

Lapwai School District No. 341

Year Ended June 30, 2023

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, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2023, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on All Other Opinion Units Described Below

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
July 31, 2023

LAPWAI SCHOOL DISTRICT NO. 341

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$1,883,397
Receivables:	
Local Sources	116,507
State Sources	151,734
Federal Sources	754,726
Prepaid Expenses	
Total Current Assets	2,906,364
Noncurrent Assets	
Nondepreciable Capital Assets	382,141
Depreciable Net Capital Assets	11,189,435
Total Noncurrent Assets	11,571,576
Total Assets	14,477,940
 Deferred Outflows of Resources	
Pension Items	3,299,517
Total Deferred Outflows of Resources	3,299,517
Total Assets and Deferred Outflows of Resources	\$17,777,457
 Liabilities	
Current Liabilities	
Accounts Payable	\$95,285
Salaries & Benefits Payable	1,251,963
Unspent Grant Allocation	245,594
Accrued Interest	6,188
Long-Term Liabilities, Current	270,000
Total Current Liabilities	1,869,030
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	5,532,144
Total Noncurrent Liabilities	5,532,144
Total Liabilities	7,401,174
 Deferred Inflows of Resources	
Pension Items	23,442
Total Deferred Inflows of Resources	23,442
Total Liabilities and Deferred Inflows of Resources	7,424,616
 Net Position	
Net Investment in Capital Assets	11,015,388
Restricted:	
Special Programs	336,318
Debt Service	114,063
Capital Projects	67,277
Unrestricted	(1,180,205)
Total Net Position	10,352,841
Total Liabilities and Deferred Inflows of Resources and Net Position	\$17,777,457

See Accompanying Notes

LAPWAI SCHOOL DISTRICT NO. 341

Statement of Activities Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$2,014,168		\$2,561,265		\$547,097
Secondary School	2,086,539	\$2,000	2,317,352		232,813
Alternative School	0				0
Special Education	662,226		137,275		(524,951)
Special Education Preschool	100,933		3,473		(97,460)
Gifted & Talented	0				0
Interscholastic	0				0
School Activity	200,693				(200,693)
Support Service Programs					
Attendance - Guidance - Health	182,718				(182,718)
Special Education Support Services	1,040,497		396,344		(644,153)
Instruction Improvement	56,945		45,331		(11,614)
Educational Media	106,764				(106,764)
Instruction-Related Technology	189,733				(189,733)
Board of Education	27,154				(27,154)
District Administration	265,425				(265,425)
School Administration	428,822				(428,822)
Business Operation	181,870				(181,870)
Buildings - Care	610,604		13,092		(597,512)
Maintenance - Non-Student Occupied	(16,978)				16,978
Maintenance - Student Occupied	314,356				(314,356)
Maintenance - Grounds	74,159				(74,159)
Security	1,723				(1,723)
Pupil-To-School Transportation	287,028				(287,028)
Pupil-Activity Transportation	35,837				(35,837)
General Transportation	4,529				(4,529)
Non-Instructional Programs					
Child Nutrition	555,515	8,568	498,525		(48,422)
Community Services	0				0
Student Activity	175,748	179,386			3,638
Capital Assets - Student Occupied	433,014				(433,014)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	18,025				(18,025)
Total	\$10,038,047	\$189,954	\$5,972,657	\$0	(3,875,436)
General Revenues					
Local Taxes					256,083
Other Local Revenues					100,546
State Revenues					4,480,780
Federal Revenues					0
Pension Revenue (Expense)					(1,294,886)
Total					3,542,523
Change in Net Position					
					(332,913)
Net Position - Beginning					
					10,685,754
Net Position - Ending					
					\$10,352,841

