TAYLOR’S CROSSING PUBLIC CHARTER SCHOOL

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2018

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL
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FINANCIAL SECTION

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Special Services

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Independent Auditor's Report

Board of Directors
Taylor's Crossing Public Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Taylor's Crossing Public Charter School (the School) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

Management believes the costs of implementing GASB 75 (having actuarial calculations performed for other post-employment benefits) cannot be justified at this time. Accounting principles generally accepted in the United States of America require that a liability and related expense be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2018, 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

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, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, 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.

Other 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 September 6, 2018, 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 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 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
September 6, 2018

BASIC FINANCIAL STATEMENTS

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	$1,033,118
Receivables:	
Local Sources	2,139
State Sources	87,871
Federal Sources	11,008
Total Current Assets	1,134,136
Noncurrent Assets	
Nondepreciable Capital Assets	250,000
Depreciable Net Capital Assets	3,073,371
Total Noncurrent Assets	3,323,371
Total Assets	4,457,507
Deferred Outflows of Resources	
Pension Sources	244,065
Total Deferred Outflows of Resources	244,065
Total Assets and Deferred Outflows of Resources	$4,701,572
Liabilities	
Current Liabilities	
Accounts Payable	$35,164
Salaries & Benefits Payable	19,858
Unspent Grant Allocation	11,008
Long-Term Debt, Current	177,142
Total Current Liabilities	243,172
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	3,089,832
Net Pension Liability	625,416
Total Noncurrent Liabilities	3,715,248
Total Liabilities	3,958,420
Deferred Inflows of Resources	
Pension Sources	93,816
Total Deferred Inflows of Resources	93,816
Total Liabilities and Deferred Inflows of Resources	4,052,236
Net Position	
Net Investment in Capital Assets	56,397
Restricted:	
Special Programs	11,040
Debt Service	211,501
Capital Projects	100,000
Unrestricted	270,398
Total Net Position	649,336
Total Liabilities and Deferred Inflows of Resource and Net Position	$4,701,572

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Statement of Activities

Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants And Contributions	Program Revenues: Capital Grants And Contributions	Net (Expense) Revenue And Changes in Net Position: Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	$776,863		$73,881		($702,982)
Secondary School	604,823				(604,823)
Special Education	74,936		65,608		(9,328)
Interscholastic	9,270				(9,270)
School Activity	8,994				(8,994)
Support Service Programs					
Attendance - Guidance - Health	7,178		7,178		0
Instruction Improvement	65,545		46,483		(19,062)
Educational Media	11,221				(11,221)
Instruction-Related Technology	71,172		67,137		(4,035)
Board of Education	18,423				(18,423)
District Administration	378,813				(378,813)
Administrative Technology	6,700				(6,700)
Buildings - Care	86,055				(86,055)
Maintenance - Student Occupied	53,378				(53,378)
Maintenance - Grounds	17,093				(17,093)
Security	11,455				(11,455)
Pupil-To-School Transportation	100,747				(100,747)
Non-Instructional Programs					
Child Nutrition	150,506	$36,169	91,639		(22,698)
Capital Assets - Student Occupied	83,761				(83,761)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	146,530				(146,530)
Total	$2,683,463	$36,169	$351,926	$0	(2,295,368)

General Revenues	
Local Revenue	78,289
State Revenue	2,716,159
Federal Revenue	0
Pension Revenue (Expense)	(105,111)
Total	2,689,337
Change in Net Position	393,969
Net Position - Beginning	255,367
Net Position - Ending	$649,336

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Child Nutrition Fund	Lottery Fund	Other Governmental Funds
Assets				
Cash & Investments	$918,942	$14,000	$100,000	$176
Receivables:				
Local Sources	2,139			0
State Sources	87,871			0
Federal Sources				11,008
Due From Other Funds				0
Total Assets	$1,008,952	$14,000	$100,000	$11,184
Liabilities				
Accounts Payable	$34,052	$936		$176
Due To Other Funds				0
Salaries & Benefits Payable	17,834	$2,024		0
Unspent Grant Allocation				11,008
Total Liabilities	51,886	2,960	$0	11,184
Fund Balances				
Restricted:				
Special Programs		11,040		0
Debt Service	211,501			0
Capital Projects			100,000	0
Assigned - Special Distributions	40,685			0
Unassigned	704,880			0
Total Fund Balances	957,066	11,040	100,000	0
Total Liabilities and Fund Balances	$1,008,952	$14,000	$100,000	$11,184

