

# Lapwai School District No. 341

Year Ended June 30, 2022

## Audited Financial Statements



LAPWAI SCHOOL DISTRICT NO. 341

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**LAPWAI SCHOOL DISTRICT NO. 341**

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## Independent Auditor's Report

Board of Trustees  
Lapwai School District No. 341

### 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 Lapwai School District No. 341 (the School) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

#### *Qualified Opinion on the Governmental Activities*

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

#### *Unmodified Opinions on All Other Opinion Units Described Below*

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

#### *Basis for Qualified and Unmodified Opinions*

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

### ***Matter Giving Rise to the Qualified Opinion on the Governmental Activities***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

### ***Quest CPAs PLLC***

Payette, Idaho  
August 2, 2022

**LAPWAI SCHOOL DISTRICT NO. 341**

Statement of Net Position

June 30, 2022

	<b>Governmental Activities</b>
<b>Assets</b>	
Current Assets	
Cash & Investments	\$2,162,282
Receivables:	
Local Sources	92,839
State Sources	46,337
Federal Sources	1,328,712
Prepaid Expenses	23,831
Total Current Assets	3,654,001
Noncurrent Assets	
Nondepreciable Capital Assets	208,815
Depreciable Net Capital Assets	11,132,072
Net Pension Asset	109,006
Total Noncurrent Assets	11,449,893
<b>Total Assets</b>	<b>15,103,894</b>
<b>Deferred Outflows of Resources</b>	
Pension Items	2,039,704
<b>Total Deferred Outflows of Resources</b>	<b>2,039,704</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$17,143,598</b>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	\$114,201
Salaries & Benefits Payable	1,048,263
Unspent Grant Allocation	989,114
Accrued Interest	9,113
Long-Term Liabilities, Current	260,000
Total Current Liabilities	2,420,691
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	550,000
Total Noncurrent Liabilities	550,000
<b>Total Liabilities</b>	<b>2,970,691</b>
<b>Deferred Inflows of Resources</b>	
Pension Items	3,487,153
<b>Total Deferred Inflows of Resources</b>	<b>3,487,153</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,457,844</b>
<b>Net Position</b>	
Net Investment in Capital Assets	10,521,774
Restricted:	
Special Programs	338,341
Debt Service	110,530
Capital Projects	87,768
Unrestricted	(372,659)
<b>Total Net Position</b>	<b>10,685,754</b>
<b>Total Liabilities and Deferred Inflows of Resources and Net Position</b>	<b>\$17,143,598</b>



# LAPWAI SCHOOL DISTRICT NO. 341

## Statement of Activities Year Ended June 30, 2022

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
<b>Governmental Activities</b>					
Instructional Programs					
Elementary School	\$1,813,899		\$1,681,184		(\$132,715)
Secondary School	1,925,911	\$3,350	2,363,114		440,553
Alternative School	0				0
Special Education	662,975		153,479		(509,496)
Special Education Preschool	95,038		5,503		(89,535)
Gifted & Talented	0				0
Interscholastic	0				0
School Activity	161,414				(161,414)
Support Service Programs					
Attendance - Guidance - Health	166,176				(166,176)
Special Education Support Services	854,559		279,097		(575,462)
Instruction Improvement	65,927		20,434		(45,493)
Educational Media	51,765				(51,765)
Instruction-Related Technology	211,234		3,035		(208,199)
Board of Education	22,650				(22,650)
District Administration	221,537				(221,537)
School Administration	433,892		6,971		(426,921)
Business Operation	183,059				(183,059)
Buildings - Care	524,196		10,022		(514,174)
Maintenance - Non-Student Occupied	16,593		2,392		(14,201)
Maintenance - Student Occupied	218,055				(218,055)
Maintenance - Grounds	42,307				(42,307)
Security	6				(6)
Pupil-To-School Transportation	324,454		1,650		(322,804)
Pupil-Activity Transportation	22,451				(22,451)
General Transportation	1,822				(1,822)
Non-Instructional Programs					
Child Nutrition	485,929	3,409	497,832		15,312
Community Services	0				0
Student Activity	140,325	141,853			1,528
Capital Assets - Student Occupied	377,787				(377,787)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	25,972				(25,972)
<b>Total</b>	\$9,049,933	\$148,612	\$5,024,713	\$0	(3,876,608)
<b>General Revenues</b>					
Local Taxes					246,216
Other Local Revenues					84,424
State Revenues					4,149,678
Federal Revenues					0
Pension Revenue (Expense)					65,913
<b>Total</b>					4,546,231
<b>Change in Net Position</b>					
					669,623
<b>Net Position - Beginning</b>					
					10,016,131
<b>Net Position - Ending</b>					
					\$10,685,754

