Idaho Virtual Academy

Year Ended June 30, 2022

Audited Financial Statements

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Quest CPAs PLLC

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Independent Auditor's Report

Board of Directors
Idaho Virtual Academy

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Virtual Academy (the School) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2022, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on All Other Opinion Units Described Below

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

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Matter Giving Rise to the Qualified Opinion on the Governmental Activities

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override if internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 13, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
October 13, 2022

IDAHO VIRTUAL ACADEMY
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	1,693,813
Receivables:	
Local Sources - See Note H	2,776,076
State Sources	1,992,818
Federal Sources	3,566,105
Prepaid Expenses	305,277
Total Current Assets	10,334,089
Noncurrent Assets	
Depreciable/Amortizable Net Capital Assets	360,356
Net Pension Asset	143,578
Total Noncurrent Assets	503,934
Total Assets	10,838,023
Deferred Outflows of Resources	
Pension Items	2,685,781
Total Deferred Outflows of Resources	2,685,781
Total Assets and Deferred Outflows of Resources	$13,523,804
Liabilities	
Current Liabilities	
Accounts Payable - See Note H	$6,777,891
Salaries & Benefits Payable	792,299
Unspent Grant Allocation	2,763,899
Long-Term Liabilities, Current	324,403
Total Current Liabilities	10,658,492
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	313,909
Total Noncurrent Liabilities	313,909
Total Liabilities	10,972,401
Deferred Inflows of Resources	
Pension Items	4,593,132
Total Deferred Inflows of Resources	4,593,132
Total Liabilities and Deferred Inflows of Resources	15,565,533
Net Position	
Net Investment in Capital Assets	(277,956)
Restricted:	
Special Programs	0
Unrestricted (Deficit)	(1,763,773)
Total Net Position	(2,041,729)
Total Liabilities and Deferred Inflows of Resources and Net Position	$13,523,804

IDAHO VIRTUAL ACADEMY
Statement of Activities
Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue And Changes in Net Position
Functions/Programs	**Expenses**	**Charges For Services**	**Operating Grants And Contributions**	**Capital Grants And Contributions**	**Governmental Activities**
Governmental Activities					
Instructional Programs					
Elementary School	$5,041,980		$681,068		($4,360,912)
Secondary School	5,674,182		1,583,150		(4,091,032)
Alternative School	15,627				(15,627)
Special Education	1,981,133		448,455		(1,532,678)
Gifted & Talented	3,625		3,281		(344)
School Activity	22,781		125		(22,656)
Support Service Programs					
Attendance - Guidance - Health	1,116,122		350,990		(765,132)
Instruction Improvement	78,558		16,626		(61,932)
Instruction-Related Technology	58,155		56,214		(1,941)
Board of Education	741				(741)
District Administration	1,469,642		538,644		(930,998)
Business Operations	1,429,456	$52,944	246,719		(1,129,793)
Administrative Technology Service	1,353,910		119,150		(1,234,760)
Security	1,156				(1,156)
Pupil-To-School Transportation	0				0
Non-Instructional Programs					
Capital Assets - Student Occupied	180,450				(180,450)
Total	$18,427,518	$52,944	$4,044,422	$0	(14,330,152)

General Revenues	
Local Revenue	17,713
State Revenue	15,264,055
Federal Revenue	0
Pension Revenue (Expense)	(1,106,663)
Total	14,175,105
Change in Net Position	(155,047)
Net Position - Beginning - As Previously Stated	(1,480,547)
Restatement - See Note I	(406,135)
Net Position - Beginning - As Restated	(1,886,682)
Net Position - Ending	($2,041,729)

IDAHO VIRTUAL ACADEMY

Balance Sheet - Governmental Funds

June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash & Investments	$1,693,813	$0	$1,693,813
Receivables:			
Local Sources - See Note H	2,776,076	0	2,776,076
State Sources	1,992,818	0	1,992,818
Federal Sources	3,979	3,562,126	3,566,105
Due From Other Funds	1,057,769	0	1,057,769
Prepaid Expenses	299,877	5,400	305,277
Total Assets	$7,824,332	$3,567,526	$11,391,858
Liabilities			
Accounts Payable - See Note H	$6,777,891	$0	$6,777,891
Due to Other Funds		1,057,769	1,057,769
Salaries & Benefits Payable	792,299	0	792,299
Unspent Grant Allocation	$254,142	2,509,757	2,763,899
Total Liabilities	7,824,332	3,567,526	11,391,858
Fund Balances			
Nonspendable	299,877	0	299,877
Restricted:			
Special Programs		0	0
Unassigned	(299,877)	0	(299,877)
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	$7,824,332	$3,567,526	$11,391,858

