>	<u>142,488</u>	<u>3,268</u>
Special Education Program			
Salaries	27,689	27,335	(354)
Benefits	9,584	9,538	(46)
Supplies-materials	603	1,000	397
Total Special Education Program	<u>37,876</u>	<u>37,873</u>	<u>(3)</u>
Gifted & Talented Program			
Salaries	7,444	7,444	-
Benefits	2,743	2,735	(8)
Purchased services	1,889	2,170	281
Supplies-materials	33	500	467
Total Gifted & Talented Program	<u>12,109</u>	<u>12,849</u>	<u>740</u>
School Activity Program			
Purchased services	<u>229</u>	<u>500</u>	<u>271</u>
TOTAL INSTRUCTION:			
Salaries	506,010	505,467	(543)
Benefits	160,741	160,798	57
Purchased services	28,255	38,670	10,415
Supplies-materials	23,834	21,450	(2,384)
Total Instruction	<u>\$ 718,840</u>	<u>\$ 726,385</u>	<u>\$ 7,545</u>

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

GENERAL FUND
SCHEDULE VI - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
SUPPORT:			
Attendance-Guidance-Health Program			
Salaries	11,072	11,072	-
Benefits	2,511	2,641	130
Purchased services	1,416	1,500	84
Supplies-materials	244	150	(94)
Total Attendance-Guidance-Health Program	<u>15,243</u>	<u>15,363</u>	<u>120</u>
Special Education Support Services			
Purchased services	2,526	2,250	(276)
Total Special Education Support Services	<u>2,526</u>	<u>2,250</u>	<u>(276)</u>
Instruction Improvement Program			
Salaries	2,473	-	(2,473)
Benefits	189	-	(189)
Purchased services	28,517	36,157	7,640
Total Instruction Improvement Program	<u>31,179</u>	<u>36,157</u>	<u>4,978</u>
Instruction-Related Technology Program			
Salaries	9,628	9,628	-
Benefits	2,185	2,205	20
Total Instruction-Related Technology Program	<u>11,813</u>	<u>11,833</u>	<u>20</u>
District Administration Program			
Purchased services	-	4,000	4,000
School Administration Program			
Salaries	76,000	76,000	-
Benefits	22,237	22,249	12
Total School Administration Program	<u>98,237</u>	<u>98,249</u>	<u>12</u>
Business Operation Program			
Salaries	68,790	68,955	165
Benefits	17,877	17,838	(39)
Purchased services	20,530	20,000	(530)
Supplies-materials	9,773	10,000	227
Total Business Operation Program	<u>116,970</u>	<u>116,793</u>	<u>(177)</u>
Administrative Technology Services Program			
Purchased services	419	500	81
Supplies-materials	-	500	500
Total Administrative Technology Services Program	<u>419</u>	<u>1,000</u>	<u>581</u>

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

GENERAL FUND
SCHEDULE VI - STATEMENT OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Building Care Program (Custodial)			
Purchased services	50,012	52,300	2,288
Supplies-materials	2,763	3,500	737
Insurance	6,662	6,700	38
Total Building Care Program (Custodial)	<u>59,437</u>	<u>62,500</u>	<u>3,063</u>
Maintenance - Non-Student Occupied			
Purchased services	<u>2,977</u>	<u>3,500</u>	<u>523</u>
Maintenance - Student Occupied			
Purchased services	680	7,500	6,820
Supplies-materials	807	2,600	1,793
Capital objects	-	5,000	5,000
Total Maintenance - Student Occupied	<u>1,487</u>	<u>15,100</u>	<u>13,613</u>
Maintenance - Grounds			
Purchased services	4,470	5,000	530
Supplies-materials	1,675	2,000	325
Capital objects	-	1,400	1,400
Total Maintenance - Grounds	<u>6,145</u>	<u>8,400</u>	<u>2,255</u>
Security program			
Purchased services	764	1,000	236
Supplies-materials	733	-	(733)
Capital objects	-	1,800	1,800
Total security program	<u>1,497</u>	<u>2,800</u>	<u>1,303</u>
Pupil - To School Trans. Program			
Purchased services	<u>15,452</u>	<u>15,000</u>	<u>(452)</u>
Pupil Activity Trans. Program			
Purchased services	<u>2,749</u>	<u>5,100</u>	<u>2,351</u>
TOTAL SUPPORT:			
Salaries	167,963	165,655	(2,308)
Benefits	44,999	44,933	(66)
Purchased services	130,512	153,807	23,295
Supplies-materials	15,995	18,750	2,755
Capital objects	-	8,200	8,200
Insurance	6,662	6,700	38
Total Support	<u>\$ 366,131</u>	<u>\$ 398,045</u>	<u>\$ 31,914</u>
NON-INSTRUCTION:			
Community services			
Supplies-materials	9,004	10,000	996
Capital objects	1,213	-	(1,213)
Total community services	<u>10,217</u>	<u>10,000</u>	<u>(217)</u>
Total Non-Instruction	<u>\$ 10,217</u>	<u>\$ 10,000</u>	<u>\$ (217)</u>