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL
Balance Sheet - Governmental Funds
June 30, 2018

	Total Governmental Funds
Assets	
Cash & Investments	$1,033,118
Receivables:	
Local Sources	2,139
State Sources	87,871
Federal Sources	11,008
Due From Other Funds	0
Total Assets	$1,134,136
Liabilities	
Accounts Payable	$35,164
Due To Other Funds	0
Salaries & Benefits Payable	19,858
Unspent Grant Allocation	11,008
Total Liabilities	66,030
Fund Balances	
Restricted:	
Special Programs	11,040
Debt Service	211,501
Capital Projects	100,000
Assigned - Special Distributions	40,685
Unassigned	704,880
Total Fund Balances	1,068,106
Total Liabilities and Fund Balances	$1,134,136

See Accompanying Notes

Balance Sheet - Governmental Funds

June 30, 2018

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

Total Governmental Fund Balances	$1,068,106
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.	3,323,371
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,266,974)
Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(475,167)
Net Position of Governmental Activities	$649,336

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2018

	General Fund	Child Nutrition Fund	Lottery Fund	Other Governmental Funds
Revenues				
Local Revenue	$81,560	$36,169		$0
State Revenue	2,716,159			74,315
Federal Revenue		91,639		182,701
Total Revenues	2,797,719	127,808	$0	257,016
Expenditures				
Instructional Programs				
Elementary School	788,263			70,610
Secondary School	668,672			0
Special Education	9,328			65,608
Interscholastic	9,270			0
School Activity	8,994			0
Support Service Programs				
Attendance - Guidance - Health				7,178
Instruction Improvement	19,062			46,483
Educational Media	11,221			0
Instruction-Related Technology	1,440			69,732
Board of Education	18,423			0
District Administration	378,813			0
Administrative Technology	6,700			0
Buildings - Care	86,055			0
Maintenance - Student Occupied	53,378			0
Maintenance - Grounds	17,093			0
Security	11,455			0
Pupil-To-School Transportation	100,747			0
Non-Instructional Programs				
Child Nutrition	5,620	144,886		0
Capital Assets - Student Occupied	129,619			0
Capital Assets - Non-Student Occupied				0
Debt Service - Principal	169,538			0
Debt Service - Interest	146,530			0
Total Expenditures	2,640,221	144,886	0	259,611
Excess (Deficiency) of Revenues Over Expenditures	157,498	(17,078)	0	(2,595)
Other Financing Sources (Uses)				
Transfers In			57,000	0
Transfers Out	(57,000)			0
Total Other Financing Sources (Uses)	(57,000)	0	57,000	0
Net Change in Fund Balances	100,498	(17,078)	57,000	(2,595)
Fund Balances - Beginning	856,568	28,118	43,000	2,595
Fund Balances - Ending	$957,066	$11,040	$100,000	$0

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

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

Year Ended June 30, 2018

	Total Governmental Funds
Revenues	
Local Revenue	$117,729
State Revenue	2,790,474
Federal Revenue	274,340
Total Revenues	3,182,543
Expenditures	
Instructional Programs	
Elementary School	858,873
Secondary School	668,672
Special Education	74,936
Interscholastic	9,270
School Activity	8,994
Support Service Programs	
Attendance - Guidance - Health	7,178
Instruction Improvement	65,545
Educational Media	11,221
Instruction-Related Technology	71,172
Board of Education	18,423
District Administration	378,813
Administrative Technology	6,700
Buildings - Care	86,055
Maintenance - Student Occupied	53,378
Maintenance - Grounds	17,093
Security	11,455
Pupil-To-School Transportation	100,747
Non-Instructional Programs	
Child Nutrition	150,506
Capital Assets - Student Occupied	129,619
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	169,538
Debt Service - Interest	146,530
Total Expenditures	3,044,718
Excess (Deficiency) of Revenues Over Expenditures	137,825
Other Financing Sources (Uses)	
Transfers In	57,000
Transfers Out	(57,000)
Total Other Financing Sources (Uses)	0
Net Change in Fund Balances	137,825
Fund Balances - Beginning	930,281
Fund Balances - Ending	$1,068,106

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2018

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	$137,825
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.	45,858
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	169,538
Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	40,748
Change in Net Position of Governmental Activities	$393,969

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Statement of Fiduciary Net Position

June 30, 2018

	Agency Funds - Student Activity
Assets	
Cash & Investments	$8,190
Total Assets	$8,190
Liabilities	
Due to Student Groups	$8,190
Total Liabilities	8,190
Net Position	
Total Net Position	0
Total Liabilities and Net Position	$8,190

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Taylor's Crossing 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 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).

