AVERY SCHOOL DISTRICT NO. 394

Avery, Idaho

Audited Financial Statements
For the Year Ended June 30, 2024

AVERY SCHOOL DISTRICT NO. 394

Avery, Idaho

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HAYDEN ROSS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Avery School District No. 394
Avery, Idaho 83802

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 Avery School District No. 394, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
General Fund	Unmodified
Capital Projects Fund	Unmodified
Other Local Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Governmental Activities

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Avery School District No. 394 as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on General Fund, Capital Projects Fund, Other Local Fund, and Aggregate Remaining Fund Information

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 Avery School District No. 394, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Avery School District No. 394, 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Avery School District No. 394 believes the cost of adopting GASB 75 cannot be justified at the present time. The District believes the future cost of the implicit rate subsidy built into the current health care premiums is not material to the financial statements. The amount by which this GAAP departure would affect the liabilities and net position of the Statement of Net Position is not determinable.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 District'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 Responsibilities 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 Avery School District No. 394'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 Avery School District No. 394'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 management's discussion and analysis on pages 7 through 11, the budgetary comparison schedules on pages 38 through 39, the net pension (asset) liability related schedules on page 40, and the net OPEB asset – sick leave plan related schedules on page 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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 inquires, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Avery School District No. 394's basis financial statements. The accompanying combining and individual nonmajor fund financial statements is 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 to 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 10, 2024 on our consideration of Avery School District No. 394's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Avery School District No. 394's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
October 10, 2024

HAYDEN ROSS

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*

To the Board of Trustees
Avery School District No. 394
Avery, Idaho 83802

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 governmental activities, each major fund, and the aggregate remaining fund information of Avery School District No. 394, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Avery School District No. 394's basic financial statements, and have issued our report thereon dated October 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Avery School District No. 394'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 Avery School District No. 394's internal control. Accordingly, we do not express an opinion on the effectiveness of Avery School District No. 394'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Avery School District No. 394's financial statements are free from 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 financial statements. 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.*

Avery School District No. 394's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Avery School District No. 394's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Avery School District No. 394's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
October 10, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

The management's discussion and analysis of the financial performance of Avery School District No. 394 provides an overall narrative review of the District's financial activities for the year ended June 30, 2024. Efforts have been made to provide comparison to prior year data when such data is available. The intent of this discussion and analysis is to look at the District's performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance. Information contained in the section is qualified by the more detailed information contained elsewhere in the District's financial statements, notes to financial statements and any accompanying supplementary information. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- The School Board voted to use part of the proceeds from the sale of the Avery School Buildings and Property to provide a scholarship program for students who graduate from Calder Elementary to use towards secondary education courses.

- Enrollment has remained steady in the last couple years and spending had been kept within budget limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components:

1) Government-wide Financial Statements
2) Fund Financial Statements, and
3) Notes to the Financial Statements

This report also contains other required supplementary information in addition to the basic financial statements themselves.

<u>Government-wide Financial Statements.</u> The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements outline functions of the District that are principally supported by state revenues, property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, and support services.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, which can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported in the government-wide statements. Therefore, a reconciliation of the differences between the governmental funds and the government-wide statements is included as a separate statement.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information. The budgetary comparison schedules, the net pension (asset) liability related schedules, and the other post-employment benefit schedules provides additional information required by GASB.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds as well as the other supplementary information are presented immediately following the notes to the financial statements.

Net Position. Table 1 provides a summary comparison of the District's net position at June 30, 2024 and 2023. Net position may serve as a useful indicator of the District's financial position.