LAPWAI SCHOOL DISTRICT NO. 341

Balance Sheet - Governmental Funds

June 30, 2022

	<b>General Fund</b>	<b>Child Nutrition Fund</b>	<b>Bond R &amp; I Fund</b>
<b>Assets</b>			
Cash & Investments	\$1,668,733	\$86,865	\$58,136
Receivables:			
Local Sources	26,305		66,534
State Sources	46,337		
Federal Sources		93,120	
Prepaid Expenditures			
Due From Other Funds	74,093		
<b>Total Assets</b>	<b>\$1,815,468</b>	<b>\$179,985</b>	<b>\$124,670</b>
<b>Liabilities</b>			
Accounts Payable	\$43,240	\$9,511	
Due To Other Funds			
Salaries & Benefits Payable	820,584	36,994	
Unspent Grant Allocation		13,311	
<b>Total Liabilities</b>	<b>863,824</b>	<b>59,816</b>	<b>\$0</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues	3,295		14,140
<b>Total Deferred Inflows of Resources</b>	<b>3,295</b>	<b>0</b>	<b>14,140</b>
<b>Fund Balances</b>			
Restricted:			
Special Programs		120,169	
Debt Service			110,530
Capital Projects			
Unassigned	948,349		
<b>Total Fund Balances</b>	<b>948,349</b>	<b>120,169</b>	<b>110,530</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,815,468</b>	<b>\$179,985</b>	<b>\$124,670</b>

LAPWAI SCHOOL DISTRICT NO. 341

Balance Sheet - Governmental Funds

June 30, 2022

	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash & Investments	\$348,548	\$2,162,282
Receivables:		
Local Sources	0	92,839
State Sources	0	46,337
Federal Sources	1,235,592	1,328,712
Prepaid Expenditures	23,831	23,831
Due From Other Funds	0	74,093
<b>Total Assets</b>	<b>\$1,607,971</b>	<b>\$3,728,094</b>
<b>Liabilities</b>		
Accounts Payable	\$61,450	\$114,201
Due To Other Funds	74,093	74,093
Salaries & Benefits Payable	190,685	1,048,263
Unspent Grant Allocation	975,803	989,114
<b>Total Liabilities</b>	<b>1,302,031</b>	<b>2,225,671</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenues	0	17,435
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>17,435</b>
<b>Fund Balances</b>		
Restricted:		
Special Programs	218,172	338,341
Debt Service	0	110,530
Capital Projects	87,768	87,768
Unassigned	0	948,349
<b>Total Fund Balances</b>	<b>305,940</b>	<b>1,484,988</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,607,971</b>	<b>\$3,728,094</b>

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

<b>Total Governmental Fund Balances</b>	\$1,484,988
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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.	11,340,887
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	17,435
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Long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(819,113)
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Net pension asset/liability and related pension deferred outflows and deferred inflows are not due and payable in the current period and therefore are not reported in the funds.	(1,338,443)
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<b>Net Position of Governmental Activities</b>	<u><u>\$10,685,754</u></u>
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LAPWAI SCHOOL DISTRICT NO. 341

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

	<b>General Fund</b>	<b>Child Nutrition Fund</b>	<b>Bond R &amp; I Fund</b>
<b>Revenues</b>			
Local Taxes	\$47,596		\$198,984
Other Local Revenue	91,432	\$3,504	146
State Revenue	4,084,087		65,591
Federal Revenue	2,256,416	492,898	
<b>Total Revenues</b>	<b>6,479,531</b>	<b>496,402</b>	<b>264,721</b>
<b>Expenditures</b>			
Instructional Programs			
Elementary School	1,595,459		
Secondary School	1,145,569		
Alternative School			
Special Education	509,496		
Special Education Preschool	89,535		
Gifted & Talented			
Interscholastic			
School Activity	161,414		
Support Service Programs			
Attendance - Guidance - Health	166,176		
Special Education Support Services	539,293		
Instruction Improvement	45,493		
Educational Media	51,765		
Instruction-Related Technology	208,199		
Board of Education	22,650		
District Administration	221,537		
School Administration	426,921		
Business Operation	183,059		
Buildings - Care	514,174		
Maintenance - Non-Student Occupied	14,201		
Maintenance - Student Occupied	322,538		
Maintenance - Grounds	42,307		
Security	6		
Pupil-To-School Transportation	278,093		
Pupil-Activity Transportation	22,451		
General Transportation	1,822		
Non-Instructional Programs			
Child Nutrition	12,990	468,005	
Community Services			
Student Activity			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			250,000
Debt Service - Interest			29,488
<b>Total Expenditures</b>	<b>6,575,148</b>	<b>468,005</b>	<b>279,488</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(95,617)</b>	<b>28,397</b>	<b>(14,767)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	12,873		
Transfers Out	(80,880)		
<b>Total Other Financing Sources (Uses)</b>	<b>(68,007)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(163,624)</b>	<b>28,397</b>	<b>(14,767)</b>
<b>Fund Balances - Beginning</b>	<b>1,111,973</b>	<b>91,772</b>	<b>125,297</b>
<b>Fund Balances - Ending</b>	<b>\$948,349</b>	<b>\$120,169</b>	<b>\$110,530</b>