Capital Projects Funds – Capital projects funds are used to account for the acquisition and maintenance of capital assets. Major capital project funds include the lottery fund, used to account for school maintenance and repairs.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the School include:

Agency Funds – Agency funds are used to account for assets held by the School on behalf of students.

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 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 and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

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.

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 liabilities and related 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.

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

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

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

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

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

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

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

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

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

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 AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	$372,543	$8,190	$380,733
Investments - Local Gov't Investment Pool	660,575		660,575
Total	$1,033,118	$8,190	$1,041,308

Deposits – At year end, the carrying amounts of the School's deposits were $380,733 and the bank balances were $403,640. Of the bank balances, $258,190 was insured, and the remainder was uninsured and uncollateralized.

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

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	$660,575	$660,575
Total	$660,575	$660,575

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	$660,575	$660,575
Total	$660,575	$660,575

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

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. More information on the local governmental investment pool including regulatory information, restriction on withdrawals, and rating and risk information can be found at sto.idaho.gov.

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
Local Sources			
Reimbursements	$2,139		$2,139
Total	$2,139		$2,139
State Sources			
Foundation Program	$87,871		$87,871
Total	$87,871		$87,871
Federal Sources			
Special Programs		$11,008	$11,008
Total		$11,008	$11,008

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	$250,000			$250,000
Total	250,000	$0	$0	250,000
Depreciable Capital Assets				
Buildings	3,688,704	129,619		3,818,323
Equipment	82,552			82,552
Subtotal	3,771,256	129,619	0	3,900,875
Accumulated Depreciation				
Buildings	720,353	76,366		796,719
Equipment	23,390	7,395		30,785
Subtotal	743,743	83,761	0	827,504
Total	3,027,513	45,858	0	3,073,371
Net Capital Assets	$3,277,513	$45,858	$0	$3,323,371

Depreciation expense of $83,761 was charged to the capital assets – student occupied program.

E. LONG-TERM DEBT

At year end, the School's notes payable were as follows:

Note payable USDA 97-02, due in monthly payments of $8,241 with interest at 4.25% through 2038/39, secured by real estate, paid through the general fund	$1,361,395
Note payable US Bank, due in monthly payments of $18,098 with interest at 4.44% through 2029/30, secured by real estate and guaranteed by the U.S. government, paid through the general fund	1,905,579
Total	$3,266,974

Maturities on the notes are estimated as follows:

Year Ended	Principal	Interest
6/30/19	$177,142	$138,926
6/30/20	185,086	130,982
6/30/21	193,387	122,681
6/30/22	202,060	114,008
6/30/23	211,122	104,946
6/30/24-28	1,206,433	373,907
6/30/29-33	589,256	152,335
6/30/34-38	431,105	63,355
6/30/39	71,383	1,249
Total	$3,266,974	$1,202,389

Changes in long-term debt are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Note Payable USDA 97-02	$1,401,499		$40,104	$1,361,395	$41,842
Note Payable US Bank	2,035,013		129,434	1,905,579	135,300
Total	$3,436,512	$0	$169,538	$3,266,974	$177,142

Interest and related costs during the year amounted to $146,530 and were charged to the debt service – interest 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 Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The School's contributions were $145,859 for the year ended June 30, 2018.

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

At June 30, 2018, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the School's proportion was 0.0397891 percent.

For the year ended June 30, 2018, the School recognized pension revenue (expense) of ($105,111). At June 30, 2018, 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	$86,640	$56,345
Changes in assumptions or other inputs	11,566	
Net difference between projected and actual earnings on pension plan investments		37,471
Employer contributions subsequent to the measurement date	145,859	
Total	$244,065	$93,816

$145,859 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2019.

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, 2016 the beginning of the measurement period ended June 30, 2017 is 4.9 and 5.5 for the measurement period June 30, 2016.

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

Year Ended	
6/30/19	($34,000)
6/30/20	58,758
6/30/21	16,672
6/30/22	(37,041)
Total	$4,389

Actuarial Assumptions

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

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The total pension liability as of June 30, 2017 is based on the results of an actuarial valuation date of July 1, 2017.