Table 1
Statement of Net Position

Assets	**June 30, 2024**	**June 30, 2023**	**Change**
Current assets	1,115,080	1,166,423	(51,343)
Capital assets	378,868	371,396	7,472
Noncurrent assets	7,478	7,845	(367)
Total assets	1,501,426	1,545,664	(44,238)
Deferred Outflows of Resources	132,363	116,045	16,318
Liabilities			
Current liabilities	73,671	66,593	7,078
Noncurrent liabilities	208,660	157,016	51,644
Total liabilities	282,331	223,609	58,722
Deferred Inflows of Resources	272,074	199,629	72,445
Net Position			
Net investment in capital assets	378,868	371,396	7,472
Restricted	51,742	71,157	(19,415)
Unrestricted	648,774	795,918	(147,144)
Total Net Position	**$ 1,079,384**	**$ 1,238,471**	**$ (159,087)**

Total net position decreased by $159,087, or 12.85%, primarily due to the decrease in revenues. Net investment in capital assets represent the net book value of any capital assets (e.g., buildings, equipment, vehicles, etc.). Because the District uses capital assets to provide services to students, these assets are not available for future spending. Restricted net position are those assets that must be spent for specific purposes, and are not available to be spent on general purposes. Unrestricted net position represent those assets which the District has that are available for general purposes.

Changes in Net Position. Table 2 provides a summary comparison of the changes in the net position for the fiscal year ended June 30, 2024 and 2023.

Table 2
Changes in Net Position

Revenues	**2023-2024**	**2022-2023**	**Change**
Program revenues:			
Operating grants and contributions	66,174	277,760	(211,586)
General revenues:			
Taxes	168,551	167,830	721
Federal and State revenues	465,375	419,701	45,674
Interest and investment earnings	47,265	27,658	19,607
Other	17,835	276	17,559
Total Revenues	765,200	893,225	(128,025)
Expenses			
Instructional services	456,455	423,424	33,031
Support services:			
Pupil support	1,561	1,501	60
General administration	234,438	221,157	13,281
Maintenance	63,418	80,224	(16,806)
Transportation	112,349	80,231	32,118
Capital objects	14,011	1,999	12,012
Depreciation, unallocated	42,055	38,115	3,940
Total Expenses	924,287	846,651	77,636
Change in Net Position	(159,087)	46,574	(205,661)
Net Position – Beginning	1,238,471	1,191,897	46,574
Net Position – Ending	$ 1,079,384	$ 1,238,471	$ (159,087)

As shown in Table 2, local property taxes represented approximately 22.03% and 18.79% of the District's total revenues for 2024 and 2023, respectively. The District had total expenses of $924,287 for 2024, of which was greater than revenues by $159,087.

Financial Analysis of the District's Funds

The District completed the fiscal year ended June 30, 2024 with total governmental fund balances of $767,304. The District has taken a very conservative approach to the expenditures of the District's funds due to the continued threat from the state legislature of funding "holdbacks" and the depressed economic conditions that exist within the District. The Rural Education Assistance Program requires annual reauthorization by Congress. These dollars are used to supplement other federal grants. However, they can be terminated by Congress.

General Fund Budgetary Highlights

The District adopts an original budget in June for the subsequent year. The budget, if required, is amended later in the fiscal year, typically in the late spring, following determination of the first attendance period and certification of all levies on property taxes. State revenues are primarily driven through the measurement of attendance for the first nine weeks of the school year. The budget was not amended for the current year. The budget is presented on page 38 and reflects a positive variance of $69,026 in revenues, primarily in state and federal revenue, and a negative variance of $160,190 in expenditures, primarily due to increased costs overall.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The District replaced the gym roof and installed new carpet in the current year.

Debt Administration – The District has no debt.

Factors Bearing on the District's Future

- The State Legislature transferred the financial obligation for maintenance and operation levy to the State Department of Education. A Budget Stabilization Levy is authorized under the Legislation. Although an effort was made, under the Legislation, to supports District's that were previously considered as "Floored" Districts, the Budget Stabilization Levy does not include a growth factor. It is anticipated this loss will be small the first year, but without a growth factor in the Budget Stabilization Levy, future revenue loss has become significant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sheila Cottier, Business Manager, Avery School District No. 394, P.O. Box 7, Avery, Idaho 83802.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2024