LAPWAI SCHOOL DISTRICT NO. 341

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

	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Local Taxes	\$0	\$246,580
Other Local Revenue	179,729	274,811
State Revenue	16,901	4,166,579
Federal Revenue	2,216,723	4,966,037
<b>Total Revenues</b>	<b>2,413,353</b>	<b>9,654,007</b>
<b>Expenditures</b>		
Instructional Programs		
Elementary School	550,926	2,146,385
Secondary School	1,202,752	2,348,321
Alternative School	0	0
Special Education	153,479	662,975
Special Education Preschool	5,503	95,038
Gifted & Talented	0	0
Interscholastic	0	0
School Activity	0	161,414
Support Service Programs		
Attendance - Guidance - Health	0	166,176
Special Education Support Services	315,266	854,559
Instruction Improvement	20,434	65,927
Educational Media	0	51,765
Instruction-Related Technology	3,035	211,234
Board of Education	0	22,650
District Administration	0	221,537
School Administration	6,971	433,892
Business Operation	0	183,059
Buildings - Care	10,022	524,196
Maintenance - Non-Student Occupied	2,392	16,593
Maintenance - Student Occupied	0	322,538
Maintenance - Grounds	0	42,307
Security	0	6
Pupil-To-School Transportation	1,650	279,743
Pupil-Activity Transportation	0	22,451
General Transportation	0	1,822
Non-Instructional Programs		
Child Nutrition	4,934	485,929
Community Services	0	0
Student Activity	140,325	140,325
Capital Assets - Student Occupied	0	0
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	250,000
Debt Service - Interest	0	29,488
<b>Total Expenditures</b>	<b>2,417,689</b>	<b>9,740,330</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(4,336)</b>	<b>(86,323)</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	80,880	93,753
Transfers Out	(12,873)	(93,753)
<b>Total Other Financing Sources (Uses)</b>	<b>68,007</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>63,671</b>	<b>(86,323)</b>
<b>Fund Balances - Beginning</b>	<b>242,269</b>	<b>1,571,311</b>
<b>Fund Balances - Ending</b>	<b>\$305,940</b>	<b>\$1,484,988</b>

**LAPWAI SCHOOL DISTRICT NO. 341**  
Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds  
Year Ended June 30, 2022

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

**Net Change in Fund Balances - Total Governmental Funds** (\$86,323)

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. (190,971)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (364)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position. 250,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 3,516

Changes in net pension asset/liability and related pension deferred outflows and deferred inflows do not provide or require current financial resources and therefore are not reflected in the funds. 693,765

**Change in Net Position of Governmental Activities** \$669,623

**LAPWAI SCHOOL DISTRICT NO. 341**

Statement of Fiduciary Net Position

June 30, 2022

	<b>Private Purpose Trust Funds</b>
<b>Assets</b>	
Cash & Investments	\$14,391
<b>Total Assets</b>	<u>\$14,391</u>
<b>Net Position</b>	
Restricted:	
Held in Trust	\$14,391
<b>Total Net Position</b>	<u>\$14,391</u>



**LAPWAI SCHOOL DISTRICT NO. 341**  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2022

	<b>Private Purpose Trust Funds - Scholarship</b>
<b>Additions</b>	
Contributions	\$2,650
Investment Income (Loss)	30
<b>Total Additions</b>	<u>2,680</u>
<b>Deductions</b>	
Scholarships Awarded	2,063
<b>Total Deductions</b>	<u>2,063</u>
<b>Change in Net Position</b>	617
<b>Net Position - Beginning</b>	13,774
<b>Net Position - Ending</b>	<u><u>\$14,391</u></u>

## LAPWAI SCHOOL DISTRICT NO. 341

### Notes to Financial Statements

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#### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** – Lapwai School District No. 341 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Nez Perce County.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. 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 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.

## LAPWAI SCHOOL DISTRICT NO. 341

### Notes to Financial Statements

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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).

*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.

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:

*Private Purpose Trust Funds* – Private purpose trust funds are used to account for the assets and related income producing and disbursement activities, for which the School acts as a trustee.

**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 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.

## LAPWAI SCHOOL DISTRICT NO. 341

### Notes to Financial Statements

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**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 all depreciable assets is recorded using the straight line method.

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

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

**Deferred Outflows/Inflows of Resources** – The School’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

**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.

## LAPWAI SCHOOL DISTRICT NO. 341

### Notes to Financial Statements

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**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.

**Property Taxes** – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20<sup>th</sup> and June 20<sup>th</sup>. A lien is filed on real property three years from the date of delinquency.

**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.

**LAPWAI SCHOOL DISTRICT NO. 341**

Notes to Financial Statements

**B. CASH AND INVESTMENTS**

Cash and investments consist of the following at year end:

	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Cash - Deposits	\$449,117		\$449,117
Investments - Local Gov't Investment Pool	1,713,165	\$14,391	1,727,556
<b>Total</b>	<b>\$2,162,282</b>	<b>\$14,391</b>	<b>\$2,176,673</b>

**Deposits** – At year end, the carrying amounts of the School's deposits were \$449,117 and the bank balances were \$460,147. 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	<b>Investment Maturity Schedule (In Years)</b>	
	Less Than 1	Total
Local Gov't Invest Pool	\$1,727,556	\$1,727,556
<b>Total</b>	<b>\$1,727,556</b>	<b>\$1,727,556</b>

**Credit rate risk:**

Investment Type	<b>Investment Rating Schedule</b>	
	Not Rated	Total
Local Gov't Invest Pool	\$1,727,556	\$1,727,556
<b>Total</b>	<b>\$1,727,556</b>	<b>\$1,727,556</b>

**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](http://www.sto.idaho.gov).

LAPWAI SCHOOL DISTRICT NO. 341

Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Local Sources				
Local Taxes	\$21,375		\$66,534	\$87,909
Other Local Sources	4,930			4,930
<b>Total</b>	<u>\$26,305</u>		<u>\$66,534</u>	<u>\$92,839</u>
State Sources				
Foundation Program	\$46,337			\$46,337
<b>Total</b>	<u>\$46,337</u>			<u>\$46,337</u>
Federal Sources				
Special Programs		\$1,328,712		\$1,328,712
<b>Total</b>		<u>\$1,328,712</u>		<u>\$1,328,712</u>

