

North Star Charter School

Year Ended June 30, 2025

Audited Financial Statements



NORTH STAR CHARTER SCHOOL
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Independent Auditor's Report

Board of Directors
North Star 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 North Star Charter School (the School) as of and for the year ended June 30, 2025, 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, 2025, 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, 2025, 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 is the responsibility of management and, 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 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 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 9, 2025, 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

Meridian, Idaho
October 9, 2025

NORTH STAR CHARTER SCHOOL

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$4,038,401
Receivables:	
State Sources	197,426
Federal Sources	336,069
Prepaid Expenses	33,445
Total Current Assets	4,605,341
Noncurrent Assets	
Nondepreciable Capital Assets	1,364,271
Depreciable Net Capital Assets	4,789,186
Total Noncurrent Assets	6,153,457
Total Assets	10,758,798
 Deferred Outflows of Resources	
Pension Items	1,289,250
Total Deferred Outflows of Resources	1,289,250
Total Assets and Deferred Outflows of Resources	\$12,048,048
 Liabilities	
Current Liabilities	
Accounts Payable	\$188,664
Salaries & Benefits Payable	157,477
Unspent Grant Allocation	54,366
Accrued Interest, Current	194,569
Long-Term Liabilities, Current	85,000
Total Current Liabilities	680,076
Noncurrent Liabilities	
Accrued Interest, Noncurrent	4,226,292
Long-Term Liabilities, Noncurrent	15,115,931
Total Noncurrent Liabilities	19,342,223
Total Liabilities	20,022,299
 Deferred Inflows of Resources	
Pension Items	66,032
Total Deferred Inflows of Resources	66,032
Total Liabilities and Deferred Inflows of Resources	20,088,331
 Net Position	
Net Investment in Capital Assets	(9,830,560)
Restricted:	
Special Programs	163,959
Debt Service	372,635
Capital Projects	127,847
Unrestricted	1,125,836
Total Net Position	(8,040,283)
Total Liabilities and Deferred Inflows of Resources and Net Position	\$12,048,048

See Accompanying Notes

NORTH STAR CHARTER SCHOOL

Statement of Activities Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$1,875,440		\$295,081	(\$1,580,359)	
Secondary School	1,937,495		166,410	(1,771,085)	
Special Education	549,580		177,130	(372,450)	
Gifted & Talented	0			0	
School Activity	0			0	
Support Service Programs					
Attendance - Guidance - Health	0			0	
Special Education Support Services	80,105			(80,105)	
Instruction Improvement	1,200		1,200	0	
Educational Media	6,411			(6,411)	
Instruction-Related Technology	135,875		137,722	1,847	
Board of Education	53,227			(53,227)	
District Administration	1,559,524			(1,559,524)	
Buildings - Care	443,551			(443,551)	
Maintenance - Buildings & Equipment	511			(511)	
Maintenance - Grounds	0			0	
Pupil-To-School Transportation	599,496			(599,496)	
Non-Instructional Programs					
Student Activity	73,596	\$103,706	73,596	103,706	
Capital Assets	519,463			(519,463)	
Capital Assets - Non-Student Occupied	0			0	
Debt Service - Principal	0			0	
Debt Service - Interest	891,393			(891,393)	
Total	\$8,726,867	\$103,706	\$851,139	\$0	(7,772,022)
General Revenues					
Local Revenue				165,561	
State Revenue				8,941,323	
Federal Revenue				0	
Pension Revenue (Expense)				(999,763)	
Total				8,107,121	
Change in Net Position					
				335,099	
Net Position - Beginning					
				(8,375,382)	
Net Position - Ending					
				(\$8,040,283)	