LAPWAI SCHOOL DISTRICT NO. 341

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund
Assets			
Cash & Investments	\$1,374,708	\$133,370	\$57,062
Receivables:			
Local Sources	27,229		69,828
State Sources	151,734		
Federal Sources		439	
Prepaid Expenditures			
Due From Other Funds	220,835		
Total Assets	\$1,774,506	\$133,809	\$126,890
Liabilities			
Accounts Payable	\$52,134		
Due To Other Funds			
Salaries & Benefits Payable	939,335	\$46,862	
Unspent Grant Allocation			
Total Liabilities	991,469	46,862	\$0
Deferred Inflows of Resources			
Unavailable Tax Revenues	4,005		12,827
Total Deferred Inflows of Resources	4,005	0	12,827
Fund Balances			
Restricted:			
Special Programs		86,947	
Debt Service			114,063
Capital Projects			
Unassigned	779,032		
Total Fund Balances	779,032	86,947	114,063
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,774,506	\$133,809	\$126,890

LAPWAI SCHOOL DISTRICT NO. 341

Balance Sheet - Governmental Funds

June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$318,257	\$1,883,397
Receivables:		
Local Sources	19,450	116,507
State Sources	0	151,734
Federal Sources	754,287	754,726
Prepaid Expenditures	0	0
Due From Other Funds	0	220,835
Total Assets	\$1,091,994	\$3,127,199
Liabilities		
Accounts Payable	\$43,151	\$95,285
Due To Other Funds	220,835	220,835
Salaries & Benefits Payable	265,766	1,251,963
Unspent Grant Allocation	245,594	245,594
Total Liabilities	775,346	1,813,677
Deferred Inflows of Resources		
Unavailable Tax Revenues	0	16,832
Total Deferred Inflows of Resources	0	16,832
Fund Balances		
Restricted:		
Special Programs	249,371	336,318
Debt Service	0	114,063
Capital Projects	67,277	67,277
Unassigned	0	779,032
Total Fund Balances	316,648	1,296,690
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,091,994	\$3,127,199

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

Total Governmental Fund Balances	\$1,296,690
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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.	11,571,576
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	16,832
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(5,808,332)
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Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	3,276,075
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Net Position of Governmental Activities	<u><u>\$10,352,841</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, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund
Revenues			
Local Taxes	\$47,322		\$209,364
Other Local Revenue	144,784	\$9,980	2,155
State Revenue	4,407,816		72,964
Federal Revenue	2,688,811	498,525	
Total Revenues	<u>7,288,733</u>	<u>508,505</u>	<u>284,483</u>
Expenditures			
Instructional Programs			
Elementary School	1,802,784		
Secondary School	1,314,086		
Alternative School			
Special Education	524,951		
Special Education Preschool	97,460		
Gifted & Talented			
Interscholastic			
School Activity	216,817		
Support Service Programs			
Attendance - Guidance - Health	182,718		
Special Education Support Services	577,511		
Instruction Improvement	11,614		
Educational Media	106,764		
Instruction-Related Technology	189,733		
Board of Education	27,154		
District Administration	265,425		
School Administration	428,822		
Business Operation	181,870		
Buildings - Care	597,512		
Maintenance - Non-Student Occupied	82,564		
Maintenance - Student Occupied	320,156		
Maintenance - Grounds	88,711		
Security	1,723		
Pupil-To-School Transportation	287,028		
Pupil-Activity Transportation	35,837		
General Transportation	4,529		
Non-Instructional Programs			
Child Nutrition	13,788	541,727	
Community Services			
Student Activity			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			260,000
Debt Service - Interest			20,950
Total Expenditures	<u>7,359,557</u>	<u>541,727</u>	<u>280,950</u>
Excess (Deficiency) of Revenues Over Expenditures	(70,824)	(33,222)	3,533
Other Financing Sources (Uses)			
Transfers In	14,684		
Transfers Out	(113,177)		
Total Other Financing Sources (Uses)	<u>(98,493)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(169,317)	(33,222)	3,533
Fund Balances - Beginning	<u>948,349</u>	<u>120,169</u>	<u>110,530</u>
Fund Balances - Ending	<u>\$779,032</u>	<u>\$86,947</u>	<u>\$114,063</u>