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

SPECIAL REVENUE FUNDS
SCHEDULE VII - COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Technology State	Substance Abuse State	IDEA Part B (611 School Age 3-21)	Child Nutrition	Charter School Grant	Total
REVENUES						
Local:						
Lunch sales	-	-	-	12,818	-	12,818
State:						
Other state support	50,599	4,235	-	-	-	54,834
Federal:						
Restricted	-	-	24,341	15,385	-	39,726
Total revenues	50,599	4,235	24,341	28,203	-	107,378
EXPENDITURES						
Instruction:						
Salaries	-	-	15,922	-	-	15,922
Benefits	-	-	5,480	-	-	5,480
Total instruction	-	-	21,402	-	-	21,402
Support:						
Salaries	3,702	3,806	-	-	-	7,508
Benefits	323	429	-	-	-	752
Purchased services	9,995	-	2,939	-	-	12,934
Supplies-materials	25,117	-	-	-	-	25,117
Total support	39,137	4,235	2,939	-	-	46,311
Non-instruction:						
Salaries	-	-	-	3,683	-	3,683
Benefits	-	-	-	481	-	481
Purchased services	-	-	-	23,246	-	23,246
Supplies	-	-	-	508	-	508
Capital objects	510	-	-	-	-	510
Total non-instruction	510	-	-	27,918	-	28,428
Total expenditures	39,647	4,235	24,341	27,918	-	96,141
Change in fund balance	10,952	-	-	285	-	11,237
Fund balance - beginning of year	7,677	-	-	-	-	7,677
Fund balance - end of year	18,629	-	-	285	-	18,914
Adjustments to conform with GAAP:						
Capitalize capital objects	-	2,787	-	-	5,078	7,865
Accumulated depreciation	-	(557)	-	-	(2,341)	(2,898)
Net Assets - End of year (GAAP)	\$ 18,629	\$ 2,230	\$ -	\$ 285	\$ 2,737	\$ 23,881

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

TECHNOLOGY STATE FUND
SCHEDULE VIII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
State:			
Other state support	50,599	40,489	10,110
Total revenues	50,599	40,489	10,110
EXPENDITURES			
Support:			
Salaries	3,702	7,054	3,352
Benefits	323	590	267
Purchased services	9,995	10,857	862
Supplies-materials	25,117	39,788	14,671
Total support	39,137	58,289	19,152
Non-instruction:			
Capital objects	510	-	510
Total non-instruction	510	-	510
Total expenditures	39,647	58,289	18,642
Change in fund balance	10,952	\$ (17,800)	\$ 28,752
Fund balance - beginning of year	7,677		
Fund balance - end of year	\$ 18,629		

MOSCOW CHARTER SCHOOL, INC.
 Moscow, Idaho

SUBSTANCE ABUSE STATE FUND
SCHEDULE IX - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State:			
Other support	4,235	4,235	-
Total revenues	<u>4,235</u>	<u>4,235</u>	<u>-</u>
EXPENDITURES			
Support:			
Salaries	3,806	3,806	-
Benefits	429	429	-
Total support	<u>4,235</u>	<u>4,235</u>	<u>-</u>
Total expenditures	<u>4,235</u>	<u>4,235</u>	<u>-</u>
Change in fund balance	-	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fund balance - beginning of year	<u>-</u>		
Fund balance - end of year	<u><u>\$ -</u></u>		