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 January 1, 2017.

Capital Market Assumptions

Asset Class	**Expected Return***	**Expected Risk**	**Strategic Normal**	**Strategic Ranges**
Equities			70%	66% - 77%
Broad Domestic Equities	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
Total Fund	**Expected Return***	**Expected Inflation**	**Expected Real Return**	**Expected Risk**
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of fees and expenses

Actuarial Assumptions	
Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	**7.10%**

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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 7.10 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 (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	**Current Discount Rate (7.10%)**	**1% Increase (8.10%)**
School's proportionate share of the net pension liability (asset)	$1,453,596	$625,416	($62,823)

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 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 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 whenever deemed necessary), such deficits are not deemed to be of substantial concern.

G. INTERFUND TRANSFERS

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General		$57,000	Maintenance
Lottery	$57,000		Maintenance
Total	$57,000	$57,000	

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR'S CRossING PUBLIC CHARTER SCHOOL

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2018

General Fund	Budgeted Amounts (GAAP Basis) Original	Final	Actual Amounts	Final Budget Variance Positive (Negative)
Revenues				
Local Revenue	$12,100	$12,100	$81,560	$69,460
State Revenue	2,781,000	2,781,000	2,716,159	(64,841)
Federal Revenue	0	0	0	0
Total Revenues	2,793,100	2,793,100	2,797,719	4,619
Expenditures				
Instructional Programs				
Elementary School	775,500	775,500	788,263	(12,763)
Secondary School	732,500	732,500	668,672	63,828
Special Education	3,555	3,555	9,328	(5,773)
Interscholastic	0	0	9,270	(9,270)
School Activity	5,000	5,000	8,994	(3,994)
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Instruction Improvement	71,740	71,740	19,062	52,678
Educational Media	6,600	6,600	11,221	(4,621)
Instruction-Related Technology	6,300	6,300	1,440	4,860
Board of Education	29,150	29,150	18,423	10,727
District Administration	364,200	364,200	378,813	(14,613)
Administrative Technology	6,700	6,700	6,700	0
Buildings - Care	118,435	118,435	86,055	32,380
Maintenance - Student Occupied	84,000	84,000	53,378	30,622
Maintenance - Grounds	92,000	92,000	17,093	74,907
Security	7,500	7,500	11,455	(3,955)
Pupil-To-School Transportation	108,000	108,000	100,747	7,253
Non-Instructional Programs				
Child Nutrition	5,150	5,150	5,620	(470)
Capital Assets - Student Occupied	0	0	129,619	(129,619)
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	43,000	43,000	169,538	(126,538)
Debt Service - Interest	274,000	274,000	146,530	127,470
Total Expenditures	2,733,330	2,733,330	2,640,221	93,109 *
Excess (Deficiency) of Revenues				
Over Expenditures	59,770	59,770	157,498	97,728
Other Financing Sources (Uses)				
Transfers In	11,000	11,000	0	(11,000)
Transfers Out	0	0	(57,000)	(57,000) *
Total Other Financing Sources (Uses)	11,000	11,000	(57,000)	(68,000)
Net Change in Fund Balances	70,770	70,770	100,498	29,728
Fund Balances - Beginning	819,200	819,200	856,568	37,368
Fund Balances - Ending	$889,970	$889,970	$957,066	$67,096

**Total expenditures (over) under appropriations are:* $36,109

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2018

Child Nutrition Fund	Budgeted Amounts (GAAP Basis) Original	Final	Actual Amounts	Final Budget Variance Positive (Negative)	
Revenues					
Local Revenue	$40,000	$40,000	$36,169	($3,831)	
Federal Revenue	110,000	110,000	91,639	(18,361)	
Total Revenues	150,000	150,000	127,808	(22,192)	
Expenditures					
Non-Instructional Programs					
Child Nutrition	147,250	147,250	144,886	2,364	
Total Expenditures	147,250	147,250	144,886	2,364	*
Excess (Deficiency) of Revenues					
Over Expenditures	2,750	2,750	(17,078)	(19,828)	
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	
Transfers Out	(6,000)	(6,000)	0	6,000	*
Total Other Financing Sources (Uses)	(6,000)	(6,000)	0	6,000	
Net Change in Fund Balances	(3,250)	(3,250)	(17,078)	(13,828)	
Fund Balances - Beginning	30,560	30,560	28,118	(2,442)	
Fund Balances - Ending	$27,310	$27,310	$11,040	($16,270)	