LAPWAI SCHOOL DISTRICT NO. 341

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

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$256,686
Other Local Revenue	244,363	401,282
State Revenue	22,970	4,503,750
Federal Revenue	2,651,569	5,838,905
Total Revenues	2,918,902	11,000,623
Expenditures		
Instructional Programs		
Elementary School	944,294	2,747,078
Secondary School	1,157,462	2,471,548
Alternative School	0	0
Special Education	137,275	662,226
Special Education Preschool	3,473	100,933
Gifted & Talented	0	0
Interscholastic	0	0
School Activity	0	216,817
Support Service Programs		
Attendance - Guidance - Health	0	182,718
Special Education Support Services	462,986	1,040,497
Instruction Improvement	45,331	56,945
Educational Media	0	106,764
Instruction-Related Technology	0	189,733
Board of Education	0	27,154
District Administration	0	265,425
School Administration	0	428,822
Business Operation	0	181,870
Buildings - Care	13,092	610,604
Maintenance - Non-Student Occupied	0	82,564
Maintenance - Student Occupied	0	320,156
Maintenance - Grounds	0	88,711
Security	0	1,723
Pupil-To-School Transportation	67,026	354,054
Pupil-Activity Transportation	0	35,837
General Transportation	0	4,529
Non-Instructional Programs		
Child Nutrition	0	555,515
Community Services	0	0
Student Activity	175,748	175,748
Capital Assets - Student Occupied	0	0
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	260,000
Debt Service - Interest	0	20,950
Total Expenditures	3,006,687	11,188,921
Excess (Deficiency) of Revenues Over Expenditures	(87,785)	(188,298)
Other Financing Sources (Uses)		
Transfers In	113,177	127,861
Transfers Out	(14,684)	(127,861)
Total Other Financing Sources (Uses)	98,493	0
Net Change in Fund Balances	10,708	(188,298)
Fund Balances - Beginning	305,940	1,484,988
Fund Balances - Ending	\$316,648	\$1,296,690

LAPWAI SCHOOL DISTRICT NO. 341
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

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

Net Change in Fund Balances - Total Governmental Funds (\$188,298)

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period. 230,689

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (603)

Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 260,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 2,925

Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds. (637,626)

Change in Net Position of Governmental Activities (\$332,913)

LAPWAI SCHOOL DISTRICT NO. 341

Statement of Fiduciary Net Position

June 30, 2023

	Private Purpose Trust Funds
Assets	
Cash & Investments	\$11,830
Total Assets	<u>\$11,830</u>
Net Position	
Restricted:	
Held in Trust	\$11,830
Total Net Position	<u>\$11,830</u>

LAPWAI SCHOOL DISTRICT NO. 341
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	<u>Private Purpose Trust Funds - Scholarship</u>
Additions	
Contributions	\$100
Investment Income (Loss)	439
Total Additions	<u>539</u>
 Deductions	
Scholarships Awarded	<u>3,100</u>
Total Deductions	<u>3,100</u>
Change in Net Position	(2,561)
Net Position - Beginning	<u>14,391</u>
Net Position - Ending	<u><u>\$11,830</u></u>

LAPWAI SCHOOL DISTRICT NO. 341

Notes to Financial Statements

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

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.

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Notes to Financial Statements

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.

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

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

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

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

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

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Notes to Financial Statements

assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

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

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 20th and June 20th. 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.

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Notes to Financial Statements

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$731,056	(\$3,000)	\$728,056
Investments - Local Gov't Investment Pool	1,152,341	14,830	1,167,171
Total	\$1,883,397	\$11,830	\$1,895,227

Deposits – At year end, the carrying amounts of the School's deposits were \$728,056 and the bank balances were \$683,928. 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:

<u>Investment Type</u>	Investment Maturity Schedule (In Years)	
	Less Than 1	Total
Local Gov't Invest Pool	\$1,167,171	\$1,167,171
Total	\$1,167,171	\$1,167,171

Credit rate risk:

<u>Investment Type</u>	Investment Rating Schedule	
	Not Rated	Total
Local Gov't Invest Pool	\$1,167,171	\$1,167,171
Total	\$1,167,171	\$1,167,171

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

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Notes to Financial Statements

governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

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	\$20,070		\$69,828	\$89,898
Other Local Sources	7,159	\$19,450		26,609
Total	<u>\$27,229</u>	<u>\$19,450</u>	<u>\$69,828</u>	<u>\$116,507</u>
State Sources				
Foundation Program	\$151,734			\$151,734
Total	<u>\$151,734</u>			<u>\$151,734</u>
Federal Sources				
Special Programs		\$754,726		\$754,726
Total		<u>\$754,726</u>		<u>\$754,726</u>