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

IDEA PART B (611 SCHOOL AGE 3-21) FUND
SCHEDULE X - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Federal:			
Restricted	<u>24,341</u>	<u>24,341</u>	<u>-</u>
Total revenues	<u>24,341</u>	<u>24,341</u>	<u>-</u>
EXPENDITURES			
Instruction:			
Salaries	15,922	15,922	-
Benefits	<u>5,480</u>	<u>5,480</u>	<u>-</u>
Total instruction	<u>21,402</u>	<u>21,402</u>	<u>-</u>
Support:			
Purchased services	<u>2,939</u>	<u>2,939</u>	<u>-</u>
Total support	<u>2,939</u>	<u>2,939</u>	<u>-</u>
Total expenditures	<u>24,341</u>	<u>24,341</u>	<u>-</u>
Change in fund balance	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning of year	<u>-</u>		
Fund balance - end of year	<u>\$ -</u>		

MOSCOW CHARTER SCHOOL, INC.

Moscow, Idaho

CHILD NUTRITION FUND
SCHEDULE XI - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Local:			
Lunch sales	<u>12,818</u>	<u>12,000</u>	<u>818</u>
Total local	<u>12,818</u>	<u>12,000</u>	<u>818</u>
Federal:			
Restricted	<u>15,385</u>	<u>17,000</u>	<u>(1,615)</u>
Total revenues	<u>28,203</u>	<u>29,000</u>	<u>(797)</u>
EXPENDITURES			
Non-instruction:			
Salaries	3,683	4,802	1,119
Benefits	481	667	186
Purchased services	23,246	25,000	1,754
Supplies	<u>508</u>	<u>1,606</u>	<u>1,098</u>
Total non-instruction	<u>27,918</u>	<u>32,075</u>	<u>4,157</u>
Total expenditures	27,918	32,075	4,157
Excess (deficiency) of revenues over (under) expenditures	<u>285</u>	<u>(3,075)</u>	<u>3,360</u>
Other financing sources (uses):			
Operating transfer in	<u>-</u>	<u>3,075</u>	<u>(3,075)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,075</u>	<u>(3,075)</u>
Change in fund balance	285	<u>\$ -</u>	<u>\$ 285</u>
Fund balance - beginning of year	<u>-</u>		
Fund balance - end of year	<u>\$ 285</u>		

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

BOND REDEMPTION & INTEREST FUND
SCHEDULE XII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Total revenues	-	-	-
EXPENDITURES			
Debt service principal	37,718	36,100	(1,618)
Debt service interest	15,309	17,000	1,691
Total expenditures	53,027	53,100	73
Excess (deficiency) of revenues over expenditures	(53,027)	(53,100)	73
Other financing sources:			
Transfer in	53,027	53,100	(73)
Total other financing sources	53,027	53,100	(73)
Change in fund balance	-	\$ -	\$ -
Fund balance - beginning of year	-		
Fund balance - end of year	-		
Adjustments to conform with GAAP:			
Unamortized debt issuance costs	2,458		
Debt proceeds	(1,182,652)		
Debt principal payments	846,454		
Net Assets - End of year (GAAP)	\$ (333,740)		

MOSCOW CHARTER SCHOOL, INC.
Moscow, Idaho

PLANT FACILITY FUND
SCHEDULE XIII - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Total revenues	-	-	-
EXPENDITURES			
Capital objects	16,222	-	(16,222)
Excess (deficiency) of revenues over expenditures	(16,222)	-	(16,222)
Other financing sources:			
Transfer in	16,222	-	16,222
Change in fund balance	-	\$ -	\$ -
Fund balance - beginning of year	-		
Fund balance - end of year	-		
Adjustments to conform with GAAP:			
Capitalized capital objects	1,235,833		
Accumulated depreciation	(454,420)		
Net Assets - End of year (GAAP)	<u>\$ 781,413</u>		