**LAPWAI SCHOOL DISTRICT NO. 341**

Notes to Financial Statements

**D. CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Nondepreciable Capital Assets</b>				
Land	\$162,751			\$162,751
Construction In Progress	0	\$46,064		46,064
<b>Total</b>	162,751	46,064	\$0	208,815
<b>Depreciable Capital Assets</b>				
Buildings	17,055,569	91,167		17,146,736
Equipment	672,946	94,296		767,242
Transportation	793,325			793,325
Subtotal	18,521,840	185,463	0	18,707,303
<b>Accumulated Depreciation</b>				
Buildings	6,171,177	340,229		6,511,406
Equipment	527,346	37,558		564,904
Transportation	454,210	44,711		498,921
Subtotal	7,152,733	422,498	0	7,575,231
<b>Total</b>	11,369,107	(237,035)	0	11,132,072
<b>Net Capital Assets</b>	<b>\$11,531,858</b>	<b>(\$190,971)</b>	<b>\$0</b>	<b>\$11,340,887</b>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$377,787
Pupil-To-School Transportation	44,711
<b>Total</b>	<b>\$422,498</b>

**E. LONG-TERM DEBT**

**Bonded Debt** - At year end, the School's bonded debt was as follows:

	<b>Outstanding</b>
2012 - \$2,375,000 - general obligation bonds for capital improvements due in annual principal installments and semiannual interest payments with interest at 3.00% - 5.00% through 2024/25, secured by future taxes, paid through the bond redemption and interest fund	\$810,000
<b>Total</b>	<b>\$810,000</b>



**LAPWAI SCHOOL DISTRICT NO. 341**

Notes to Financial Statements

Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/23	\$260,000	\$20,400
6/30/24	270,000	12,450
6/30/25	280,000	4,200
<b>Total</b>	<u><u>\$810,000</u></u>	<u><u>\$37,050</u></u>

Changes in long-term debt and obligations 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>
2012 G.O. Bonds	\$1,060,000		\$250,000	\$810,000	\$260,000
<b>Total</b>	<u><u>\$1,060,000</u></u>	<u><u>\$0</u></u>	<u><u>\$250,000</u></u>	<u><u>\$810,000</u></u>	<u><u>\$260,000</u></u>

Interest and related costs during the year amounted to \$25,972 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](http://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

LAPWAI SCHOOL DISTRICT NO. 341

Notes to Financial Statements

the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

*Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 74% for police and firefighters. As of June 30, 2021 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$627,852 for the year ended June 30, 2022.

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

At June 30, 2022, the School reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School's proportion of the net pension asset was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the School's proportion was 0.13802069 percent.

For the year ended June 30, 2022, the School recognized pension revenue (expense) of \$65,913. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$160,605	\$63,362
Changes in assumptions or other inputs	1,251,247	
Net difference between projected and actual earnings on pension plan investments		3,423,791
Employer contributions subsequent to the measurement date	627,852	
<b>Total</b>	<b>\$2,039,704</b>	<b>\$3,487,153</b>

\$627,852 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension expense in the year ending June 30, 2022.

**LAPWAI SCHOOL DISTRICT NO. 341**

Notes to Financial Statements

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021 the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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

<b>Year Ended</b>	
6/30/23	(\$488,180)
6/30/24	(439,950)
6/30/25	(384,466)
6/30/26	(762,704)
<b>Total</b>	<u><u>(\$2,075,300)</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 asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

*Contributing Members, Service Retirement Members, and Beneficiaries*

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

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

**LAPWAI SCHOOL DISTRICT NO. 341**

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 2021.

**Capital Market Assumptions from Callan 2021**

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

**Investment Policy Assumptions from PERSI November 2019**

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

**Economic/Demographic Assumptions from Milliman 2021**

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

\*Net of Investment Expenses

LAPWAI SCHOOL DISTRICT NO. 341

Notes to Financial Statements

*Discount Rate*

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

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

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

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
School's proportionate share of the net pension liability (asset)	\$3,789,277	(\$109,006)	(\$3,304,507)

*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](http://www.persi.idaho.gov).

*Impacts on the School's net position*

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

**LAPWAI SCHOOL DISTRICT NO. 341**

Notes to Financial Statements

**G. INTERFUND BALANCES**

Interfund balances at year end consist of the following:

<b>Due To Fund</b>	<b>Due From Fund</b>	
	Nonmajor Governmental	<b>Total</b>
General	\$74,093	\$74,093
<b>Total</b>	<b>\$74,093</b>	<b>\$74,093</b>

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

Interfund transfers during the year consist of the following:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>	<b>Purpose</b>
General	\$12,873	\$80,880	Support, Indirect Costs, Depreciation
Nonmajor Governmental	80,880	12,873	Support, Indirect Costs, Depreciation
<b>Total</b>	<b>\$93,753</b>	<b>\$93,753</b>	

**H. TAX ABATEMENTS**

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

LAPWAI SCHOOL DISTRICT NO. 341

Budgetary Comparison Schedule -  
General and Major Special Revenue Funds  
Year Ended June 30, 2022

