

American Heritage Charter School

Year Ended June 30, 2023

Audited Financial Statements



AMERICAN HERITAGE CHARTER SCHOOL

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Independent Auditor's Report

Board of Directors
American Heritage Charter School

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 American Heritage Charter School (the School) as of and for the year ended June 30, 2023, 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, 2023, 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, 2023, 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.

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 of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 11, 2023, 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 11, 2023

AMERICAN HERITAGE CHARTER SCHOOL

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash	\$3,205,581
Receivables:	
State Sources	56,580
Federal Sources	356,242
Total Current Assets	<u>3,618,403</u>
Noncurrent Assets	
Depreciable/Amortizable Net Capital Assets	<u>2,833,749</u>
Total Noncurrent Assets	<u>2,833,749</u>
Total Assets	<u><u>6,452,152</u></u>
 Deferred Outflows of Resources	
Pension Items	<u>1,140,210</u>
Total Deferred Outflows of Resources	<u>1,140,210</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$7,592,362</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	\$35,914
Salaries & Benefits Payable	306,094
Unspent Grant Allocation	30,253
Long-Term Liabilities, Current	<u>146,478</u>
Total Current Liabilities	<u>518,739</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	<u>4,149,999</u>
Total Noncurrent Liabilities	<u>4,149,999</u>
Total Liabilities	<u><u>4,668,738</u></u>
 Deferred Inflows of Resources	
Pension Items	<u>8,078</u>
Total Deferred Inflows of Resources	<u>8,078</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>4,676,816</u></u>
 Net Position	
Net Investment in Capital Assets	347,162
Restricted:	
Special Programs	175,904
Unrestricted	<u>2,392,480</u>
Total Net Position	<u>2,915,546</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$7,592,362</u></u>

AMERICAN HERITAGE CHARTER SCHOOL

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Capital Grants And Contributions	Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions		
				Governmental Activities	
Governmental Activities					
Instructional Programs					
Elementary School	\$1,468,041		\$467,190		(\$1,000,851)
Secondary School	905,528		245,188		(660,340)
Special Education	141,920		66,206		(75,714)
School Activity	0				0
Support Service Programs					
Attendance - Guidance - Health	46,403		7,519		(38,884)
Special Education Support Services	30,598				(30,598)
Instruction Improvement	23,850		17,594		(6,256)
Educational Media	0				0
Instruction-Related Technology	64,455		35,157		(29,298)
Board of Education	34,449				(34,449)
District Administration	139,655				(139,655)
School Administration	39,078				(39,078)
Business Operation	223,340		24,795		(198,545)
Administrative Technology	84,814		32,199		(52,615)
Buildings - Care	285,810		209,061		(76,749)
Maintenance - Non-Student Occupied	8,362				(8,362)
Maintenance - Student Occupied	99,438				(99,438)
Maintenance - Grounds	32,017				(32,017)
Security	10,001				(10,001)
Pupil-To-School Transportation	22,389				(22,389)
General Transportation	8,030				(8,030)
Non-Instructional Programs					
Child Nutrition	128,384	\$65,843	61,621		(920)
Student Activity	44,392	53,370			8,978
Capital Assets - Student Occupied	216,869				(216,869)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	0				0
Total	\$4,057,823	\$119,213	\$1,166,530	\$0	(2,772,080)
General Revenues					
Local Revenue					49,352
State Revenue					3,701,161
Federal Revenue					0
Pension Revenue (Expense)					(489,152)
Total					3,261,361
Change in Net Position					489,281
Net Position - Beginning					2,426,265
Net Position - Ending					\$2,915,546