**Total expenditures (over) under appropriations are:* $8,364

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	2017	2016	2015	2014
School's portion of the net pension liability	0.0397891%	0.0395438%	0.0412381%	0.0407332%
School's proportionate share of the net pension liability	$625,416	$801,614	$543,039	$299,860
School's covered payroll	$1,235,822	$1,154,514	$1,155,071	$1,103,516
School's proportional share of the net pension liability as a percentage of its covered payroll	50.61%	69.43%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	2018	2017	2016	2015
Statutorily required contribution	$145,859	$139,895	$130,691	$130,754
Contributions in relation to the statutorily required contribution	$145,859	$139,895	$130,691	$130,754
Contribution deficiency (excess)	$0	$0	$0	$0
School's covered payroll	$1,288,507	$1,235,822	$1,154,514	$1,155,071
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

SUPPLEMENTARY INFORMATION

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2018

	Special Revenue Funds			
	Technology	**Substance Abuse**	**Title I-A ESSA IBP**	**IDEA Part B 611 School Age 3-21**
Assets				
Cash & Investments			$176	
Receivables:				
Local Sources				
State Sources				
Federal Sources			10,589	
Due From Other Funds				
Total Assets	$0	$0	$10,765	$0
Liabilities				
Accounts Payable			$176	
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation			10,589	
Total Liabilities	$0	$0	10,765	$0
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Assigned - Special Distributions				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	$0	$0	$10,765	$0

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2018

	Special Revenue Funds			
	Title IV-A ESSA SS & AE	**Title V-B ESSA REI**	**Title II-A ESSA SEI**	**Total**
Assets				
Cash & Investments				$176
Receivables:				
Local Sources				0
State Sources				0
Federal Sources			$419	11,008
Due From Other Funds				0
Total Assets	$0	$0	$419	$11,184
Liabilities				
Accounts Payable				$176
Due To Other Funds				0
Salaries & Benefits Payable				0
Unspent Grant Allocation			$419	11,008
Total Liabilities	$0	$0	419	11,184
Fund Balances				
Restricted:				
Special Programs				0
Debt Service				0
Capital Projects				0
Assigned - Special Distributions				0
Unassigned				0
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	$0	$0	$419	$11,184

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds			
	Technology	Substance Abuse	Title I-A ESSA IBP	IDEA Part B 611 School Age 3-21
Revenues				
Local Revenue				
State Revenue	$67,137	$7,178		
Federal Revenue			$60,610	$65,608
Total Revenues	67,137	7,178	60,610	65,608
Expenditures				
Instructional Programs				
Elementary School			60,610	
Secondary School				
Special Education				65,608
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		7,178		
Instruction Improvement				
Educational Media				
Instruction-Related Technology	69,732			
Board of Education				
District Administration				
Administrative Technology				
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	69,732	7,178	60,610	65,608
Excess (Deficiency) of Revenues Over Expenditures	(2,595)	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(2,595)	0	0	0
Fund Balances - Beginning	2,595	0	0	0
Fund Balances - Ending	$0	$0	$0	$0

TAYLOR'S CROSSING PUBLIC CHARTER SCHOOL

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds			
	Title IV-A ESSA SS & AE	Title V-B ESSA REI	Title II-A ESSA SEI	Total
Revenues				
Local Revenue				$0
State Revenue				74,315
Federal Revenue	$10,000	$35,548	$10,935	182,701
Total Revenues	10,000	35,548	10,935	257,016
Expenditures				
Instructional Programs				
Elementary School	10,000			70,610
Secondary School				0
Special Education				65,608
Interscholastic				0
School Activity				0
Support Service Programs				
Attendance - Guidance - Health				7,178
Instruction Improvement		35,548	10,935	46,483
Educational Media				0
Instruction-Related Technology				69,732
Board of Education				0
District Administration				0
Administrative Technology				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	10,000	35,548	10,935	259,611
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	(2,595)
Other Financing Sources (Uses)				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	(2,595)
Fund Balances - Beginning	0	0	0	2,595
Fund Balances - Ending	$0	$0	$0	$0

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Taylor's Crossing 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 Taylor's Crossing Public Charter School (the School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 6, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 may exist that have not been identified.

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
September 6, 2018