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Notes to Financial Statements

D. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$162,751			\$162,751
Construction In Progress	46,064	\$219,390	\$46,064	219,390
Total	<u>208,815</u>	<u>219,390</u>	<u>46,064</u>	<u>382,141</u>
Depreciable Capital Assets				
Buildings	17,146,736	401,427		17,548,163
Equipment	767,242	21,924		789,166
Transportation	793,325	67,026		860,351
Subtotal	<u>18,707,303</u>	<u>490,377</u>	<u>0</u>	<u>19,197,680</u>
Accumulated Depreciation				
Buildings	6,511,406	343,011		6,854,417
Equipment	564,904	35,878		600,782
Transportation	498,921	54,125		553,046
Subtotal	<u>7,575,231</u>	<u>433,014</u>	<u>0</u>	<u>8,008,245</u>
Total	<u>11,132,072</u>	<u>57,363</u>	<u>0</u>	<u>11,189,435</u>
Net Capital Assets	<u><u>\$11,340,887</u></u>	<u><u>\$276,753</u></u>	<u><u>\$46,064</u></u>	<u><u>\$11,571,576</u></u>

Depreciation expense of \$433,014 was charged to the capital assets – student occupied program.

E. LONG-TERM DEBT

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

	Outstanding
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	<u>\$550,000</u>
Total	<u><u>\$550,000</u></u>

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Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/24	\$270,000	\$12,450
6/30/25	280,000	4,200
Total	<u><u>\$550,000</u></u>	<u><u>\$16,650</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	\$810,000		\$260,000	\$550,000	\$270,000
Net Pension Liability	0	\$5,252,144		5,252,144	-
Total	<u><u>\$810,000</u></u>	<u><u>\$5,252,144</u></u>	<u><u>\$260,000</u></u>	<u><u>\$5,802,144</u></u>	<u><u>\$270,000</u></u>

Interest and related costs during the year amounted to \$18,025 and were charged to the debt service – interest program.

F. PENSION PLAN

Plan description

The School contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension benefits

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

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided

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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, 2022 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$657,260 for the year ended June 30, 2023.

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

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the School's proportion was 0.13334517 percent.

For the year ended June 30, 2023, the School recognized pension revenue (expense) of (\$1,294,886). At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$577,544	\$23,442
Changes in assumptions or other inputs	856,257	
Net difference between projected and actual earnings on pension plan investments	1,208,456	
Employer contributions subsequent to the measurement date	657,260	
Total	\$3,299,517	\$23,442

\$657,260 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending June 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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Notes to Financial Statements

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

Year Ended	
6/30/24	(\$626,254)
6/30/25	(679,859)
6/30/26	(314,434)
6/30/27	(998,268)
Total	<u><u>(\$2,618,815)</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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing members, service retirement members, and beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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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 2022.

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

Discount rate

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

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Notes to Financial Statements

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

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

	1% Decrease	Current Discount Rate	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$9,269,519</u>	<u>\$5,252,144</u>	<u>\$1,964,026</u>

Pension plan fiduciary net position

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

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

Impact on the School's net position

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

G. INTERFUND BALANCES

Interfund balances at year end consist of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	
	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$220,835	\$220,835
Total	<u>\$220,835</u>	<u>\$220,835</u>

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

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Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$14,684	\$113,177	Support, Indirect Costs, Depreciation
Nonmajor Governmental	113,177	14,684	Support, Indirect Costs, Depreciation
Total	<u>\$127,861</u>	<u>\$127,861</u>	

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.