AMERICAN HERITAGE CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

	<u>General Fund</u>	<u>Child Nutrition Fund</u>	<u>Nonmajor Governmental Funds</u>
Assets			
Cash	\$3,029,677	\$97,379	\$78,525
Receivables:			
State Sources	56,580		0
Federal Sources			356,242
Due From Other Funds	322,431		0
Total Assets	<u>\$3,408,688</u>	<u>\$97,379</u>	<u>\$434,767</u>
Liabilities			
Accounts Payable	\$32,356		\$3,558
Due To Other Funds			322,431
Salaries & Benefits Payable	306,094		0
Unspent Grant Allocation			30,253
Total Liabilities	<u>338,450</u>	<u>\$0</u>	<u>356,242</u>
Fund Balances			
Restricted:			
Special Programs		97,379	78,525
Unassigned	3,070,238		0
Total Fund Balances	<u>3,070,238</u>	<u>97,379</u>	<u>78,525</u>
Total Liabilities and Fund Balances	<u>\$3,408,688</u>	<u>\$97,379</u>	<u>\$434,767</u>

AMERICAN HERITAGE CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

	Total Governmental Funds
Assets	
Cash	\$3,205,581
Receivables:	
State Sources	56,580
Federal Sources	356,242
Due From Other Funds	322,431
Total Assets	<u><u>\$3,940,834</u></u>
Liabilities	
Accounts Payable	\$35,914
Due To Other Funds	322,431
Salaries & Benefits Payable	306,094
Unspent Grant Allocation	30,253
Total Liabilities	<u><u>694,692</u></u>
Fund Balances	
Restricted:	
Special Programs	175,904
Unassigned	3,070,238
Total Fund Balances	<u><u>3,246,142</u></u>
Total Liabilities and Fund Balances	<u><u>\$3,940,834</u></u>

AMERICAN HERITAGE CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2023

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

Total Governmental Fund Balances \$3,246,142

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. 2,833,749

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (4,296,477)

Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds. 1,132,132

Net Position of Governmental Activities \$2,915,546

AMERICAN HERITAGE CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General Fund	Child Nutrition Fund	Nonmajor Governmental Funds
Revenues			
Local Revenue	\$53,871	\$66,070	\$53,370
State Revenue	3,701,161		74,875
Federal Revenue		61,621	1,025,288
Total Revenues	<u>3,755,032</u>	<u>127,691</u>	<u>1,153,533</u>
Expenditures			
Instructional Programs			
Elementary School	1,394,348		462,444
Secondary School	739,960		245,188
Special Education	74,878		67,042
School Activity			0
Support Service Programs			
Attendance - Guidance - Health	44,483		1,920
Special Education Support Services	30,598		0
Instruction Improvement	6,256		17,594
Educational Media			0
Instruction-Related Technology	29,298		35,157
Board of Education	34,449		0
District Administration	139,655		0
School Administration	39,078		0
Business Operation	198,545		24,795
Administrative Technology	46,938		37,876
Buildings - Care	216,585		209,061
Maintenance - Non-Student Occupied	8,362		0
Maintenance - Student Occupied	139,969		0
Maintenance - Grounds	32,017		0
Security	10,001		0
Pupil-To-School Transportation	22,389		0
General Transportation	8,030		0
Non-Instructional Programs			
Child Nutrition	2,684	125,700	0
Student Activity			44,392
Capital Assets - Student Occupied			0
Capital Assets - Non-Student Occupied			0
Debt Service - Principal			0
Debt Service - Interest			0
Total Expenditures	<u>3,218,523</u>	<u>125,700</u>	<u>1,145,469</u>
Excess (Deficiency) of Revenues Over Expenditures	536,509	1,991	8,064
Other Financing Sources (Uses)			
Transfers In			836
Transfers Out	(836)		0
Total Other Financing Sources (Uses)	<u>(836)</u>	<u>0</u>	<u>836</u>
Net Change in Fund Balances	535,673	1,991	8,900
Fund Balances - Beginning	<u>2,534,565</u>	<u>95,388</u>	<u>69,625</u>
Fund Balances - Ending	<u><u>\$3,070,238</u></u>	<u><u>\$97,379</u></u>	<u><u>\$78,525</u></u>