ASSETS		
Current assets:		
Cash	21,016	
Investments	830,992	
Taxes receivable	7,934	
Unbilled taxes receivable	163,594	
Other receivables:		
Due from other governments	76,265	
Other receivables	3,599	
Prepaid items	11,680	
Total current assets	1,115,080	
Noncurrent assets:		
Depreciated capital assets	838,075	
Less: accumulated depreciation	(459,207)	
Net OPEB asset - sick leave	7,478	
Total noncurrent assets	386,346	
Total assets		1,501,426
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	127,170	
Net OPEB - sick leave related items	5,193	
Total deferred outflows of resources		132,363
LIABILITIES		
Current liabilities:		
Accounts payable and other current liabilities	73,671	
Noncurrent liabilities:		
Net pension liability	208,660	
Total liabilities		282,331
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	163,594	
Deferred grant revenue	104,131	
Net OPEB - sick leave related items	4,019	
Pension related items	330	
Total deferred inflows of resources		272,074
NET POSITION		
Net investment in capital assets	378,868	
Restricted for:		
Capital projects	44,264	
Net OPEB asset - sick leave	7,478	
Unrestricted	648,774	
Total net position		$ 1,079,384

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	456,455	-	66,174	-	(390,281)
Support services:					
Pupil support	1,561	-	-	-	(1,561)
General administration	234,438	-	-	-	(234,438)
Maintenance	63,418	-	-	-	(63,418)
Transportation	112,349	-	-	-	(112,349)
Capital outlay	14,011	-	-	-	(14,011)
Depreciation, unallocated	42,055	-	-	-	(42,055)
Total governmental activities	924,287	-	66,174	-	(858,113)
Total school district	$ 924,287	$ -	$ 66,174	$ -	$ (858,113)
General revenues:					
Taxes					168,551
Federal and state revenue					465,375
Interest and investment earnings					47,265
Other					17,835
Total general revenues					699,026
Change in net position					(159,087)
Net position-beginning					1,238,471
Net position-ending					$ 1,079,384

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024

	General	Other Local	Capital Projects	Nonmajor Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	21,016	-	-	-	21,016
Investments	830,992	-	-	-	830,992
Due from other funds	-	178,400	44,264	112,967	335,631
Taxes receivable	7,934	-	-	-	7,934
Unbilled taxes receivable	163,594	-	-	-	163,594
Other receivables:					
Due from other governments	67,427	-	-	8,838	76,265
Other receivables	3,599	-	-	-	3,599
Prepaid items	11,680	-	-	-	11,680
Total assets	1,106,242	178,400	44,264	121,805	1,450,711
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,106,242	$ 178,400	$ 44,264	$ 121,805	$ 1,450,711
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	35,172	-	-	-	35,172
Due to other funds	335,631	-	-	-	335,631
Accrued payroll and benefits	38,499	-	-	-	38,499
Total liabilities	409,302	-	-	-	409,302
Deferred inflows of resources:					
Deferred revenue	6,380	-	-	-	6,380
Deferred grant revenue	44,160	-	-	59,971	104,131
Unavailable property tax revenue	163,594	-	-	-	163,594
Total deferred inflows of resources	214,134	-	-	59,971	274,105
Fund balances:					
Nonspendable	11,680	-	-	-	11,680
Assigned	-	81,500	-	-	81,500
Restricted	-	-	44,264	-	44,264
Unassigned	471,126	96,900	-	61,834	629,860
Total fund balances	482,806	178,400	44,264	61,834	767,304
Total liabilities, deferred inflows of resources and fund balances	$ 1,106,242	$ 178,400	$ 44,264	$ 121,805	$ 1,450,711

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2024

Total fund balances-governmental funds	767,304
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 as assets in government funds:	
Cost of capital assets	838,075
Accumulated depreciation	(459,207)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	6,380
Total Net OPEB asset for PERSI sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds.	7,478
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	127,170
Deferred inflow of resources	(330)
Certain Net OPEB - sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	5,193
Deferred inflow of resources	(4,019)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
Net pension liability	(208,660)
Total net position-governmental activities	$ 1,079,384