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Taxes	\$39,682	\$39,682	\$47,596	\$7,914
Other Local Revenue	57,500	54,493	91,432	36,939
State Revenue	3,920,857	3,920,857	4,084,087	163,230
Federal Revenue	2,500,200	2,500,200	2,256,416	(243,784)
<b>Total Revenues</b>	<b>6,518,239</b>	<b>6,515,232</b>	<b>6,479,531</b>	<b>(35,701)</b>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	1,783,930	1,783,930	1,595,459	188,471
Secondary School	1,376,964	1,376,964	1,145,569	231,395
Alternative School	0	0	0	0
Special Education	557,864	557,864	509,496	48,368
Special Education Preschool	94,002	94,002	89,535	4,467
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
School Activity	140,403	140,403	161,414	(21,011)
Support Service Programs				
Attendance - Guidance - Health	169,448	169,448	166,176	3,272
Special Education Support Services	401,060	401,060	539,293	(138,233)
Instruction Improvement	61,615	61,615	45,493	16,122
Educational Media	106,621	106,621	51,765	54,856
Instruction-Related Technology	176,251	176,251	208,199	(31,948)
Board of Education	40,750	40,750	22,650	18,100
District Administration	246,060	246,060	221,537	24,523
School Administration	408,886	408,886	426,921	(18,035)
Business Operation	175,461	175,461	183,059	(7,598)
Buildings - Care	481,180	481,180	514,174	(32,994)
Maintenance - Non-Student Occupied	13,000	13,000	14,201	(1,201)
Maintenance - Student Occupied	289,418	289,418	322,538	(33,120)
Maintenance - Grounds	45,000	45,000	42,307	2,693
Security	7,500	7,500	6	7,494
Pupil-To-School Transportation	247,502	247,502	278,093	(30,591)
Pupil-Activity Transportation	12,749	12,749	22,451	(9,702)
General Transportation	3,200	3,200	1,822	1,378
Non-Instructional Programs				
Child Nutrition	8,878	8,878	12,990	(4,112)
Community Services	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	366,398	321,687	0	321,687
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
<b>Total Expenditures</b>	<b>7,214,140</b>	<b>7,169,429</b>	<b>6,575,148</b>	<b>594,281 *</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	(695,901)	(654,197)	(95,617)	558,580
<b>Other Financing Sources (Uses)</b>				
Transfers In	9,752	12,759	12,873	114
Transfers Out	(113,851)	(158,562)	(80,880)	77,682 *
<b>Total Other Financing Sources (Uses)</b>	<b>(104,099)</b>	<b>(145,803)</b>	<b>(68,007)</b>	<b>77,796</b>
<b>Net Change in Fund Balances</b>	<b>(800,000)</b>	<b>(800,000)</b>	<b>(163,624)</b>	<b>636,376</b>
<b>Fund Balances - Beginning</b>	<b>800,000</b>	<b>800,000</b>	<b>1,111,973</b>	<b>311,973</b>
<b>Fund Balances - Ending</b>	<b>\$0</b>	<b>\$0</b>	<b>\$948,349</b>	<b>\$948,349</b>

\*Total expenditures (over) under appropriations are:

\$671,963

LAPWAI SCHOOL DISTRICT NO. 341

Budgetary Comparison Schedule -  
 General and Major Special Revenue Funds  
 Year Ended June 30, 2022

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
<b>Child Nutrition Fund</b>				
<b>Revenues</b>				
Other Local Revenue	\$7,500	\$7,500	\$91,432	\$83,932
Federal Revenue	336,000	400,000	2,256,416	1,856,416
<b>Total Revenues</b>	<u>343,500</u>	<u>407,500</u>	<u>2,347,848</u>	<u>1,940,348</u>
<b>Expenditures</b>				
Non-Instructional Programs				
Child Nutrition	393,500	457,500	12,990	444,510
<b>Total Expenditures</b>	<u>393,500</u>	<u>457,500</u>	<u>12,990</u>	<u>444,510</u> *
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(50,000)	(50,000)	2,334,858	2,384,858
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	12,873	12,873
Transfers Out	0	0	(80,880)	(80,880) *
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(68,007)</u>	<u>(68,007)</u>
<b>Net Change in Fund Balances</b>	(50,000)	(50,000)	2,266,851	2,316,851
<b>Fund Balances - Beginning</b>	<u>50,000</u>	<u>50,000</u>	<u>120,169</u>	<u>70,169</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$2,387,020</u>	<u>\$2,387,020</u>
				<u>\$363,630</u>

\*Total expenditures (over) under appropriations are:



**LAPWAI SCHOOL DISTRICT NO. 341**  
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\***

<b>Fiscal Year Ended June 30</b>	<b>Employer's Portion of the Net Pension (Asset) Liability</b>	<b>Employer's Proportionate Share of the Net Pension (Asset) Liability</b>	<b>Covered Payroll</b>	<b>Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability</b>
2015	0.1437183%	\$1,057,992	\$3,893,971	27.17%	94.95%
2016	0.1388673%	\$1,828,656	\$3,889,629	47.01%	91.38%
2017	0.1454616%	\$2,948,730	\$4,254,307	69.31%	87.26%
2018	0.1330058%	\$2,090,623	\$4,204,240	49.73%	90.68%
2019	0.1259273%	\$1,857,450	\$4,300,674	43.19%	91.69%
2020	0.1329289%	\$1,517,346	\$4,504,240	33.69%	93.79%
2021	0.1385180%	\$3,216,571	\$4,932,462	65.21%	88.22%
2022	0.1380207%	(\$109,006)	\$5,150,745	-2.12%	100.36%