IDAHO VIRTUAL ACADEMY
Balance Sheet - Governmental Funds
June 30, 2022

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

Total Governmental Fund Balances	$0
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.	360,356
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(638,312)
Net pension asset/liability and related pension deferred outflows and deferred inflows are not due and payable in the current period and therefore are not reported in the funds.	(1,763,773)
Net Position of Governmental Activities	($2,041,729)

See Accompanying Notes

IDAHO VIRTUAL ACADEMY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local Revenue	$70,657	$0	$70,657
State Revenue	15,264,055	248,207	15,512,262
Federal Revenue	390,477	3,405,738	3,796,215
Total Revenues	15,725,189	3,653,945	19,379,134
Expenditures			
Instructional Programs			
Elementary School	5,131,065	299,145	5,430,210
Secondary School	4,533,169	1,578,931	6,112,100
Alternative School	321,545	0	321,545
Special Education	1,532,678	448,455	1,981,133
Gifted & Talented	344	3,281	3,625
School Activity	22,656	125	22,781
Support Service Programs			
Attendance - Guidance - Health	765,132	350,990	1,116,122
Instruction Improvement	61,932	16,626	78,558
Instruction-Related Technology	1,941	56,214	58,155
Board of Education	741	0	741
District Administration	930,998	538,644	1,469,642
Business Operations	1,187,072	242,384	1,429,456
Administrative Technology Service	1,234,760	119,150	1,353,910
Security	1,156	0	1,156
Pupil-To-School Transportation		0	0
Non-Instructional Programs			
Capital Assets - Student Occupied		0	0
Total Expenditures	15,725,189	3,653,945	19,379,134
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	0	0	0
Fund Balances - Beginning	0	0	0
Fund Balances - Ending	$0	$0	$0

IDAHO VIRTUAL ACADEMY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2022

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

Net Change in Fund Balances - Total Governmental Funds	$0
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period.	(180,450)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	305,918
Changes in net pension asset/liability and related pension deferred outflows and deferred inflows do not provide or require current financial resources and therefore are not reflected in the funds.	(280,515)
Change in Net Position of Governmental Activities	($155,047)

See Accompanying Notes

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

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

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

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

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

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

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

Cash – Nearly all the cash balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash are reported in each fund as cash. Interest earned on pooled cash is paid to the general fund unless Idaho Code specifies otherwise.

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

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

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

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

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

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

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

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

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

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

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

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

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

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

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH

Cash consists of the following at year end:

Cash - Deposits	$1,693,809
Investments - Local Gov't Investment Pool	4
Total	$1,693,813

Deposits – At year end, the carrying amounts of the School's deposits were $1,693,809 and the bank balances were $2,596,355 Of the bank balances, $250,000 was insured and the balance was uninsured and uncollateralized.

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

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$4	$4
Total	$4	$4

Credit rate risk:

Investment Type	Investment Rating Schedule Not Rated	Total
Local Gov't Invest Pool	$4	$4
Total	$4	$4

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

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to $10 million. Withdrawals of $10 million or more require three business days' notification. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	**Total**
Local Sources		
Receivable from Related Party (see note H)	$2,776,076	$2,776,076
Total	$2,776,076	$2,776,076
State Sources		
Foundation Program	$1,992,817	$1,992,817
Total	$1,992,817	$1,992,817
Federal Sources		
Special Programs	$3,566,106	$3,566,106
Total	$3,566,106	$3,566,106

D. CAPITAL ASSETS

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

	Beginning Balance*	Increases	Decreases	Ending Balance
Depreciable/Amortizable Capital Assets				
Equipment	$51,666			$51,666
Leased Buildings	3,049,202			3,049,202
Subtotal	3,100,868	$0	$0	3,100,868
Accumulated Depreciation				
Equipment	48,955	1,085		50,040
Subtotal	48,955	1,085	0	50,040
Accumulated Amortization				
Leased Buildings	2,511,107	179,365		2,690,472
Subtotal	2,511,107	179,365	0	2,690,472
Total	540,806	(180,450)	0	360,356
Net Capital Assets	$540,806	($180,450)	$0	$360,356

Depreciation expense of $1,085 and amortization expense of $179,365 were charged to the capital assets – student occupied program. *Due to the implementation of GASB No. 87 *Leases*, beginning balances on this schedule were restated – see Note I.