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	General	Other Local	Capital Projects	Nonmajor Funds	Total Governmental Funds
REVENUES					
Local	237,287	-	-	-	237,287
State	454,442	-	-	10,933	465,375
Federal	33,044	-	-	33,130	66,174
Total revenues	724,773	-	-	44,063	768,836
EXPENDITURES					
Instruction	366,908	35,000	-	35,225	437,133
Support	396,951	10,000	-	-	406,951
Capital asset program	21,881	-	31,657	-	53,538
Total expenditures	785,740	45,000	31,657	35,225	897,622
Excess (deficiency) of revenue over (under) expenditures	(60,967)	(45,000)	(31,657)	8,838	(128,786)
Other financing sources (uses)					
Transfer in	-	-	4,764	-	4,764
Transfer out	(4,764)	-	-	-	(4,764)
Total other financing sources (uses)	(4,764)	-	4,764	-	-
Net change in fund balance	(65,731)	(45,000)	(26,893)	8,838	(128,786)
Fund balance-beginning of year	548,537	223,400	71,157	52,996	896,090
Fund balance-end of year	$ 482,806	$ 178,400	$ 44,264	$ 61,834	$ 767,304

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds		(128,786)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:		
Capital outlays	49,527	
Depreciation expense	(42,055)	
		7,472
Net pension (asset) liability adjustments:		
Fiscal year 2023 employer PERSI contributions recognized as pension expense in the current year	(26,545)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	29,820	
Pension related amortization expense	(36,192)	
		(32,917)
Net OPEB - sick leave adjustment:		
Fiscal year 2023 employer PERSI Sick Leave contributions recognized as pension expense in the current year	-	
Fiscal year 2024 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization expense	(1,220)	
		(1,220)
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are recorded as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		(3,636)
Total change in net position - governmental activities		$ (159,087)

NOTE 1 Summary of Significant Accounting Policies

The financial statements of Avery School District No. 394 have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity - Avery School District No. 394 ("the District") is governed by a five-member Board of Trustees ("the Board"), which has governance responsibilities over all activities related to public elementary and secondary school education within the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. The District is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since board members are elected by the public; have decision-making authority; have the power to designate management; have the responsibility to significantly influence operations; and have primarily accountability for fiscal matters. Additionally, the District has no component units which are required to be included in its reporting entity.

Basis of Presentation, Fund Accounting - Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

- Management's Discussion and Analysis: The management's discussion and analysis introduces the basic financial statements and provides and analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

- Government-Wide Financial Statements: The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, report information on all of the non-fiduciary activities of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.

  The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program of function. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District. The District does not charge indirect expenses to programs of functions. Program revenues include (a) fees, fines and charges paid by the recipient of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a popular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

- Fund Financial Statements**:** The fund financial statements provide information on the District's funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund. The general fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

- Capital Projects Funds. These funds are used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property, as well as bus replacement.

- Other Local Fund. This fund is used to account for proceeds from the sale of Avery School property. Scholarships, additional Field Trips, and other activities will be spent from this fund.

Budgetary Comparison Schedules - Budgetary comparison schedules are presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budgets. The District may revise the original budgets over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information continues to be provided, and includes comparisons of the District's original adopted budgets to the final budgets and actual results.

Basis of Accounting - The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Grant funds are considered available when the program expenses have been incurred. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences and early retirement liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under right-of-use leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Use of Restricted Resources and Fund Balance Spending Policy - When expenditures qualify to be paid out of both restricted and unrestricted resources, it is the policy of the District to use restricted resources first. The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

Budgets - Budgets are adopted on a modified accrual basis, consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund. This is in conformance with Idaho State Statutes which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

a) The District publishes a proposed budget for public review.
b) Public hearings are set to obtain taxpayer comments.
c) Prior to July 1, the budget is adopted by resolution of the Board of Trustees and published.

