

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

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	\$42,640	\$0	\$42,640
State Revenue	1,205,299	46,232	1,251,531
Federal Revenue	11,581	520,062	531,643
Total Revenues	<u>1,259,520</u>	<u>566,294</u>	<u>1,825,814</u>
Expenditures			
Instructional Programs			
Elementary School	357,411	283,548	640,959
Special Education	115,563	167,528	283,091
Special Education Preschool		0	0
Gifted & Talented		1,509	1,509
School Activity	6,265	0	6,265
Support Service Programs			
Attendance - Guidance - Health		52,168	52,168
Instruction Improvement		15,427	15,427
Educational Media		0	0
Instruction-Related Technology		18,503	18,503
Board of Education	16,060	0	16,060
District Administration	278,982	0	278,982
Buildings - Care	73,113	0	73,113
Maintenance - Student Occupied	46,841	0	46,841
Maintenance - Grounds	2,059	0	2,059
Security	851	0	851
Pupil-To-School Transportation	85,897	0	85,897
Non-Instructional Programs			
Child Nutrition	205	0	205
Capital Assets - Student Occupied		0	0
Capital Assets - Non-Student Occupied		0	0
Debt Service - Principal	97,683	0	97,683
Debt Service - Interest	113,858	0	113,858
Total Expenditures	<u>1,194,788</u>	<u>538,683</u>	<u>1,733,471</u>
Excess (Deficiency) of Revenues Over Expenditures	64,732	27,611	92,343
Other Financing Sources (Uses)			
Transfers In		0	0
Transfers Out		0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	64,732	27,611	92,343
Fund Balances - Beginning	248,638	7,777	256,415
Fund Balances - Ending	<u>\$313,370</u>	<u>\$35,388</u>	<u>\$348,758</u>

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 \$92,343

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. (45,275)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 97,683

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. 46,982

Change in Net Position of Governmental Activities \$191,733

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Monticello Montessori Public Charter School (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

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

Notes to Financial Statements

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.

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Notes to Financial Statements

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 fund in which the employee works.

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

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Notes to Financial Statements

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.

Concentrations of 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 concentrations of 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	\$169,747
Total	<u><u>\$169,747</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$169,747 and the bank balances were \$200,983. The bank balances were insured.

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.

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Notes to Financial Statements

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.

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Notes to Financial Statements

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	Current	1% Increase
	(5.35%)	Discount Rate	(7.35%)
	<u>(5.35%)</u>	<u>(6.35%)</u>	<u>(7.35%)</u>
School's proportionate share of the net pension liability (asset)	<u>\$766,119</u>	<u>(\$22,039)</u>	<u>(\$668,108)</u>

Pension plan fiduciary net position

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

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

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.

G. INTERFUND BALANCES

Interfund balances at year end consist of the following:

	Due From Fund	
	<u>Nonmajor</u>	<u>Governmental</u>
<u>Due To Fund</u>	<u>Governmental</u>	<u>Total</u>
General	\$152,653	\$152,653
Total	<u>\$152,653</u>	<u>\$152,653</u>

Interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Revenue	\$41,734	\$41,734	\$42,640	\$906
State Revenue	1,459,374	1,459,374	1,205,299	(254,075)
Federal Revenue	0	0	11,581	11,581
Total Revenues	<u>1,501,108</u>	<u>1,501,108</u>	<u>1,259,520</u>	<u>(241,588)</u>
Expenditures				
Instructional Programs				
Elementary School	650,023	650,023	357,411	292,612
Special Education	59,795	59,795	115,563	(55,768)
Special Education Preschool	29,555	29,555	0	29,555
Gifted & Talented	0	0	0	0
School Activity	0	0	6,265	(6,265)
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Instruction-Related Technology	0	0	0	0
Board of Education	23,000	23,000	16,060	6,940
District Administration	217,628	217,628	278,982	(61,354)
Buildings - Care	72,369	72,369	73,113	(744)
Maintenance - Student Occupied	92,900	92,900	46,841	46,059
Maintenance - Grounds	11,500	11,500	2,059	9,441
Security	16,850	16,850	851	15,999
Pupil-To-School Transportation	81,765	81,765	85,897	(4,132)
Non-Instructional Programs				
Child Nutrition	0	0	205	(205)
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal			97,683	(97,683)
Debt Service - Interest	210,917	210,917	113,858	97,059
Total Expenditures	<u>1,466,302</u>	<u>1,466,302</u>	<u>1,194,788</u>	<u>271,514</u> *
Excess (Deficiency) of Revenues Over Expenditures	<u>34,806</u>	<u>34,806</u>	<u>64,732</u>	<u>29,926</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>34,806</u>	<u>34,806</u>	<u>64,732</u>	<u>29,926</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>248,638</u>	<u>248,638</u>
Fund Balances - Ending	<u>\$34,806</u>	<u>\$34,806</u>	<u>\$313,370</u>	<u>\$278,564</u>