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

**Schedule of Employer Contributions**

<b>Fiscal Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2015	\$440,306	\$440,306	\$0	\$3,889,629	11.32%
2016	\$481,558	\$481,558	\$0	\$4,254,046	11.32%
2017	\$474,920	\$474,920	\$0	\$4,195,406	11.32%
2018	\$486,836	\$486,836	\$0	\$4,300,671	11.32%
2019	\$511,076	\$511,076	\$0	\$4,514,806	11.32%
2020	\$588,936	\$588,936	\$0	\$4,932,462	11.94%
2021	\$614,999	\$614,999	\$0	\$5,150,745	11.94%
2022	\$627,852	\$627,852	\$0	\$5,258,392	11.94%

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

**LAPWAI SCHOOL DISTRICT NO. 341**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Grants Nez Perce Tribe and Others</b>	<b>Nez Perce Tribe Job Skills</b>	<b>Student Activity</b>	<b>Professional Technical</b>
<b>Assets</b>				
Cash & Investments	\$73,589	\$630	\$71,270	\$94
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Prepaid Expenditures				
Due From Other Funds				
<b>Total Assets</b>	<u>\$73,589</u>	<u>\$630</u>	<u>\$71,270</u>	<u>\$94</u>
<b>Liabilities</b>				
Accounts Payable				\$94
Due To Other Funds				
Salaries & Benefits Payable	\$594	\$37		
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>594</u>	<u>37</u>	<u>\$0</u>	<u>94</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs	72,995	593	71,270	
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>72,995</u>	<u>593</u>	<u>71,270</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$73,589</u>	<u>\$630</u>	<u>\$71,270</u>	<u>\$94</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title I-A</b>			
	<b>ESSER III</b>	<b>ESSA IBP</b>	<b>ESSER I</b>	<b>ESSER II</b>
<b>Assets</b>				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$1,062,756	\$46,314		
Prepaid Expenditures				
Due From Other Funds				
<b>Total Assets</b>	<b>\$1,062,756</b>	<b>\$46,314</b>	<b>\$0</b>	<b>\$0</b>
<b>Liabilities</b>				
Accounts Payable	\$60,353			
Due To Other Funds	16,465	\$22,468		
Salaries & Benefits Payable	36,948	23,846		
Unspent Grant Allocation	948,990			
<b>Total Liabilities</b>	<b>1,062,756</b>	<b>46,314</b>	<b>\$0</b>	<b>\$0</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,062,756</b>	<b>\$46,314</b>	<b>\$0</b>	<b>\$0</b>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>IDEA Part B 611 School Age 3-21</b>	<b>IDEA Part B 619 Pre-School Age 3-5</b>	<b>IDEA Part B ARPA</b>	<b>School Based Medicaid</b>
<b>Assets</b>				
Cash & Investments	\$19,431	\$470		
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$2,675
Prepaid Expenditures				23,831
Due From Other Funds				
<b>Total Assets</b>	<u>\$19,431</u>	<u>\$470</u>	<u>\$0</u>	<u>\$26,506</u>
<b>Liabilities</b>				
Accounts Payable				
Due To Other Funds				\$26,506
Salaries & Benefits Payable	\$19,431	\$470		
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>19,431</u>	<u>470</u>	<u>\$0</u>	<u>26,506</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$19,431</u>	<u>\$470</u>	<u>\$0</u>	<u>\$26,506</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title IV-A ESSA SS &amp; AE</b>	<b>Title V-B ESSA REI</b>	<b>Title VII-A Indian Education</b>	<b>Johnson O'Malley</b>
<b>Assets</b>				
Cash & Investments	\$2,749	\$3,541	\$11,006	\$73,704
Receivables:				
Local Sources				
State Sources				
Federal Sources			57,467	
Prepaid Expenditures				
Due From Other Funds				
<b>Total Assets</b>	<u>\$2,749</u>	<u>\$3,541</u>	<u>\$68,473</u>	<u>\$73,704</u>
<b>Liabilities</b>				
Accounts Payable			\$376	\$285
Due To Other Funds				
Salaries & Benefits Payable	\$2,749	\$3,541	68,097	105
Unspent Grant Allocation				
<b>Total Liabilities</b>	<u>2,749</u>	<u>3,541</u>	<u>68,473</u>	<u>390</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted:				
Special Programs				73,314
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,314</u>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<u>\$2,749</u>	<u>\$3,541</u>	<u>\$68,473</u>	<u>\$73,704</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title II-A</b>	<b>Title IV-B</b>	<b>Gear Up</b>	<b>CRF</b>
	<b>ESEA SEI</b>	<b>ESEA 21st CCLC</b>		
<b>Assets</b>				
Cash & Investments		\$4,296		
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$16,767	22,938	\$18,863	\$7,812
Prepaid Expenditures				
Due From Other Funds				
<b>Total Assets</b>	<b>\$16,767</b>	<b>\$27,234</b>	<b>\$18,863</b>	<b>\$7,812</b>
<b>Liabilities</b>				
Accounts Payable	\$342			
Due To Other Funds			\$8,654	
Salaries & Benefits Payable	2,834	\$27,234	4,206	\$593
Unspent Grant Allocation	13,591		6,003	7,219
<b>Total Liabilities</b>	<b>16,767</b>	<b>27,234</b>	<b>18,863</b>	<b>7,812</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Tax Revenues				
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$16,767</b>	<b>\$27,234</b>	<b>\$18,863</b>	<b>\$7,812</b>