E. ACCOUNTS PAYABLE

Accounts payable consist of the following at year end:

Other Accounts Payable	$156,032
Related Party Accounts Payable (see note H)	6,621,859
Total Accounts Payable	$6,777,891

F. LONG-TERM LIABILITIES

At year end, the School had the following lease:

Lease for facilities for 17 years starting July 2007, due in monthly payments whose annual totals range from $66,654 to $337,899, with interest at 2.75%, paid through the general fund	$638,312
Total	$638,312

Future lease payments are estimated as follows:

Year Ended	Principal	Interest	Total
6/30/23	$324,403	$13,495	$337,898
6/30/24	313,909	4,333	318,242
Total	$638,312	$17,828	$656,140

Changes in long-term liabilities are as follows:

Description	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Leases	$944,230		$305,918	$638,312	$324,403
Total	$944,230	$0	$305,918	$638,312	$324,403

Interest and related costs during the year amounting to $22,140 were charged to the alternative school program. *Due to the implementation of GASB No. 87 *Leases*, beginning balances on this schedule were restated – see Note I.

G. PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were $826,148 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School's proportion of the net pension asset was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the School's proportion was 0.1817951 percent.

For the year ended June 30, 2022, the School recognized pension revenue (expense) of ($1,106,663). At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$211,542	$83,457
Changes in assumptions or other inputs	1,648,091	
Net difference between projected and actual earnings on pension plan investments		4,509,675
Employer contributions subsequent to the measurement date	826,148	
Total	$2,685,781	$4,593,132

$826,148 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension expense in the year ending June 30, 2022.

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, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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

Year Ended	
6/30/23	($643,011)
6/30/24	(579,484)
6/30/25	(506,403)
6/30/26	(1,004,602)
Total	($2,733,500)

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 asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	6.35%, net of investment expenses
Cost-of-living adjustments	1%

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%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension asset as of June 30, 2021 is based on the results of an actuarial valuation date of 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.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

Capital Market Assumptions from Callan 2021

Asset Class	**Target Allocation**	**Long-Term Expected Nominal Rate of Return (Arithmetic)**	**Long-Term Expected Real Rate of Return (Arithmetic)**
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return*		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return*	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2021

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return*	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return*	**6.35%**

*Net of Investment Expenses

Discount Rate

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

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

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

	1% Decrease (5.35%)	**Current Discount Rate (6.35%)**	**1% Increase (7.35%)**
School's proportionate share of the net pension liability (asset)	$4,991,077	($143,578)	($4,352,558)

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.

Impacts on the School's net position

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

H. RELATED PARTY TRANSACTIONS

The School has a management agreement with Stride, Inc. (Stride) to provide educational materials to the School, as well as management services and technical support. The agreement had an initial term beginning July 1, 2009 and ending June 30, 2014, and it automatically renews every five years thereafter.

At year end, the School reported a receivable from Stride in the amount of $2,776,076 and accounts payable to Stride in the amount of $6,621,859, and these items are therefore classified as related party transactions. See notes C and E.

I. PRIOR PERIOD ADJUSTMENT

During the year, the School implemented GASB No. 87 *Leases*. As required by GASB 87, the School's net position was restated by ($406,135) to reflect the implementation of this new standard which now requires reporting lease assets and liabilities on the government wide financial statements for long-term leases.

J. INTERFUND BALANCES

Interfund balances at year end consist of the following:

	Due From Fund	
Due To Fund	Nonmajor Governmental	**Total**
General	$1,057,769	$1,057,769
Total	$1,057,769	$1,057,769

IDAHO VIRTUAL ACADEMY
Budgetary Comparison Schedule -
General Fund
Year Ended June 30, 2022