*Total expenditures (over) under appropriations are: \$271,514

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL
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	0.0156698%	\$115,354	\$424,514	27.17%	94.95%
2016	0.0168943%	\$222,470	\$475,848	46.75%	91.38%
2017	0.0204573%	\$414,701	\$598,551	69.28%	87.26%
2018	0.0204004%	\$320,659	\$635,150	50.49%	90.68%
2019	0.0207276%	\$305,736	\$665,539	45.94%	91.69%
2020	0.0225233%	\$257,097	\$775,459	33.15%	93.79%
2021	0.0243228%	\$564,808	\$866,106	65.21%	88.22%
2022	0.0279051%	(\$22,039)	\$1,019,397	-2.16%	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	\$53,866	\$53,866	\$0	\$475,848	11.32%
2016	\$67,756	\$67,756	\$0	\$598,551	11.32%
2017	\$71,899	\$71,899	\$0	\$635,150	11.32%
2018	\$75,339	\$75,339	\$0	\$665,539	11.32%
2019	\$87,782	\$87,782	\$0	\$775,459	11.32%
2020	\$103,413	\$103,413	\$0	\$866,106	11.94%
2021	\$121,716	\$121,716	\$0	\$1,019,397	11.94%
2022	\$101,415	\$101,415	\$0	\$849,372	11.94%

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

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds			
	Technology	Substance Abuse	ESSER III	Title I-A ESSA IBP
Assets				
Cash	\$32,674	\$7,262		
Receivables:				
State Sources				
Federal Sources			\$264,969	\$39,991
Due From Other Funds				
Total Assets	<u>\$32,674</u>	<u>\$7,262</u>	<u>\$264,969</u>	<u>\$39,991</u>
Liabilities				
Accounts Payable	\$4,548			
Salaries & Benefits Payable				
Due To Other Funds			\$59,933	\$39,439
Unspent Grant Allocation			205,036	552
Total Liabilities	<u>4,548</u>	<u>\$0</u>	<u>264,969</u>	<u>39,991</u>
Fund Balances				
Restricted:				
Special Programs	28,126	7,262		
Debt Service				
Unassigned				
Total Fund Balances	<u>28,126</u>	<u>7,262</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$32,674</u>	<u>\$7,262</u>	<u>\$264,969</u>	<u>\$39,991</u>

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Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds			
	ESSER I	ESSER II	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5
Assets				
Cash				
Receivables:				
State Sources				
Federal Sources	\$8,432	\$32,258	\$4,147	\$1,770
Due From Other Funds				
Total Assets	<u>\$8,432</u>	<u>\$32,258</u>	<u>\$4,147</u>	<u>\$1,770</u>
Liabilities				
Accounts Payable			\$781	
Salaries & Benefits Payable				
Due To Other Funds	\$1,624	\$32,258	3,366	
Unspent Grant Allocation	6,808			\$1,770
Total Liabilities	<u>8,432</u>	<u>32,258</u>	<u>4,147</u>	<u>1,770</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$8,432</u>	<u>\$32,258</u>	<u>\$4,147</u>	<u>\$1,770</u>

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Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds			
	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE	Title II-A ESSA SEI
Assets				
Cash				
Receivables:				
State Sources				
Federal Sources			\$16,619	\$18,308
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$16,619</u>	<u>\$18,308</u>
Liabilities				
Accounts Payable				
Salaries & Benefits Payable				
Due To Other Funds			\$606	\$15,427
Unspent Grant Allocation			16,013	2,881
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>16,619</u>	<u>18,308</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>\$16,619</u>	<u>\$18,308</u>

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Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2022

	<u>Special Revenue Funds</u>	
	<u>SLFRF</u>	<u>Total</u>
Assets		
Cash		\$39,936
Receivables:		
State Sources		0
Federal Sources		386,494
Due From Other Funds		0
Total Assets	<u>\$0</u>	<u>\$426,430</u>
Liabilities		
Accounts Payable		\$5,329
Salaries & Benefits Payable		0
Due To Other Funds		152,653
Unspent Grant Allocation		233,060
Total Liabilities	<u>\$0</u>	<u>391,042</u>
Fund Balances		
Restricted:		
Special Programs		35,388
Debt Service		0
Unassigned		0
Total Fund Balances	<u>0</u>	<u>35,388</u>
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$426,430</u>