NORTH STAR CHARTER SCHOOL

Balance Sheet - Governmental Funds

June 30, 2025

	General Fund	Bond R & I Fund	Capital Construction Fund	Nonmajor Governmental Funds
Assets				
Cash & Investments	\$3,373,853	\$372,635	\$127,847	\$164,066
Receivables:				
State Sources	197,426			0
Federal Sources				336,069
Prepaid Expenditures	33,445			0
Due From Other Funds	281,703			0
Total Assets	<u>\$3,886,427</u>	<u>\$372,635</u>	<u>\$127,847</u>	<u>\$500,135</u>
Liabilities				
Accounts Payable	\$188,557			\$107
Due To Other Funds				281,703
Salaries & Benefits Payable	157,477			0
Unspent Grant Allocation				54,366
Total Liabilities	<u>346,034</u>	<u>\$0</u>	<u>\$0</u>	<u>336,176</u>
Fund Balances				
Nonspendable	33,445			0
Restricted:				
Special Programs				163,959
Debt Service		372,635		
Capital Projects			127,847	0
Assigned - Development Fund	368,137			0
Unassigned	3,138,811			0
Total Fund Balances	<u>3,540,393</u>	<u>372,635</u>	<u>127,847</u>	<u>163,959</u>
Total Liabilities and Fund Balances	<u>\$3,886,427</u>	<u>\$372,635</u>	<u>\$127,847</u>	<u>\$500,135</u>

NORTH STAR CHARTER SCHOOL
 Balance Sheet - Governmental Funds
 June 30, 2025

	Total Governmental Funds
Assets	
Cash & Investments	\$4,038,401
Receivables:	
State Sources	197,426
Federal Sources	336,069
Prepaid Expenditures	33,445
Due From Other Funds	281,703
Total Assets	\$4,887,044
Liabilities	
Accounts Payable	\$188,664
Due To Other Funds	281,703
Salaries & Benefits Payable	157,477
Unspent Grant Allocation	54,366
Total Liabilities	682,210
Fund Balances	
Nonspendable	33,445
Restricted:	
Special Programs	163,959
Debt Service	372,635
Capital Projects	127,847
Assigned - Development Fund	368,137
Unassigned	3,138,811
Total Fund Balances	4,204,834
Total Liabilities and Fund Balances	\$4,887,044

NORTH STAR CHARTER SCHOOL
Balance Sheet - Governmental Funds
June 30, 2025

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

Total Governmental Fund Balances	\$4,204,834
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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.	6,153,457
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(19,621,792)
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Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	1,223,218
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Net Position of Governmental Activities	<u><u>(\$8,040,283)</u></u>
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NORTH STAR CHARTER SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

	General Fund	Bond R & I Fund	Capital Construction Fund	Nonmajor Governmental Funds
Revenues				
Local Revenue	\$144,480	\$21,081	\$120,320	\$103,706
State Revenue	8,941,323			447,916
Federal Revenue				282,903
Total Revenues	<u>9,085,803</u>	<u>21,081</u>	<u>120,320</u>	<u>834,525</u>
Expenditures				
Instructional Programs				
Elementary School	1,858,740			295,081
Secondary School	2,120,514			104,573
Special Education	372,450			177,130
Gifted & Talented				0
School Activity				0
Support Service Programs				
Attendance - Guidance - Health				0
Special Education Support Services	80,105			0
Instruction Improvement				1,200
Educational Media	6,411			0
Instruction-Related Technology				135,875
Board of Education	53,227			0
District Administration	1,519,645		39,879	0
Buildings - Care	443,551			0
Maintenance - Buildings & Equipment	511			0
Maintenance - Grounds				0
Pupil-To-School Transportation	599,496			0
Non-Instructional Programs				
Student Activity				73,596
Capital Assets	238,807		110,000	0
Capital Assets - Non-Student Occupied				0
Debt Service - Principal		80,000		0
Debt Service - Interest		410,909		0
Total Expenditures	<u>7,293,457</u>	<u>490,909</u>	<u>149,879</u>	<u>787,455</u>
Excess (Deficiency) of Revenues Over Expenditures				
	1,792,346	(469,828)	(29,559)	47,070
Other Financing Sources (Uses)				
Transfers In		448,657		0
Transfers Out	(448,657)			0
Total Other Financing Sources (Uses)	<u>(448,657)</u>	<u>448,657</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	1,343,689	(21,171)	(29,559)	47,070
Fund Balances - Beginning	2,196,704	393,806	157,406	116,889
Fund Balances - Ending	<u>\$3,540,393</u>	<u>\$372,635</u>	<u>\$127,847</u>	<u>\$163,959</u>