AMERICAN HERITAGE CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Total Governmental Funds
Revenues	
Local Revenue	\$173,311
State Revenue	3,776,036
Federal Revenue	1,086,909
Total Revenues	5,036,256
Expenditures	
Instructional Programs	
Elementary School	1,856,792
Secondary School	985,148
Special Education	141,920
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	46,403
Special Education Support Services	30,598
Instruction Improvement	23,850
Educational Media	0
Instruction-Related Technology	64,455
Board of Education	34,449
District Administration	139,655
School Administration	39,078
Business Operation	223,340
Administrative Technology	84,814
Buildings - Care	425,646
Maintenance - Non-Student Occupied	8,362
Maintenance - Student Occupied	139,969
Maintenance - Grounds	32,017
Security	10,001
Pupil-To-School Transportation	22,389
General Transportation	8,030
Non-Instructional Programs	
Child Nutrition	128,384
Student Activity	44,392
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	4,489,692
Excess (Deficiency) of Revenues Over Expenditures	546,564
Other Financing Sources (Uses)	
Transfers In	836
Transfers Out	(836)
Total Other Financing Sources (Uses)	0
Net Change in Fund Balances	546,564
Fund Balances - Beginning	2,699,578
Fund Balances - Ending	\$3,246,142

AMERICAN HERITAGE CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

**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 \$546,564

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 or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period. 62,345

Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 139,836

Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds. (259,464)

Change in Net Position of Governmental Activities \$489,281

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – American Heritage 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

AMERICAN HERITAGE 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.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

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.

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term 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 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.

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

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.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

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	\$3,205,581
Total	<u><u>\$3,205,581</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$3,205,581 and the bank balances were \$3,378,894. Of the bank balances, \$500,000 was insured and the remainder was uninsured and uncollateralized.

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

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.

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
State Sources			
Foundation Program	\$56,580		\$56,580
Total	\$56,580		\$56,580
Federal Sources			
Special Programs		\$356,242	\$356,242
Total		\$356,242	\$356,242

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable/Amortizable Capital Assets				
Buildings	\$183,717			\$183,717
Equipment	119,191			119,191
Leased Buildings	2,719,978	\$279,214		2,999,192
Subtotal	3,022,886	279,214	\$0	3,302,100
Accumulated Depreciation				
Buildings	17,936	3,674		21,610
Equipment	52,214	11,919		64,133
Subtotal	70,150	15,593	0	85,743
Accumulated Amortization				
Leased Buildings	181,332	201,276		382,608
Subtotal	181,332	201,276	0	382,608
Total	2,771,404	62,345	0	2,833,749
Net Capital Assets	\$2,771,404	\$62,345	\$0	\$2,833,749

Depreciation expense of \$15,593 and amortization expense of \$201,276 were charged to the capital assets – student occupied program.

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

E. LONG-TERM LIABILITIES

At year end, the School had a lease as follows:

Lease for facilities for 15 years starting June 2021, due in monthly payments with an annual total of \$264,591, with interest at 4.75%, paid primarily through the general fund	<u>\$2,486,587</u>
Total	<u><u>\$2,486,587</u></u>

Future lease payments are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/24	\$146,478	\$118,113	\$264,591
6/30/25	153,436	111,155	264,591
6/30/26	160,724	103,867	264,591
6/30/27	168,358	96,233	264,591
6/30/28	176,355	88,236	264,591
6/30/29-33	1,015,677	307,278	1,322,955
6/30/34-36	665,559	61,116	726,675
Total	<u><u>\$2,486,587</u></u>	<u><u>\$885,998</u></u>	<u><u>\$3,372,585</u></u>

Changes in long-term liabilities are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease	\$2,626,423		\$139,836	\$2,486,587	\$146,478
Net Pension Liability	0	\$1,809,890		1,809,890	-
Total	<u><u>\$2,626,423</u></u>	<u><u>\$1,809,890</u></u>	<u><u>\$139,836</u></u>	<u><u>\$4,296,477</u></u>	<u><u>\$146,478</u></u>

Interest and related costs during the year amounted to \$132,211 and were charged to the buildings – care program.