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

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	\$41,855	\$4,377		
Federal Revenue			\$160,578	\$48,388
Total Revenues	<u>41,855</u>	<u>4,377</u>	<u>160,578</u>	<u>48,388</u>
Expenditures				
Instructional Programs				
Elementary School			100,805	48,388
Special Education			59,773	
Special Education Preschool				
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		1,742		
Instruction Improvement				
Educational Media				
Instruction-Related Technology	16,879			
Board of Education				
District Administration				
Buildings - Care				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>16,879</u>	<u>1,742</u>	<u>160,578</u>	<u>48,388</u>
Excess (Deficiency) of Revenues Over Expenditures	24,976	2,635	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	24,976	2,635	0	0
Fund Balances - Beginning	3,150	4,627	0	0
Fund Balances - Ending	<u>\$28,126</u>	<u>\$7,262</u>	<u>\$0</u>	<u>\$0</u>

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

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

	Special Revenue Funds			
	ESSER I	ESSER II	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$1,624	\$161,927	\$43,957	\$2,140
Total Revenues	<u>1,624</u>	<u>161,927</u>	<u>43,957</u>	<u>2,140</u>
Expenditures				
Instructional Programs				
Elementary School		111,501		
Special Education			43,957	2,140
Special Education Preschool				
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		50,426		
Instruction Improvement				
Educational Media				
Instruction-Related Technology	1,624			
Board of Education				
District Administration				
Buildings - Care				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>1,624</u>	<u>161,927</u>	<u>43,957</u>	<u>2,140</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

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

	Special Revenue Funds			
	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE	Title II-A ESSA SEI
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$11,159	\$50,499	\$1,509	\$15,427
Total Revenues	<u>11,159</u>	<u>50,499</u>	<u>1,509</u>	<u>15,427</u>
Expenditures				
Instructional Programs				
Elementary School				
Special Education	11,159	50,499		
Special Education Preschool				
Gifted & Talented			1,509	
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement				15,427
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
Buildings - Care				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>11,159</u>	<u>50,499</u>	<u>1,509</u>	<u>15,427</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL Page 4 of 4
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2022

	Special Revenue Funds	
	SLFRF	Total
Revenues		
Local Revenue		\$0
State Revenue		46,232
Federal Revenue	\$22,854	520,062
Total Revenues	22,854	566,294
Expenditures		
Instructional Programs		
Elementary School	22,854	283,548
Special Education		167,528
Special Education Preschool		0
Gifted & Talented		1,509
School Activity		0
Support Service Programs		
Attendance - Guidance - Health		52,168
Instruction Improvement		15,427
Educational Media		0
Instruction-Related Technology		18,503
Board of Education		0
District Administration		0
Buildings - Care		0
Maintenance - Student Occupied		0
Maintenance - Grounds		0
Security		0
Pupil-To-School Transportation		0
Non-Instructional Programs		
Child Nutrition		0
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
Total Expenditures	22,854	538,683
Excess (Deficiency) of Revenues Over Expenditures	0	27,611
Other Financing Sources (Uses)		
Transfers In		0
Transfers Out		0
Total Other Financing Sources (Uses)	0	0
Net Change in Fund Balances	0	27,611
Fund Balances - Beginning	0	7,777
Fund Balances - Ending	\$0	\$35,388



**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
Monticello Montessori Public Charter School

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 the Monticello Montessori Public Charter School (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 August 16, 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

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
August 16, 2022

MONTICELLO MONTESSORI PUBLIC CHARTER SCHOOL

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2022

FINDINGS – FINANCIAL STATEMENT AUDIT

Material Weakness

2021-001 Completion and Timeliness of Core Accounting Procedures and Controls

Condition – In the previous year, it was noted that the School did not perform the following core accounting procedures and controls in a consistent or timely manner:

- Reconciling and reviewing bank statements
- Paying bills and retaining supporting documentation evidencing procurement process
- Making payroll tax deposits and filing quarterly payroll tax reports

Recommendation – It was recommended that the School ensure that the aforementioned core accounting procedures and controls are performed in a consistent and timely manner going forward.

Current Status – This issue has been resolved by the School retaining an experienced business manager who is ensuring these core accounting procedures and controls are being performed in a consistent and timely manner.