NORTH STAR CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

	Total Governmental Funds
Revenues	
Local Revenue	\$389,587
State Revenue	9,389,239
Federal Revenue	282,903
Total Revenues	10,061,729
Expenditures	
Instructional Programs	
Elementary School	2,153,821
Secondary School	2,225,087
Special Education	549,580
Gifted & Talented	0
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	0
Special Education Support Services	80,105
Instruction Improvement	1,200
Educational Media	6,411
Instruction-Related Technology	135,875
Board of Education	53,227
District Administration	1,559,524
Buildings - Care	443,551
Maintenance - Buildings & Equipment	511
Maintenance - Grounds	0
Pupil-To-School Transportation	599,496
Non-Instructional Programs	
Student Activity	73,596
Capital Assets	348,807
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	80,000
Debt Service - Interest	410,909
Total Expenditures	8,721,700
Excess (Deficiency) of Revenues Over Expenditures	1,340,029
Other Financing Sources (Uses)	
Transfers In	448,657
Transfers Out	(448,657)
Total Other Financing Sources (Uses)	0
Net Change in Fund Balances	1,340,029
Fund Balances - Beginning	2,864,805
Fund Balances - Ending	\$4,204,834

NORTH STAR CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2025

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 \$1,340,029

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. (170,656)

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. 80,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. (480,484)

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. (433,790)

Change in Net Position of Governmental Activities \$335,099

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – North Star 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

NORTH STAR 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.

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the capital construction fund, used to account for facility needs and supplies.

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 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 U.S. government securities and are stated at fair value using quoted market prices (Level 1).

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.

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

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.

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

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

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

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

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

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

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

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

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

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$1,378,340
Investments - Local Gov't Investment Pool	2,287,426
Investments - U.S. Government Securities	372,635
Total	\$4,038,401

Deposits – At year end, the carrying amounts of the School's deposits were \$1,378,340 and the bank balances were \$1,451,862. Of the bank balances, \$250,000 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 Type	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$2,287,426	\$2,287,426
U.S. Gov't Securities	372,635	372,635
Total	\$2,660,061	\$2,660,061

Credit rate risk (Moody's rating scale):

Investment Type	Investment Rating Schedule		
	AAA	Not Rated	Total
Local Gov't Invest Pool		\$2,287,426	\$2,287,426
U.S. Gov't Securities	\$372,635		372,635
Total	\$372,635	\$2,287,426	\$2,660,061

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

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

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Total
State Sources			
Foundation Program	\$197,426		\$197,426
Total	\$197,426		\$197,426
Federal Sources			
Special Programs		\$336,069	\$336,069
Total		\$336,069	\$336,069

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$1,162,200			\$1,162,200
Construction in Progress	202,071			202,071
Total	1,364,271	\$0	\$0	1,364,271
Depreciable Capital Assets				
Buildings	7,850,741			7,850,741
Equipment	872,163			872,163
Subtotal	8,722,904	0	0	8,722,904
Accumulated Depreciation				
Buildings	2,937,867	157,015		3,094,882
Equipment	825,195	13,641		838,836
Subtotal	3,763,062	170,656	0	3,933,718
Total	4,959,842	(170,656)	0	4,789,186
Net Capital Assets	\$6,324,113	(\$170,656)	\$0	\$6,153,457

Depreciation expense of \$170,656 was charged to the capital assets program.

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

E. LONG-TERM LIABILITIES

At year end, the School's bonded debt was as follows:

	Outstanding
2014A - \$6,000,000 - facilities revenue refunding bonds (tax exempt) due in semiannual installments with interest at 6.75% through 2048, secured by real estate, paid through the bond redemption & interest fund	\$5,765,000
2014B - \$5,798,156 - facilities revenue refunding capital appreciation subordinate bonds (tax exempt), all principal and accrued interest (at 5.00%) is due in 2049*, secured by real estate	5,798,156
Total	\$11,563,156

*The 2014B facilities revenue refunding capital appreciation subordinate bonds require no principal or interest payments until maturity in 2049. As a result, these bonds should not impact cash flow until maturity.