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

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$39,682	\$39,682	\$47,322	\$7,640
Other Local Revenue	57,500	57,500	144,784	87,284
State Revenue	4,347,345	4,347,345	4,407,816	60,471
Federal Revenue	2,500,200	2,500,200	2,688,811	188,611
Total Revenues	<u>6,944,727</u>	<u>6,944,727</u>	<u>7,288,733</u>	<u>344,006</u>
Expenditures				
Instructional Programs				
Elementary School	1,956,978	1,945,217	1,802,784	142,433
Secondary School	1,457,426	1,457,426	1,314,086	143,340
Alternative School	0	0	0	0
Special Education	606,430	606,430	524,951	81,479
Special Education Preschool	100,078	100,078	97,460	2,618
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
School Activity	163,203	163,203	216,817	(53,614)
Support Service Programs				
Attendance - Guidance - Health	186,704	186,704	182,718	3,986
Special Education Support Services	390,615	390,615	577,511	(186,896)
Instruction Improvement	24,560	24,560	11,614	12,946
Educational Media	111,213	111,213	106,764	4,449
Instruction-Related Technology	183,357	183,357	189,733	(6,376)
Board of Education	40,750	40,750	27,154	13,596
District Administration	258,144	258,144	265,425	(7,281)
School Administration	436,392	436,392	428,822	7,570
Business Operation	200,097	200,098	181,870	18,228
Buildings - Care	513,312	513,312	597,512	(84,200)
Maintenance - Non-Student Occupied	13,000	13,000	82,564	(69,564)
Maintenance - Student Occupied	240,750	240,750	320,156	(79,406)
Maintenance - Grounds	45,000	45,000	88,711	(43,711)
Security	7,500	7,500	1,723	5,777
Pupil-To-School Transportation	258,497	258,497	287,028	(28,531)
Pupil-Activity Transportation	18,849	18,849	35,837	(16,988)
General Transportation	3,200	3,200	4,529	(1,329)
Non-Instructional Programs				
Child Nutrition	12,617	12,617	13,788	(1,171)
Community Services	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	387,723	387,723	0	387,723
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>7,616,395</u>	<u>7,604,635</u>	<u>7,359,557</u>	<u>245,078</u> *
Excess (Deficiency) of Revenues Over Expenditures				
	(671,668)	(659,908)	(70,824)	589,084
Other Financing Sources (Uses)				
Transfers In	9,752	18,470	14,684	(3,786)
Transfers Out	(138,084)	(158,562)	(113,177)	45,385 *
Total Other Financing Sources (Uses)	<u>(128,332)</u>	<u>(140,092)</u>	<u>(98,493)</u>	<u>41,599</u>
Net Change in Fund Balances	<u>(800,000)</u>	<u>(800,000)</u>	<u>(169,317)</u>	<u>630,683</u>
Fund Balances - Beginning	<u>800,000</u>	<u>800,000</u>	<u>948,349</u>	<u>148,349</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$779,032</u>	<u>\$779,032</u>

*Total expenditures (over) under appropriations are:

\$290,463

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

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$7,500	\$7,500	\$9,980	\$2,480
Federal Revenue	450,000	450,000	498,525	48,525
Total Revenues	<u>457,500</u>	<u>457,500</u>	<u>508,505</u>	<u>51,005</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	507,500	577,669	541,727	35,942
Total Expenditures	<u>507,500</u>	<u>577,669</u>	<u>541,727</u>	<u>35,942</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	(50,000)	(120,169)	(33,222)	86,947
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(50,000)	(120,169)	(33,222)	86,947
Fund Balances - Beginning	50,000	120,169	120,169	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$86,947</u>	<u>\$86,947</u>
				<u>\$35,942</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*

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.1437183%	\$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%
2023	0.1333452%	\$5,252,144	\$5,258,392	99.88%	83.09%

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

Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$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%
2023	\$657,260	\$657,260	\$0	\$5,504,690	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, 2023

	Special Revenue Funds			
	Grants Nez Perce Tribe and Others	Nez Perce Tribe Job Skills	Student Activity	Professional Technical
Assets				
Cash & Investments	\$92,548	\$5,885	\$55,958	\$4,452
Receivables:				
Local Sources	500		18,950	
State Sources				
Federal Sources				
Prepaid Expenditures				
Due From Other Funds				
Total Assets	<u>\$93,048</u>	<u>\$5,885</u>	<u>\$74,908</u>	<u>\$4,452</u>
Liabilities				
Accounts Payable	\$1,284			\$4,452
Due To Other Funds				
Salaries & Benefits Payable	1,110			
Unspent Grant Allocation				
Total Liabilities	<u>2,394</u>	<u>\$0</u>	<u>\$0</u>	<u>4,452</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	90,654	5,885	74,908	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>90,654</u>	<u>5,885</u>	<u>74,908</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$93,048</u>	<u>\$5,885</u>	<u>\$74,908</u>	<u>\$4,452</u>