F. 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

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

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, 2022 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 \$229,688 for the year ended June 30, 2023.

Pension asset/liabilities, pension revenue (expense), and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the School's proportion was 0.04595079 percent.

AMERICAN HERITAGE CHARTER SCHOOL

Notes to Financial Statements

For the year ended June 30, 2023, the School recognized pension revenue (expense) of (\$489,152). At June 30, 2023, 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	\$199,022	\$8,078
Changes in assumptions or other inputs	295,066	
Net difference between projected and actual earnings on pension plan investments	416,434	
Employer contributions subsequent to the measurement date	229,688	
Total	\$1,140,210	\$8,078

\$229,688 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 revenue (expense) in the year ending June 30, 2024.

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, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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		
6/30/24		(\$215,807)
6/30/25		(234,280)
6/30/26		(108,354)
6/30/27		(344,003)
Total		(\$902,444)

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.

AMERICAN HERITAGE CHARTER SCHOOL

Notes to Financial Statements

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

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

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%
	5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
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 liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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 2022.

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount rate

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

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

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the School's proportionate share of the net pension liability 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 Discount Rate	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$3,194,279</u>	<u>\$1,809,890</u>	<u>\$676,804</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.

Impact 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 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

AMERICAN HERITAGE CHARTER SCHOOL
Notes to Financial Statements

pension liability which is an estimated 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 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 AND TRANSFERS

Interfund balances at year end consist of the following:

Due To Fund	Due From Fund	
	Nonmajor Governmental	Total
General	\$322,431	\$322,431
Total	\$322,431	\$322,431

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

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General		\$836	Support
Nonmajor Governmental	\$836		Support
Total	\$836	\$836	

AMERICAN HERITAGE CHARTER SCHOOL
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2023

General Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			
	Original	Final		Positive
				(Negative)
Revenues				
Local Revenue	\$6,733	\$37,414	\$53,871	\$16,457
State Revenue	3,518,630	3,647,493	3,701,161	53,668
Federal Revenue	0	0	0	0
Total Revenues	<u>3,525,363</u>	<u>3,684,907</u>	<u>3,755,032</u>	<u>70,125</u>
Expenditures				
Instructional Programs				
Elementary School	1,502,059	1,451,528	1,394,348	57,180
Secondary School	688,428	802,005	739,960	62,045
Special Education	129,240	84,166	74,878	9,288
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	48,455	42,724	44,483	(1,759)
Special Education Support Services	25,783	28,263	30,598	(2,335)
Instruction Improvement	21,090	34,746	6,256	28,490
Educational Media	0	0	0	0
Instruction-Related Technology	25,933	40,000	29,298	10,702
Board of Education	33,157	33,679	34,449	(770)
District Administration	129,740	163,933	139,655	24,278
School Administration	80,263	33,760	39,078	(5,318)
Business Operation	220,199	209,304	198,545	10,759
Administrative Technology	34,760	56,551	46,938	9,613
Buildings - Care	373,143	320,067	216,585	103,482
Maintenance - Non-Student Occupied	527	15,000	8,362	6,638
Maintenance - Student Occupied	95,915	161,957	139,969	21,988
Maintenance - Grounds	80,497	38,294	32,017	6,277
Security	580	10,000	10,001	(1)
Pupil-To-School Transportation	30,000	31,958	22,389	9,569
General Transportation	2,258	15,000	8,030	6,970
Non-Instructional Programs				
Child Nutrition	3,336	7,510	2,684	4,826
Student Activity	0	0	0	0
Capital Assets - Student Occupied	0	41,767	0	41,767
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>3,525,363</u>	<u>3,622,212</u>	<u>3,218,523</u>	<u>403,689</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	0	62,695	536,509	473,814
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	(62,695)	(836)	61,859
Total Other Financing Sources (Uses)	<u>0</u>	<u>(62,695)</u>	<u>(836)</u>	<u>61,859</u> *
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>535,673</u>	<u>535,673</u>
Fund Balances - Beginning	<u>1,886,861</u>	<u>2,534,565</u>	<u>2,534,565</u>	<u>0</u>
Fund Balances - Ending	<u>\$1,886,861</u>	<u>\$2,534,565</u>	<u>\$3,070,238</u>	<u>\$535,673</u>