Maturities on the bonds (cash basis) are estimated as follows:

Year Ended	Principal	Interest
6/30/26	\$85,000	\$386,269
6/30/27	95,000	380,194
6/30/28	105,000	373,444
6/30/29	125,000	365,681
6/30/30	135,000	356,906
6/30/31-35	830,000	1,629,113
6/30/36-40	1,150,000	1,297,688
6/30/41-45	1,605,000	836,831
6/30/46-50	7,433,156	27,219,425
Total	\$11,563,156	\$32,845,550

Accrued interest, interest paid, and interest expense for the year were as follows:

	Accrued Interest		Interest Paid	Interest Expense
	Beginning Balance	Ending Balance		
Current - Series A&C Bonds	\$197,156	\$194,569	\$410,909	\$408,322
Noncurrent - Series B Bonds	3,743,221	4,226,292	0	483,071
Total	\$3,940,377	\$4,420,861	\$410,909	\$891,393

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

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>
2014A F.R.R. Bonds	\$5,815,000		\$50,000	\$5,765,000	\$85,000
2014B F.R.R. Bonds	5,798,156			5,798,156	0
2014C F.R.R. Bonds	30,000		30,000	0	
Net Pension Liability	3,953,007		315,232	3,637,775	-
Total	<u>\$15,596,163</u>	<u>\$0</u>	<u>\$395,232</u>	<u>\$15,200,931</u>	<u>\$85,000</u>

Interest and related costs during the year amounted to \$891,393 and were charged to the debt service – interest program in the statement of activities.

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.

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

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 public safety. As of June 30, 2024 it was 6.71% for general employees and 9.83% for public safety. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.18% for general employees and 13.26% for public safety. The School's contributions were \$565,973 for the year ended June 30, 2025.

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

At June 30, 2025, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the School's proportion was 0.09724993%

For the year ended June 30, 2025, the School recognized pension revenue (expense) of (\$999,763). At June 30, 2025, 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	\$579,167	
Changes in assumptions or other inputs	144,110	
Net difference between projected and actual earnings on pension plan investments		\$66,032
Employer contributions subsequent to the measurement date	565,973	
Total	\$1,289,250	\$66,032

\$565,973 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, 2026.

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, 2023 the beginning of the measurement period ended June 30, 2024 is 4.6 and 4.6 for the measurement period June 30, 2024.

NORTH STAR CHARTER SCHOOL

Notes to Financial Statements

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	
<u>Ended</u>	
6/30/26	(\$179,546)
6/30/27	(678,272)
6/30/28	116,967
6/30/29	83,606
Total	<u><u>(\$657,245)</u></u>

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, 2024 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 (COLA) 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, 2024 is based on the results of an actuarial valuation date of July 1, 2024.

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

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 2024.

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.

NORTH STAR CHARTER SCHOOL
Notes to Financial Statements

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>\$6,912,905</u>	<u>\$3,637,775</u>	<u>\$962,828</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 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 From Fund	
Due To Fund	Nonmajor Governmental	Total
General	<u>\$281,703</u>	<u>\$281,703</u>
Total	<u><u>\$281,703</u></u>	<u><u>\$281,703</u></u>

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.

NORTH STAR CHARTER SCHOOL

Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$448,657	Debt Service
Bond R & I	\$448,657		Debt Service
Total	<u>\$448,657</u>	<u>\$448,657</u>	

H. SUBSEQUENT EVENTS

Shortly after the financial statement date in early FY2026, the School began the process of formally merging operations with Rolling Hills Public Charter School (RHPCS). Upon completion of this merger, RHPCS will cease operations as a school and the School will continue forward as the educational provider. As part of the merger process, the School assumed RHPCS' facilities and related facility note via refinancing the note in its own name in July 2025.