LAPWAI SCHOOL DISTRICT NO. 341
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Title I-A			
	ESSER III	ESSA IBP	ESSER I	ESSER II
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$261,460	\$140,708		
Prepaid Expenditures				
Due From Other Funds				
Total Assets	\$261,460	\$140,708	\$0	\$0
Liabilities				
Accounts Payable		\$226		
Due To Other Funds	\$67,390	17,150		
Salaries & Benefits Payable	38,807	39,043		
Unspent Grant Allocation	155,263	84,289		
Total Liabilities	261,460	140,708	\$0	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$261,460	\$140,708	\$0	\$0

LAPWAI SCHOOL DISTRICT NO. 341
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title IV-A ESSA SS & AE
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$30,904	\$1,231	\$96,083	\$5,718
Prepaid Expenditures				
Due From Other Funds				
Total Assets	<u>\$30,904</u>	<u>\$1,231</u>	<u>\$96,083</u>	<u>\$5,718</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$8,568	\$737	\$96,083	\$3,054
Salaries & Benefits Payable	22,336	494		2,664
Unspent Grant Allocation				
Total Liabilities	<u>30,904</u>	<u>1,231</u>	<u>96,083</u>	<u>5,718</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$30,904</u>	<u>\$1,231</u>	<u>\$96,083</u>	<u>\$5,718</u>

LAPWAI SCHOOL DISTRICT NO. 341
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Title V-B ESSA REI	Title VII-A Indian Education	Johnson O'Malley	Title II-A ESEA SEI
Assets				
Cash & Investments	\$3,501		\$86,707	\$1,929
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$148,608		497
Prepaid Expenditures				
Due From Other Funds				
Total Assets	\$3,501	\$148,608	\$86,707	\$2,426
Liabilities				
Accounts Payable		\$36,582	\$430	
Due To Other Funds		3,001		
Salaries & Benefits Payable	\$3,501	109,025	8,353	\$2,426
Unspent Grant Allocation				
Total Liabilities	3,501	148,608	8,783	2,426
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs			77,924	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	77,924	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$3,501	\$148,608	\$86,707	\$2,426

LAPWAI SCHOOL DISTRICT NO. 341
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>
	<u>Title IV-B ESEA 21st CCLC</u>	<u>Gear Up</u>	<u>CRF</u>	<u>Bus Depreciation Fund</u>
Assets				
Cash & Investments				\$67,277
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$55,224	\$7,812	\$6,042	
Prepaid Expenditures				
Due From Other Funds				
Total Assets	<u>\$55,224</u>	<u>\$7,812</u>	<u>\$6,042</u>	<u>\$67,277</u>
Liabilities				
Accounts Payable	\$177			
Due To Other Funds	21,131	\$3,721		
Salaries & Benefits Payable	33,916	4,091		
Unspent Grant Allocation			\$6,042	
Total Liabilities	<u>55,224</u>	<u>7,812</u>	<u>6,042</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				67,277
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,277</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$55,224</u>	<u>\$7,812</u>	<u>\$6,042</u>	<u>\$67,277</u>

LAPWAI SCHOOL DISTRICT NO. 341
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Total
Assets	
Cash & Investments	\$318,257
Receivables:	
Local Sources	19,450
State Sources	0
Federal Sources	754,287
Prepaid Expenditures	0
Due From Other Funds	0
Total Assets	\$1,091,994
 Liabilities	
Accounts Payable	\$43,151
Due To Other Funds	220,835
Salaries & Benefits Payable	265,766
Unspent Grant Allocation	245,594
Total Liabilities	775,346
 Deferred Inflows of Resources	
Unavailable Tax Revenues	0
Total Deferred Inflows of Resources	0
 Fund Balances	
Restricted:	
Special Programs	249,371
Debt Service	0
Capital Projects	67,277
Unassigned	0
Total Fund Balances	316,648
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,091,994