General Fund	Budgeted Amounts (GAAP Basis) Original	Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Local Revenue	$10,000	$59,820	$70,657	$10,837	
State Revenue	25,064,357	15,846,624	15,264,055	(582,569)	
Federal Revenue	0	0	390,477	390,477	
Total Revenues	25,074,357	15,906,444	15,725,189	(181,255)	
Expenditures					
Instructional Programs					
Elementary School	9,599,739	9,852,613	5,131,065	4,721,548	
Secondary School	9,958,969	0	4,533,169	(4,533,169)	
Alternative School	0	0	321,545	(321,545)	
Special Education	2,459,346	1,647,849	1,532,678	115,171	
Gifted & Talented	0	0	344	(344)	
School Activity	0	82,456	22,656	59,800	
Support Service Programs					
Attendance - Guidance - Health	32,154	0	765,132	(765,132)	
Instruction Improvement	0	0	61,932	(61,932)	
Instruction-Related Technology	0	1,280,590	1,941	1,278,649	
Board of Education	0	0	741	(741)	
District Administration	1,169,989	764,949	930,998	(166,049)	
Business Operations	454,273	266,236	1,187,072	(920,836)	
Administrative Technology Service	840	0	1,234,760	(1,234,760)	
Maintenance - Non Student Occupied	0	267,776	0	267,776	
Security	0	0	1,156	(1,156)	
Pupil-To-School Transportation	1,399,047	1,743,975	0	1,743,975	
Non-Instructional Programs					
Capital Assets - Student Occupied	0	0	0	0	
Total Expenditures	25,074,357	15,906,444	15,725,189	181,255	*
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	0	0	0	0	*
Total Other Financing Sources (Uses)	0	0	0	0	
Net Change in Fund Balances	0	0	0	0	
Fund Balances - Beginning	0	0	0	0	
Fund Balances - Ending	$0	$0	$0	$0	

**Total expenditures (over) under appropriations are:* $181,255

IDAHO VIRTUAL ACADEMY

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

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

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.1135918%	$836,213	$3,077,350	27.17%	94.95%
2016	0.1248037%	$1,643,462	$3,495,718	47.01%	91.38%
2017	0.1230437%	$2,494,285	$3,598,661	69.31%	87.26%
2018	0.1255361%	$1,973,212	$3,899,060	50.61%	90.68%
2019	0.1210877%	$1,786,065	$3,898,828	45.81%	91.69%
2020	0.1207904%	$1,378,789	$4,102,531	33.61%	93.79%
2021	0.1189557%	$2,762,309	$4,235,871	65.21%	88.22%
2022	0.1817951%	($143,578)	$6,617,219	-2.17%	100.36%

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

Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$395,715	$395,715	$0	$3,495,718	11.32%
2016	$407,368	$407,368	$0	$3,598,661	11.32%
2017	$441,374	$441,374	$0	$3,899,060	11.32%
2018	$441,008	$441,008	$0	$3,895,828	11.32%
2019	$464,407	$464,407	$0	$4,102,531	11.32%
2020	$505,763	$505,763	$0	$4,235,871	11.94%
2021	$790,096	$790,096	$0	$6,617,219	11.94%
2022	$826,148	$826,148	$0	$6,919,162	11.94%

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

IDAHO VIRTUAL ACADEMY
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Technology	**Substance Abuse**	**ESSER III**	**Title I-A ESSA IBP**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources			$3,097,423	$41,848
Due From Other Funds				
Prepaid Expenses			5,400	
Total Assets	$0	$0	$3,102,823	$41,848
Liabilities				
Accounts Payable				
Due to Other Funds			$602,521	$41,848
Salaries & Benefits Payable				
Unspent Grant Allocation			2,500,302	
Total Liabilities	$0	$0	3,102,823	41,848
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	$0	$0	$3,102,823	$41,848

IDAHO VIRTUAL ACADEMY
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	ESSER II	**IDEA Part B 611 School Age 3-21**	**IDEA Part B 619 Pre-School Age 3-5**	**IDEA Part B ARPA**
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	$307,602		$4,219	$68,087
Due From Other Funds				
Prepaid Expenses				
Total Assets	$307,602	$0	$4,219	$68,087
Liabilities				
Accounts Payable				
Due to Other Funds	$307,602			$68,087
Salaries & Benefits Payable				
Unspent Grant Allocation			$4,219	
Total Liabilities	307,602	$0	4,219	68,087
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	$307,602	$0	$4,219	$68,087

IDAHO VIRTUAL ACADEMY
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	School Based Medicaid	**Title IV-A ESSA SS & AE**	**Title II-A ESSA SEI**	**Total**
Assets				
Cash & Investments				$0
Receivables:				
Local Sources				0
State Sources				0
Federal Sources	$37,684	$5,263		3,562,126
Due From Other Funds				0
Prepaid Expenses				5,400
Total Assets	$37,684	$5,263	$0	$3,567,526
Liabilities				
Accounts Payable				$0
Due to Other Funds	$37,684	$27		1,057,769
Salaries & Benefits Payable				0
Unspent Grant Allocation		5,236		2,509,757
Total Liabilities	37,684	5,263	$0	3,567,526
Fund Balances				
Nonspendable				0
Restricted:				
Special Programs				0
Unassigned				0
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	$37,684	$5,263	$0	$3,567,526