**LAPWAI SCHOOL DISTRICT NO. 341**  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	<b>Capital Projects</b>		<b>Total</b>
	<b>Bus</b>		
	<b>Depreciation</b>		
	<b>Fund</b>		
<b>Assets</b>			
Cash & Investments	\$87,768		\$348,548
Receivables:			
Local Sources			0
State Sources			0
Federal Sources			1,235,592
Prepaid Expenditures			23,831
Due From Other Funds			0
<b>Total Assets</b>	<b>\$87,768</b>		<b>\$1,607,971</b>
<b>Liabilities</b>			
Accounts Payable			\$61,450
Due To Other Funds			74,093
Salaries & Benefits Payable			190,685
Unspent Grant Allocation			975,803
<b>Total Liabilities</b>	<b>\$0</b>		<b>1,302,031</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Tax Revenues			0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>		<b>0</b>
<b>Fund Balances</b>			
Restricted:			
Special Programs			218,172
Debt Service			0
Capital Projects	87,768		87,768
Unassigned			0
<b>Total Fund Balances</b>	<b>87,768</b>		<b>305,940</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$87,768</b>		<b>\$1,607,971</b>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Grants Nez Perce Tribe and Others</b>	<b>Nez Perce Tribe Job Skills</b>	<b>Student Activity</b>	<b>Professional Technical</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue	\$37,782		\$141,853	
State Revenue				\$16,901
Federal Revenue				
<b>Total Revenues</b>	<u>37,782</u>	<u>\$0</u>	<u>141,853</u>	<u>16,901</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School	15,138	396		16,901
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity			140,325	
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>15,138</u>	<u>396</u>	<u>140,325</u>	<u>16,901</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	22,644	(396)	1,528	0
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	22,644	(396)	1,528	0
<b>Fund Balances - Beginning</b>	<u>50,351</u>	<u>989</u>	<u>69,742</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u><u>\$72,995</u></u>	<u><u>\$593</u></u>	<u><u>\$71,270</u></u>	<u><u>\$0</u></u>



**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title I-A</b>			
	<b>ESSER III</b>	<b>ESSA IBP</b>	<b>ESSER I</b>	<b>ESSER II</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$312,551	\$152,345	\$5,752	\$407,622
<b>Total Revenues</b>	<u>312,551</u>	<u>152,345</u>	<u>5,752</u>	<u>407,622</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School	86,847	152,345	2,717	121,553
Secondary School	224,851			280,486
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology			3,035	
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care	853			5,583
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>312,551</u>	<u>152,345</u>	<u>5,752</u>	<u>407,622</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>IDEA Part B 611 School Age 3-21</b>	<b>IDEA Part B 619 Pre-School Age 3-5</b>	<b>IDEA Part B ARPA</b>	<b>School Based Medicaid</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$128,622	\$3,309	\$27,051	\$279,097
<b>Total Revenues</b>	<u>128,622</u>	<u>3,309</u>	<u>27,051</u>	<u>279,097</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School				
Secondary School				
Alternative School				
Special Education	128,622		24,857	
Special Education Preschool		3,309	2,194	
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				315,266
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>128,622</u>	<u>3,309</u>	<u>27,051</u>	<u>315,266</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	0	(36,169)
<b>Other Financing Sources (Uses)</b>				
Transfers In				36,169
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,169</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title IV-A ESSA SS &amp; AE</b>	<b>Title V-B ESSA REI</b>	<b>Title VII-A Indian Education</b>	<b>Johnson O'Malley</b>
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				\$94
State Revenue				
Federal Revenue	\$16,479	\$23,638	\$540,199	12,630
<b>Total Revenues</b>	<u>16,479</u>	<u>23,638</u>	<u>540,199</u>	<u>12,724</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School		23,638		4,393
Secondary School	16,479		527,326	13,147
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>16,479</u>	<u>23,638</u>	<u>527,326</u>	<u>17,540</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	12,873	(4,816)
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out			(12,873)	
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(12,873)</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,816)</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>78,130</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$73,314</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
 Combining Statement of Revenues, Expenditures, and Changes in  
 Fund Balances - Nonmajor Governmental Funds  
 Year Ended June 30, 2022

	<b>Special Revenue Funds</b>			
	<b>Title II-A</b>	<b>Title IV-B</b>	<b>Gear Up</b>	<b>CRF</b>
	<b>ESEA SEI</b>	<b>ESEA 21st CCLC</b>		
<b>Revenues</b>				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$13,477	\$105,863	\$25,517	\$162,571
<b>Total Revenues</b>	<u>13,477</u>	<u>105,863</u>	<u>25,517</u>	<u>162,571</u>
<b>Expenditures</b>				
Instructional Programs				
Elementary School		105,863		53,570
Secondary School			25,291	82,737
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement	13,477		226	6,731
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				6,971
Business Operation				
Buildings - Care				3,586
Maintenance - Non-Student Occupied				2,392
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				1,650
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				4,934
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
<b>Total Expenditures</b>	<u>13,477</u>	<u>105,863</u>	<u>25,517</u>	<u>162,571</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Beginning</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances - Ending</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**LAPWAI SCHOOL DISTRICT NO. 341**  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2022