NORTH STAR CHARTER SCHOOL
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2025

General Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			Amounts
	Original	Final		Positive
				(Negative)
Revenues				
Local Revenue	\$0	\$0	\$144,480	\$144,480
State Revenue	8,761,943	8,761,943	8,941,323	179,380
Federal Revenue	0	0	0	0
Total Revenues	8,761,943	8,761,943	9,085,803	323,860
Expenditures				
Instructional Programs				
Elementary School	2,126,275	2,125,717	1,858,740	266,977
Secondary School	2,382,960	2,392,962	2,120,514	272,448
Special Education	582,975	582,975	372,450	210,525
Gifted & Talented				
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	80,105	(80,105)
Instruction Improvement	0	0	0	0
Educational Media	2,850	2,850	6,411	(3,561)
Instruction-Related Technology	0	0	0	0
Board of Education	51,000	51,000	53,227	(2,227)
District Administration	1,387,324	1,550,075	1,519,645	30,430
Buildings - Care	479,920	507,820	443,551	64,269
Maintenance - Buildings & Equipment	0	0	511	(511)
Maintenance - Grounds	0	0	0	0
Pupil-To-School Transportation	583,312	583,312	599,496	(16,184)
Non-Instructional Programs				
Student Activity	0	0	0	0
Capital Assets	20,000	85,371	238,807	(153,436)
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	7,616,616	7,882,082	7,293,457	588,625 *
Excess (Deficiency) of Revenues				
Over Expenditures	1,145,327	879,861	1,792,346	912,485
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(525,000)	(525,000)	(448,657)	76,343 *
Total Other Financing Sources (Uses)	(525,000)	(525,000)	(448,657)	76,343
Net Change in Fund Balances	620,327	354,861	1,343,689	988,828
Fund Balances - Beginning	925,000	2,196,704	2,196,704	0
Fund Balances - Ending	\$1,545,327	\$2,551,565	\$3,540,393	\$988,828

**Total expenditures (over) under appropriations are:* \$664,968

NORTH STAR 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
2016	0.09581350%	\$1,261,708	\$2,936,983	42.96%	91.38%
2017	0.10028130%	\$2,032,856	\$3,245,923	62.63%	87.26%
2018	0.10450740%	\$1,642,677	\$3,284,685	50.01%	90.68%
2019	0.10209250%	\$1,505,882	\$3,416,304	44.08%	91.69%
2020	0.10058590%	\$1,148,160	\$3,416,304	33.61%	93.79%
2021	0.10510590%	\$2,440,698	\$3,920,653	62.25%	88.22%
2022	0.10489432%	(\$82,843)	\$3,916,910	-2.12%	100.36%
2023	0.10576616%	\$4,165,873	\$4,170,829	99.88%	83.09%
2024	0.09905620%	\$3,953,007	\$4,066,374	97.21%	83.83%
2025	0.09724993%	\$3,637,775	\$4,193,743	86.74%	85.54%

*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
2016	\$332,467	\$332,467	\$0	\$2,936,983	11.32%
2017	\$367,439	\$367,439	\$0	\$3,245,923	11.32%
2018	\$371,826	\$371,826	\$0	\$3,284,685	11.32%
2019	\$386,725	\$386,725	\$0	\$3,416,304	11.32%
2020	\$468,126	\$468,126	\$0	\$3,920,653	11.94%
2021	\$467,697	\$467,697	\$0	\$3,916,910	11.94%
2022	\$497,997	\$497,997	\$0	\$4,170,829	11.94%
2023	\$485,525	\$485,525	\$0	\$4,066,374	11.94%
2024	\$532,186	\$532,186	\$0	\$4,193,743	12.69%
2025	\$565,973	\$565,973	\$0	\$4,198,613	13.48%

NORTH STAR CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Student Activity	State Special Projects	Technology	Substance Abuse
Assets				
Cash & Investments	\$87,260	\$286	\$1,954	\$74,566
Receivables:				
State Sources				
Federal Sources				
Prepaid Expenditures				
Due From Other Funds				
Total Assets	\$87,260	\$286	\$1,954	\$74,566
Liabilities				
Accounts Payable			\$107	
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	107	\$0
Fund Balances				
Nonspendable				
Restricted:				
Special Programs	87,260	286	1,847	74,566
Debt Service				
Capital Projects				
Assigned - Development Fund				
Unassigned				
Total Fund Balances	87,260	286	1,847	74,566
Total Liabilities and Fund Balances	\$87,260	\$286	\$1,954	\$74,566