IDAHO VIRTUAL ACADEMY

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds			
	Technology	Substance Abuse	ESSER III	Title I-A ESSA IBP
Revenues				
Local Revenue				
State Revenue	$200,732	$47,475		
Federal Revenue			$1,336,058	$494,937
Total Revenues	200,732	47,475	1,336,058	494,937
Expenditures				
Instructional Programs				
Elementary School			137,617	133,028
Secondary School			757,535	351,315
Alternative School				
Special Education			165	
Gifted & Talented				
School Activity				125
Support Service Programs				
Attendance - Guidance - Health		47,325		
Instruction Improvement			1,000	
Instruction-Related Technology	56,214			
Board of Education				
District Administration	9,047		241,887	
Business Operations	16,321	150	197,854	10,469
Administrative Technology Service	119,150			
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Capital Assets - Student Occupied				
Total Expenditures	200,732	47,475	1,336,058	494,937
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

IDAHO VIRTUAL ACADEMY

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds			
	ESSER II	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	IDEA Part B ARPA
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	$815,219	$348,482		$80,588
Total Revenues	815,219	348,482	$0	80,588
Expenditures				
Instructional Programs				
Elementary School	306	194		
Secondary School	252,780	188,381		
Alternative School				
Special Education		159,471		79,288
Gifted & Talented				530
School Activity				
Support Service Programs				
Attendance - Guidance - Health	303,665			
Instruction Improvement	7,511			770
Instruction-Related Technology				
Board of Education				
District Administration	236,061			
Business Operations	14,896	436		
Administrative Technology Service				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Capital Assets - Student Occupied				
Total Expenditures	815,219	348,482	0	80,588
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

IDAHO VIRTUAL ACADEMY

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds			
	School Based Medicaid	**Title IV-A ESSA SS & AE**	**Title II-A ESSA SEI**	**Total**
Revenues				
Local Revenue				$0
State Revenue				248,207
Federal Revenue	$209,531	$45,290	$75,633	3,405,738
Total Revenues	209,531	45,290	75,633	3,653,945
Expenditures				
Instructional Programs				
Elementary School			28,000	299,145
Secondary School			28,920	1,578,931
Alternative School				0
Special Education	209,531			448,455
Gifted & Talented		2,751		3,281
School Activity				125
Support Service Programs				
Attendance - Guidance - Health				350,990
Instruction Improvement			7,345	16,626
Instruction-Related Technology				56,214
Board of Education				0
District Administration		40,281	11,368	538,644
Business Operations		2,258		242,384
Administrative Technology Service				119,150
Security				0
Pupil-To-School Transportation				0
Non-Instructional Programs				
Capital Assets - Student Occupied				0
Total Expenditures	209,531	45,290	75,633	3,653,945
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

IDAHO VIRTUAL ACADEMY

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Treasury			
Passed Through Idaho Dept of Education:			
COVID-19 - Coronavirus Relief Fund	21.019	20-1892-0-1-806	231,030
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	156,591
Total US Dept of Treasury			387,621
US Dept of Education			
Passed Through Idaho Dept of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A19/200088	348,482
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.027X	H027X210088	74,051
Total	84.027		422,533
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.173X	H173X210030	6,537
Total	84.173		6,537
Total Special Education Cluster			429,070
Title I Grants to Local Educational Agencies	84.010A	S010A190012	493,437
Education for Homeless Children and Youth	84.196A	S196A200013	356
Supporting Effective Instruction State Grants	84.367A	S367A18/190011	75,633
School Improvement Grant	84.377A	S010A180012	1,500
Student Support & Academic Enrichment	84.424A	S424A190013	45,290
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	816,005
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	1,323,451
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth	84.425W	S425W210013	11,821
Total	84.425		2,151,277
Total US Dept of Education			3,196,563
US Dept of Health and Human Services			
Passed Through Idaho Dept of Education:			
COVID-19 - Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM082129-01	2,500
Total US Dept of Health and Human Services			2,500
Total Expenditures of Federal Awards			$3,586,684

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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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 Virtual Academy

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 Virtual Academy (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 13, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

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results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
October 13, 2022

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Idaho Virtual Academy

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Idaho Virtual Academy's (the School's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Quest CPAs PLLC

Payette, Idaho
October 13, 2022

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified • Each Major Fund • Aggreg Remain Fund Info Qualified • Gov't Activities
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major program identification:

a. IdTitle I Grants to Local Educational Agencies – AL #84.010
b. COVID-19 - Elementary and Secondary School Emergency Relief Fund – AL #84.425D, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – AL #84.425U, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth – AL #84.425W

Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as a low-risk auditee?	No