LAPWAI SCHOOL DISTRICT NO. 341
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Grants Nez Perce Tribe and Others	Nez Perce Tribe Job Skills	Student Activity	Professional Technical
Revenues				
Local Taxes				
Other Local Revenue	\$53,595	\$10,000	\$179,386	
State Revenue				\$22,970
Federal Revenue	3,374			
Total Revenues	<u>56,969</u>	<u>10,000</u>	<u>179,386</u>	<u>22,970</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	39,310	4,708		22,970
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			175,748	
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>39,310</u>	<u>4,708</u>	<u>175,748</u>	<u>22,970</u>
Excess (Deficiency) of Revenues Over Expenditures	17,659	5,292	3,638	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	17,659	5,292	3,638	0
Fund Balances - Beginning	<u>72,995</u>	<u>593</u>	<u>71,270</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$90,654</u></u>	<u><u>\$5,885</u></u>	<u><u>\$74,908</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, 2023

	Special Revenue Funds			
	Title I-A			
	ESSER III	ESSA IBP	ESSER I	ESSER II
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$795,287	\$178,766	\$153	\$1,248
Total Revenues	<u>795,287</u>	<u>178,766</u>	<u>153</u>	<u>1,248</u>
Expenditures				
Instructional Programs				
Elementary School	559,226	166,906		1,248
Secondary School	222,969	11,860	153	
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	13,092			
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				
Total Expenditures	<u>795,287</u>	<u>178,766</u>	<u>153</u>	<u>1,248</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

LAPWAI SCHOOL DISTRICT NO. 341
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title IV-A ESSA SS & AE
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$137,275	\$3,473	\$396,344	\$16,065
Total Revenues	<u>137,275</u>	<u>3,473</u>	<u>396,344</u>	<u>16,065</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				16,065
Alternative School				
Special Education	137,275			
Special Education Preschool		3,473		
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services			462,986	
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				
Total Expenditures	<u>137,275</u>	<u>3,473</u>	<u>462,986</u>	<u>16,065</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	(66,642)	0
Other Financing Sources (Uses)				
Transfers In			66,642	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>66,642</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

LAPWAI SCHOOL DISTRICT NO. 341
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	Special Revenue Funds			
	Title V-B ESSA REI	Title VII-A Indian Education	Johnson O'Malley	Title II-A ESEA SEI
Revenues				
Local Taxes				
Other Local Revenue			\$1,382	
State Revenue				
Federal Revenue	\$24,495	\$757,173	49,319	\$42,610
Total Revenues	<u>24,495</u>	<u>757,173</u>	<u>50,701</u>	<u>42,610</u>
Expenditures				
Instructional Programs				
Elementary School	24,495		4,379	
Secondary School		742,489	41,712	
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				42,610
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				
Total Expenditures	<u>24,495</u>	<u>742,489</u>	<u>46,091</u>	<u>42,610</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	14,684	4,610	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out		(14,684)		
Total Other Financing Sources (Uses)	<u>0</u>	<u>(14,684)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>4,610</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>73,314</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$77,924</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, 2023

	Special Revenue Funds			Capital Projects
	Title IV-B ESEA 21st CCLC	Gear Up	CRF	Bus Depreciation Fund
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$142,309	\$24,767	\$78,911	
Total Revenues	<u>142,309</u>	<u>24,767</u>	<u>78,911</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School	142,309		45,731	
Secondary School		24,054	31,172	
Alternative School				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement		713	2,008	
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				67,026
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				
Total Expenditures	<u>142,309</u>	<u>24,767</u>	<u>78,911</u>	<u>67,026</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	(67,026)
Other Financing Sources (Uses)				
Transfers In				46,535
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,535</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,491)</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,768</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$67,277</u>