*Total expenditures (over) under appropriations are: \$465,548

AMERICAN HERITAGE CHARTER SCHOOL

Budgetary Comparison Schedule - General and Major Special Revenue Funds
Year Ended June 30, 2023

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Revenue	\$8,700	\$17,133	\$66,070	\$48,937
Federal Revenue	212,600	53,455	61,621	8,166
Total Revenues	<u>221,300</u>	<u>70,588</u>	<u>127,691</u>	<u>57,103</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	221,300	133,283	125,700	7,583
Total Expenditures	<u>221,300</u>	<u>133,283</u>	<u>125,700</u>	<u>7,583</u> *
Excess (Deficiency) of Revenues Over Expenditures	0	(62,695)	1,991	64,686
Other Financing Sources (Uses)				
Transfers In	0	62,695	0	(62,695)
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)		<u>62,695</u>	<u>0</u>	<u>(62,695)</u>
Net Change in Fund Balances	0	0	1,991	1,991
Fund Balances - Beginning	0	0	95,388	95,388
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$97,379</u>	<u>\$97,379</u>
				<u>\$7,583</u>

**Total expenditures (over) under appropriations are:*

AMERICAN HERITAGE 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	0.02023940%	\$148,994	\$548,313	27.17%	94.95%
2016	0.02359440%	\$310,700	\$660,875	47.01%	91.38%
2017	0.02356650%	\$477,729	\$689,390	69.30%	87.26%
2018	0.02905220%	\$456,651	\$918,004	49.74%	90.68%
2019	0.03480300%	\$513,350	\$1,093,330	46.95%	91.69%
2020	0.03765690%	\$429,843	\$1,275,680	33.70%	93.79%
2021	0.03997840%	\$928,351	\$1,408,342	65.92%	88.22%
2022	0.04459826%	(\$35,223)	\$1,663,593	-2.12%	100.36%
2023	0.04595079%	\$1,809,890	\$1,818,007	99.55%	83.09%

*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	\$74,811	\$74,811	\$0	\$660,875	11.32%
2016	\$78,039	\$78,039	\$0	\$689,390	11.32%
2017	\$103,918	\$103,918	\$0	\$918,004	11.32%
2018	\$123,765	\$123,765	\$0	\$1,093,330	11.32%
2019	\$144,407	\$144,407	\$0	\$1,275,680	11.32%
2020	\$168,156	\$168,156	\$0	\$1,408,342	11.94%
2021	\$198,633	\$198,633	\$0	\$1,663,593	11.94%
2022	\$217,070	\$217,070	\$0	\$1,818,007	11.94%
2023	\$229,688	\$229,688	\$0	\$1,923,685	11.94%

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

AMERICAN HERITAGE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds			
	Student Activities	School Building Maintenance	Technology	Substance Abuse
Assets				
Cash	\$32,682	\$8,405	\$25,936	\$11,502
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$32,682	\$8,405	\$25,936	\$11,502
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	\$0	\$0
Fund Balances				
Restricted:				
Special Programs	32,682	8,405	25,936	11,502
Unassigned				
Total Fund Balances	32,682	8,405	25,936	11,502
Total Liabilities and Fund Balances	\$32,682	\$8,405	\$25,936	\$11,502