NORTH STAR CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Title II-A ESSA SEI	Charter School Grant
Assets				
Cash & Investments				
Receivables:				
State Sources				
Federal Sources	\$214,698	\$4,424	\$12,374	\$104,573
Prepaid Expenditures				
Due From Other Funds				
Total Assets	\$214,698	\$4,424	\$12,374	\$104,573
Liabilities				
Accounts Payable				
Due To Other Funds	\$177,130			\$104,573
Salaries & Benefits Payable				
Unspent Grant Allocation	37,568	\$4,424	\$12,374	
Total Liabilities	214,698	4,424	12,374	104,573
Fund Balances				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Assigned - Development Fund				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Fund Balances	\$214,698	\$4,424	\$12,374	\$104,573

NORTH STAR CHARTER SCHOOL
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Total
Assets	
Cash & Investments	\$164,066
Receivables:	
State Sources	0
Federal Sources	336,069
Prepaid Expenditures	0
Due From Other Funds	0
Total Assets	\$500,135
 Liabilities	
Accounts Payable	\$107
Due To Other Funds	281,703
Salaries & Benefits Payable	0
Unspent Grant Allocation	54,366
Total Liabilities	336,176
 Fund Balances	
Nonspendable	0
Restricted:	
Special Programs	163,959
Debt Service	0
Capital Projects	0
Assigned - Development Fund	0
Unassigned	0
Total Fund Balances	163,959
Total Liabilities and Fund Balances	\$500,135

NORTH STAR CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

	<u>Special Revenue Funds</u>			
	<u>Student Activity</u>	<u>State Special Projects</u>	<u>Technology</u>	<u>Substance Abuse</u>
Revenues				
Local Revenue	\$103,706			
State Revenue		\$295,367	\$137,722	\$14,827
Federal Revenue				
Total Revenues	<u>103,706</u>	<u>295,367</u>	<u>137,722</u>	<u>14,827</u>
Expenditures				
Instructional Programs				
Elementary School		295,081		
Secondary School				
Special Education				
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology			135,875	
Board of Education				
District Administration				
Buildings - Care				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Pupil-To-School Transportation				
Non-Instructional Programs				
Student Activity	73,596			
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>73,596</u>	<u>295,081</u>	<u>135,875</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	30,110	286	1,847	14,827
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	30,110	286	1,847	14,827
Fund Balances - Beginning	57,150	0	0	59,739
Fund Balances - Ending	<u>\$87,260</u>	<u>\$286</u>	<u>\$1,847</u>	<u>\$74,566</u>

NORTH STAR CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Title II-A ESSA SEI	Charter School Grant
Revenues				
Local Revenue				
State Revenue				
Federal Revenue	\$177,130		\$1,200	\$104,573
Total Revenues	<u>177,130</u>	<u>\$0</u>	<u>1,200</u>	<u>104,573</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				104,573
Special Education	177,130			
Gifted & Talented				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement			1,200	
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
Buildings - Care				
Maintenance - Buildings & Equipment				
Maintenance - Grounds				
Pupil-To-School Transportation				
Non-Instructional Programs				
Student Activity				
Capital Assets				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>177,130</u>	<u>0</u>	<u>1,200</u>	<u>104,573</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>

NORTH STAR CHARTER SCHOOL
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2025

	Total
Revenues	
Local Revenue	\$103,706
State Revenue	447,916
Federal Revenue	282,903
Total Revenues	834,525
Expenditures	
Instructional Programs	
Elementary School	295,081
Secondary School	104,573
Special Education	177,130
Gifted & Talented	0
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	0
Special Education Support Services	0
Instruction Improvement	1,200
Educational Media	0
Instruction-Related Technology	135,875
Board of Education	0
District Administration	0
Buildings - Care	0
Maintenance - Buildings & Equipment	0
Maintenance - Grounds	0
Pupil-To-School Transportation	0
Non-Instructional Programs	
Student Activity	73,596
Capital Assets	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	787,455
Excess (Deficiency) of Revenues	
Over Expenditures	47,070
Other Financing Sources (Uses)	
Transfers In	0
Transfers Out	0
Total Other Financing Sources (Uses)	0
Net Change in Fund Balances	47,070
Fund Balances - Beginning	116,889
Fund Balances - Ending	\$163,959



**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
North Star 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 North Star Charter School (the School), as of and for the year ended June 30, 2025, 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 9, 2025. 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

Meridian, Idaho
October 9, 2025