NOTE 1 Summary of Significant Accounting Policies (Continued)

d) The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts.

During the fiscal year ended June 30, 2024, the budget was not amended.

Cash and Investments - The District's cash includes amounts in demand deposits and checking/savings accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow school districts within the State of Idaho to pool their funds for investments purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Receivables - Receivables shown on the governmental fund financial statements are those for which payment was received within 60 days after the financial statement date. All receivables, regardless of when they are collected, are recognized in the government-wide financial statements. Such receivables are shown net of any allowances for uncollectible amounts.

Short-Term Interfund Loans Receivable/Payable - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables". Interfund balances have been eliminated, where applicable, on the statement of net position.

General Capital Assets - Capital assets are reported in the government-wide financial statements, and are reported as expenditures in the governmental fund financial statements. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation, less accumulated depreciation. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized.

The District uses a capitalization threshold of $5,000. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the Statement of Activities.

NOTE 1 Summary of Significant Accounting Policies (Continued)

All reported capital assets except land and construction in progress are depreciated. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	Years
Buildings, building improvements and portable units	15 to 40
Furniture and equipment	5 to 10
Buses	10
Other vehicles	3 to 5

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Liabilities - Liabilities shown on the fund financial statements are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year and are reported as expenditures and fund liability of the governmental fund that will pay it. On the government-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

Compensated Absences - The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absence* (GASB No. 16). Compensated absences consist of accumulated personal and vacation leave balances that are unpaid by the financial statement date.

Under the terms of association agreements, employees earn vacation in amounts that vary based on tenure and classification. At the end of the current fiscal year, there were no employees working for the District with any unused vacation leave.

When an employee terminates employment with the District, unused vacation leave hours are paid at the employee's current hourly rate. Employees are not compensated for sick leave upon termination of employment.

At June 30, 2024, the District did not record a liability for compensated absences as no vacation or sick leave amounts were payable.

The District has a Sick Leave Bank which represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day. All contributing members contribute one day of sick leave at the date of hire.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Pensions - For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. All governmental funds with salaries are used to liquidate the net pension liability during the year based on a proportion of salaries in each fund compared to total salaries of the District.

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB asset sick leave, deferred outflows of resources and deferred inflows of resources related to OPEB sick leave, and OPEB sick leave expense (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Encumbrances - Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

All encumbrances outstanding at year-end are reported either as committed fund balance or assigned fund balance in the general fund, or as restricted fund balance in other funds, if any. At June 30, 2024, there were no significant encumbrances.

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

Fund Balance - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet

NOTE 1 Summary of Significant Accounting Policies (Continued)

the criteria to be classified as restricted or committed. *Unassigned* fund balance is the residual portion of fund balance for the District's general fund and includes all spendable amounts not included in the other classifications.

Restricted balances are as follows:

- **Capital Projects -** The capital projects accounts for the acquisition of capital assets or construction of major capital projects in the school and grounds.

Assigned balances are as follows:

- **Scholarship assignments –** The Board of Trustees has assigned $81,500 for student scholarships.

Nonspendable balances are as follows:

- **Prepaid items –** insurance premiums

Unavailable Property Tax Revenue - Unavailable property tax revenue in the general fund represents the property taxes levied for 2024 that are measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

Deferred Grant Revenue - The District receives financial assistance from governmental agencies in the form of grants which are accounted for in special revenue funds. Revenue is deemed available and thus recognized when applicable program expenditures are recorded. Funds received but not available at June 30, 2024, are recorded as deferred grant revenue.

Subsequent Events - Subsequent events have been evaluated through the date of the auditor's report, the date as of which these financial statements are issued. Management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended June 30, 2024, there was one new GASB statement that became effective. The adoption of the statement has the following effect for the District:

GASB Statement No. 100, *Accounting Changes and Error Corrections* - This statement delineates required note disclosures when there is a reported accounting change or correction of an error. This statement did not have an effect on the financial reporting of the District.