AMERICAN HERITAGE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds			
	Title I-A			
	ESSER III	ESSA IBP	ESSER I	ESSER II
Assets				
Cash				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$29,591	\$58,059		
Due From Other Funds				
Total Assets	<u>\$29,591</u>	<u>\$58,059</u>	<u>\$0</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$6,031	\$58,059		
Salaries & Benefits Payable				
Unspent Grant Allocation	23,560			
Total Liabilities	<u>29,591</u>	<u>58,059</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances				
Restricted:				
Special Programs				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$29,591</u>	<u>\$58,059</u>	<u>\$0</u>	<u>\$0</u>

AMERICAN HERITAGE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE
Assets				
Cash				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$54,001	\$13,161		\$10,000
Due From Other Funds				
Total Assets	<u>\$54,001</u>	<u>\$13,161</u>	<u>\$0</u>	<u>\$10,000</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$53,685	\$7,020		\$10,000
Salaries & Benefits Payable				
Unspent Grant Allocation	316	6,141		
Total Liabilities	<u>54,001</u>	<u>13,161</u>	<u>\$0</u>	<u>10,000</u>
Fund Balances				
Restricted:				
Special Programs				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$54,001</u>	<u>\$13,161</u>	<u>\$0</u>	<u>\$10,000</u>

AMERICAN HERITAGE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds			Charter School Program Grant
	Title V-B ESSA REI	Title II-A ESSA SEI	SLFRF	
Assets				
Cash				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$24,640	\$10,517		\$156,273
Due From Other Funds				
Total Assets	<u>\$24,640</u>	<u>\$10,517</u>	<u>\$0</u>	<u>\$156,273</u>
Liabilities				
Accounts Payable				\$3,558
Due To Other Funds	\$24,640	\$10,281		152,715
Salaries & Benefits Payable				
Unspent Grant Allocation		236		
Total Liabilities	<u>24,640</u>	<u>10,517</u>	<u>\$0</u>	<u>156,273</u>
Fund Balances				
Restricted:				
Special Programs				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$24,640</u>	<u>\$10,517</u>	<u>\$0</u>	<u>\$156,273</u>

AMERICAN HERITAGE CHARTER SCHOOL
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue
	Total
Assets	
Cash	\$78,525
Receivables:	
Local Sources	0
State Sources	0
Federal Sources	356,242
Due From Other Funds	0
Total Assets	\$434,767
Liabilities	
Accounts Payable	\$3,558
Due To Other Funds	322,431
Salaries & Benefits Payable	0
Unspent Grant Allocation	30,253
Total Liabilities	356,242
Fund Balances	
Restricted:	
Special Programs	78,525
Unassigned	0
Total Fund Balances	78,525
Total Liabilities and Fund Balances	\$434,767

AMERICAN HERITAGE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Student Activities	School Building Maintenance	Technology	Substance Abuse
Revenues				
Local Revenue	\$53,370			
State Revenue			\$67,356	\$7,519
Federal Revenue				
Total Revenues	<u>53,370</u>	<u>\$0</u>	<u>67,356</u>	<u>7,519</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Special Education				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				1,920
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology			35,157	
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology			37,876	
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity	44,392			
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>44,392</u>	<u>0</u>	<u>73,033</u>	<u>1,920</u>
Excess (Deficiency) of Revenues Over Expenditures	8,978	0	(5,677)	5,599
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	8,978	0	(5,677)	5,599
Fund Balances - Beginning - As Prev. Stated	23,704	8,405	31,613	5,903
Fund Balances - Ending	<u>\$32,682</u>	<u>\$8,405</u>	<u>\$25,936</u>	<u>\$11,502</u>

AMERICAN HERITAGE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	ESSER III	Title I-A ESSA IBP	ESSER I	ESSER II
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$297,306	\$58,059	\$493	\$156,468
Total Revenues	<u>297,306</u>	<u>58,059</u>	<u>493</u>	<u>156,468</u>
Expenditures				
Instructional Programs				
Elementary School	244,713	58,059	446	
Secondary School			47	
Special Education				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care	52,593			156,468
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>297,306</u>	<u>58,059</u>	<u>493</u>	<u>156,468</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>