LAPWAI SCHOOL DISTRICT NO. 341
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Total
Revenues	
Local Taxes	\$0
Other Local Revenue	244,363
State Revenue	22,970
Federal Revenue	2,651,569
Total Revenues	2,918,902
Expenditures	
Instructional Programs	
Elementary School	944,294
Secondary School	1,157,462
Alternative School	0
Special Education	137,275
Special Education Preschool	3,473
Gifted & Talented	0
Interscholastic	0
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	0
Special Education Support Services	462,986
Instruction Improvement	45,331
Educational Media	0
Instruction-Related Technology	0
Board of Education	0
District Administration	0
School Administration	0
Business Operation	0
Buildings - Care	13,092
Maintenance - Non-Student Occupied	0
Maintenance - Student Occupied	0
Maintenance - Grounds	0
Security	0
Pupil-To-School Transportation	67,026
Pupil-Activity Transportation	0
General Transportation	0
Non-Instructional Programs	
Child Nutrition	0
Community Services	0
Student Activity	175,748
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	3,006,687
Excess (Deficiency) of Revenues	
Over Expenditures	(87,785)
Other Financing Sources (Uses)	
Transfers In	113,177
Transfers Out	(14,684)
Total Other Financing Sources (Uses)	98,493
Net Change in Fund Balances	10,708
Fund Balances - Beginning	305,940
Fund Balances - Ending	\$316,648

LAPWAI SCHOOL DISTRICT NO. 341
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Nez Perce County:</i>			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	None	\$358
Total Forest Service Schools and Roads Cluster			<u>358</u>
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	202222/202323N119947	109,258
National School Lunch Program	10.555	202222/202323N119947	326,355
Summer Food Service Program for Childrer	10.559	202222N119947	16,776
Fresh Fruit & Vegetable Program	10.582	202221/202322L160347	21,773
Total Child Nutrition Cluster			<u>474,162</u>
Child & Adult Care Food Program	10.558	202222/202323N119947	<u>24,363</u>
Total US Dept of Agriculture			<u>498,883</u>
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	76,903
Total US Dept of Treasury			<u>76,903</u>
US Dept of the Interior			
<i>Passed Through Superintendent of Public Instruction:</i>			
477 Cluster:			
Indian Education - Assistance to Schools	15.130	None	46,091
Total 477 Cluster			<u>46,091</u>
Total US Dept of Interior			<u>46,091</u>
National Endowment for the Arts			
<i>Passed Through National Endowment for the Arts:</i>			
Promotion of the Arts Partnership Agreements	45.025	119620220823P435000110	3,374
Total National Endowment for the Arts			<u>3,374</u>
US Dept of Education			
<i>Direct Programs:</i>			
Impact Aid	84.041A		2,665,271
Indian Education - Grants to Local Educational Agencies	84.060A		757,173
Rural Education	84.358A		24,495
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A220088	137,275
Special Education - Preschool Grants	84.173A	H173A220030	3,473
Total Special Education Cluster			<u>140,748</u>
Title I Grants to Local Educational Agencies	84.010A	S010A21/220012	166,906
Twenty-First Century Community Learning Center:	84.287A	S287C21/220012	142,309
Special Education - State Personnel Development	84.323A	H323A200002	2,008
Gaining Early Awareness & Readiness for Undergraduats	84.334A	P334S180012	24,767
Supporting Effective Instruction State Grants	84.367A	S367A21/220011	42,610
School Improvement Grants	84.377A	S010A220012	11,860
Student Support & Academic Enrichment	84.424A	S424A220013	16,065
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	1,401
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	795,287
Total	84.425		<u>796,688</u>
Total US Dept of Education			<u>4,790,900</u>
US Dept of Health & Human Services			
<i>Passed Through Idaho Dept of Education:</i>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	119820230404P587000040	\$23,182
Total US Dept of Health & Human Services			<u>23,182</u>
Total Expenditures of Federal Awards			<u>\$5,439,333</u>

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No awards were passed through to subrecipients. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

Board of 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, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated July 31, 2023. In our report, we expressed a qualified opinion on the governmental activities as management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
July 31, 2023



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, 2023. The School’s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

Quest CPAs PLLC

Payette, Idaho
July 31, 2023

LAPWAI SCHOOL DISTRICT NO. 341
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Major program identification:

- a. Child Nutrition Cluster – AL #10.553, 10.555, 10.559, 10.582
- b. Impact Aid – AL #84.041A
- c. COVID-19 - Elementary and Secondary School Emergency Relief Fund – AL #84.425D, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – AL #84.425U
- d. Indian Education – Grants to Local Educational Agencies – AL #84.060A

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

Auditee qualified as a low-risk auditee? No