	<b>Capital Projects</b>	
	<b>Bus</b>	
	<b>Depreciation</b>	
	<b>Fund</b>	<b>Total</b>
<b>Revenues</b>		
Local Taxes		\$0
Other Local Revenue		179,729
State Revenue		16,901
Federal Revenue		2,216,723
<b>Total Revenues</b>	<b>\$0</b>	<b>2,413,353</b>
<b>Expenditures</b>		
Instructional Programs		
Elementary School		550,926
Secondary School		1,202,752
Alternative School		0
Special Education		153,479
Special Education Preschool		5,503
Gifted & Talented		0
Interscholastic		0
School Activity		0
Support Service Programs		
Attendance - Guidance - Health		0
Special Education Support Services		315,266
Instruction Improvement		20,434
Educational Media		0
Instruction-Related Technology		3,035
Board of Education		0
District Administration		0
School Administration		6,971
Business Operation		0
Buildings - Care		10,022
Maintenance - Non-Student Occupied		2,392
Maintenance - Student Occupied		0
Maintenance - Grounds		0
Security		0
Pupil-To-School Transportation		1,650
Pupil-Activity Transportation		0
General Transportation		0
Non-Instructional Programs		
Child Nutrition		4,934
Community Services		0
Student Activity		140,325
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
<b>Total Expenditures</b>	<b>0</b>	<b>2,417,689</b>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	<b>0</b>	<b>(4,336)</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	44,711	80,880
Transfers Out		(12,873)
<b>Total Other Financing Sources (Uses)</b>	<b>44,711</b>	<b>68,007</b>
<b>Net Change in Fund Balances</b>	<b>44,711</b>	<b>63,671</b>
<b>Fund Balances - Beginning</b>	<b>43,057</b>	<b>242,269</b>
<b>Fund Balances - Ending</b>	<b>\$87,768</b>	<b>\$305,940</b>

**LAPWAI SCHOOL DISTRICT NO. 341**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

<b>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>US Dept of Agriculture</b>			
<i>Passed Through Nez Perce County:</i>			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665		\$72
Total Forest Service Schools and Roads Cluster			72
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
COVID-19 - School Breakfast Program	10.553	202121/202222N109947	120,943
COVID-19 - National School Lunch Program*	10.555	202121/202222N109947	309,742
Fresh Fruit & Vegetable Program	10.582	202121/202222L160347	19,342
Total Child Nutrition Cluster			450,027
COVID-19 -Child & Adult Care Food Program	10.558	202121/202222N109947	17,978
<b>Total US Dept of Agriculture</b>			<b>468,077</b>
<b>US Dept of Treasury</b>			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus Relief Fund	21.019	20-1892-0-1-806	53,124
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	102,716
<b>Total US Dept of Treasury</b>			<b>155,840</b>
<b>US Dept of the Interior</b>			
<i>Passed Through Superintendent of Public Instruction:</i>			
477 Cluster:			
COVID-19 - Indian Education - Assistance to Schools	15.130		17,540
Total 477 Cluster			17,540
<b>Total US Dept of Interior</b>			<b>17,540</b>
<b>US Dept of Education</b>			
<i>Direct Programs:</i>			
Impact Aid	84.041A		2,256,344
Indian Education - Grants to Local Educational Agencies	84.060A		540,199
Rural Education	84.358A		23,638
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A210088	128,622
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.027X	H027X210088	24,857
Total	84.027		153,479
Special Education - Preschool Grants	84.173A	H173A210030	3,309
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.173X	H173X210030	2,194
Total	84.173		5,503
Total Special Education Cluster			158,982
Title I Grants to Local Educational Agencies	84.010A	S010A210012	152,345
Twenty-First Century Community Learning Centers	84.287A	S287C20/210012	105,863
Special Education - State Personnel Development	84.323A	H323A200002	6,731
Gaining Early Awareness & Readiness for Undergraduate	84.334A	P334S180012	25,517
Supporting Effective Instruction State Grants	84.367A	S367A20/210011	13,477
Student Support & Academic Enrichment	84.424A	S424A210013	16,479
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	413,374
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	312,551
Total	84.425		725,925
<b>Total US Dept of Education</b>			<b>4,025,500</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$4,666,957</b>

**NOTES:**

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

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

\*C. **Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$1,480.



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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 Trustees  
Lapwai School District No. 341

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 Lapwai School District No. 341 (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated August 2, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

### ***Quest CPAs PLLC***

Payette, Idaho  
August 2, 2022





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

Board of Trustees  
Lapwai School District No. 341

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Lapwai School District No. 341’s (the School’s) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School’s major federal programs for the year ended June 30, 2022. The School’s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

#### ***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

***Quest CPAs PLLC***

Payette, Idaho  
August 2, 2022

**LAPWAI SCHOOL DISTRICT NO. 341**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

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**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

*Internal control over financial reporting:*

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

**FEDERAL AWARDS**

*Internal control over major programs:*

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Major program identification:

- a. Child Nutrition Cluster – AL #10.553, 10.555, 10.582
- b. Impact Aid – AL #84.041A

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

Auditee qualified as a low-risk auditee? No