AMERICAN HERITAGE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B ARPA	School Based Medicaid	Title IV-A ESSA SS & AE
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$53,685	\$7,020	\$5,501	\$10,000
Total Revenues	<u>53,685</u>	<u>7,020</u>	<u>5,501</u>	<u>10,000</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				10,000
Special Education	53,685	7,020	6,337	
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>53,685</u>	<u>7,020</u>	<u>6,337</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(836)	0
Other Financing Sources (Uses)				
Transfers In			836	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>836</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

AMERICAN HERITAGE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Title V-B ESSA REI	Title II-A ESSA SEI	SLFRF	Charter School Program Grant
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$24,640	\$10,281	\$47,198	\$354,637
Total Revenues	<u>24,640</u>	<u>10,281</u>	<u>47,198</u>	<u>354,637</u>
Expenditures				
Instructional Programs				
Elementary School	17,327		31,465	110,434
Secondary School			15,733	219,408
Special Education				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement	7,313	10,281		
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				24,795
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>24,640</u>	<u>10,281</u>	<u>47,198</u>	<u>354,637</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>

AMERICAN HERITAGE CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	<u>Special Revenue</u>
	<u>Total</u>
Revenues	
Local Revenue	\$53,370
State Revenue	74,875
Federal Revenue	1,025,288
Total Revenues	<u>1,153,533</u>
Expenditures	
Instructional Programs	
Elementary School	462,444
Secondary School	245,188
Special Education	67,042
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	1,920
Special Education Support Services	0
Instruction Improvement	17,594
Educational Media	0
Instruction-Related Technology	35,157
Board of Education	0
District Administration	0
School Administration	0
Business Operation	24,795
Administrative Technology	37,876
Buildings - Care	209,061
Maintenance - Non-Student Occupied	0
Maintenance - Student Occupied	0
Maintenance - Grounds	0
Security	0
Pupil-To-School Transportation	0
General Transportation	0
Non-Instructional Programs	
Child Nutrition	0
Student Activity	44,392
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	<u>1,145,469</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,064</u>
Other Financing Sources (Uses)	
Transfers In	836
Transfers Out	0
Total Other Financing Sources (Uses)	<u>836</u>
Net Change in Fund Balances	<u>8,900</u>
Fund Balances - Beginning	<u>69,625</u>
Fund Balances - Ending	<u>\$78,525</u>

AMERICAN HERITAGE CHARTER SCHOOL

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	202222/202323N119947	\$61,621
Total Child Nutrition Cluster			<u>61,621</u>
Total US Dept of Agriculture			<u>61,621</u>
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	47,198
Total US Dept of Treasury			<u>47,198</u>
US Dept of Education			
<i>Direct Program:</i>			
Charter Schools	84.282A		354,637
Rural Education	84.358A		24,640
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A21/220088	53,685
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.027X	H027X210088	7,020
Total	84.027		<u>60,705</u>
Total Special Education Cluster			<u>60,705</u>
Title I Grants to Local Educational Agencies	84.010A	S010A210012	58,059
Supporting Effective Instruction State Grants	84.367A	S367A20/210011	10,281
Student Support & Academic Enrichment	84.424A	S424A20/210013	10,000
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	156,961
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	297,306
Total	84.425		<u>454,267</u>
Total US Dept of Education			<u>972,589</u>
Total Expenditures of Federal Awards			<u>\$1,081,408</u>

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, 2023. 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. No awards were passed through to subrecipients. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**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
American Heritage 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 American Heritage Charter School (the School), as of and for the year ended June 30, 2023, 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 11, 2023. In our report, we expressed a qualified opinion on the governmental activities as management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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
October 11, 2023



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

Board of Directors
American Heritage Charter School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited American Heritage Charter School’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, 2023. 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, 2023.

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.

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 11, 2023

AMERICAN HERITAGE CHARTER SCHOOL

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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. 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

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee qualified as a low-risk auditee? No