NOTE 3 Property Taxes

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2024, the District has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was $220,413,206. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

The total tax levy (per $100 of value) for the year was as follows:

	Percentage	Amount
Supplemental	7.43%	$163,964

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general fund in the amount of $163,594. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

Deferred Revenue

To the extent property taxes are not collected within 60 days of the end of the accounting period, a deferred revenue amount has been recorded.

	General Fund
Total taxes receivable at June 30, 2024	7,934
Less: Taxes received in August from County	(1,554)
Deferred revenue at June 30, 2024	$ 6,380

NOTE 4 Cash and Investments

Cash	Carrying Amount	Bank Balance
Checking Accounts	$ 21,016	$ 60,824

Deposits were with US Bank of which $250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance.

NOTE 4 Cash and Investments (Continued)

Investments

Investment Maturities

External Investment Pool	Book Value	Market Value	Less than 1 Year	1-8 Years
State Investment Pool	$ 830,992	$ 830,992	$ 830,992	$ -

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are 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 of notice.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The District does not have a policy regarding interest rate risk.

NOTE 4 Cash and Investments (Continued)

Concentration of credit risk is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any on issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District does not have a policy limiting the amount it may invest in any one issuer.

NOTE 5 Capital Assets

A summary of changes in general capital assets for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Nondepreciable assets:					
Construction in progress	18,000	31,173	-	(49,173)	-
Depreciable assets:					
Buildings and building improvements	324,154	18,354	-	49,173	391,681
Furniture and equipment	296,878	-	-	-	296,878
Buses and vehicles	149,516	-	-	-	149,516
Total depreciable assets	770,548	18,354	-	49,173	838,075
Total governmental activities	788,548	49,527	-	-	838,075
Accumulated depreciation					
Buildings and building improvements	(167,725)	(12,018)	-	-	(179,743)
Furniture and equipment	(140,407)	(21,039)	-	-	(161,446)
Buses and vehicles	(109,020)	(8,998)	-	-	(118,018)
Total accumulated depreciation	(417,152)	(42,055)	-	-	(459,207)
Capital assets (net)	$ 371,396	$ 7,472	$ -	$ -	$ 378,868

NOTE 6 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2023. All amounts are as of June 30, 2023 unless otherwise noted.

Plan Description

The District 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.

Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. 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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024 it was 6.71% for general employees and 7.62% for school members. The employer contribution rate is set by the Retirement Board and was 11.18% of covered compensation for general employees and 12.69% for school members. The District's employer contributions required and paid were $29,820 for the year ended June 30, 2024.

NOTE 6 Pension Plan (Continued)

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

At June 30, 2024 the District reported a liability of $208,660, for its proportionate share of the net pension (asset) liability as of June 30, 2023. The net pension (asset) liability was measured as of June 30, 2023, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension (asset) liability was based on the District'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, 2023, the District's proportion was 0.00522870%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2024 has not been completed at the time of issuance. The pension expense (revenue) for the year ended June 30, 2023 was calculated at $55,934.

At June 30, 2024, the District 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	35,766	-
Changes in assumptions or other inputs	20,662	-
Changes in proportionate share	21,336	330
Net difference between projected and actual earning on pension plan investments	19,586	-
Employer contributions subsequent to the measurement date	29,820	-
Total	$ 127,170	$ 330

$29,820 is reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ended June 30, 2025.

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

For the Year Ending June 30,	Amount to be Recognized
2025	27,032
2026	12,703
2027	39,517
2028	(3,239)
2029	21,007

NOTE 6 Pension Plan (Continued)

Actuarial Assumptions

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost of living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

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

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. 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 PERSI'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.

NOTE 6 Pension Plan (Continued)

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 (asset) 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) liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension (asset) liability to changes in the discount rate.

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's 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 (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	$ 375,284	$ 208,660	$ 72,477

Pension plan fiduciary net position

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

NOTE 6 Pension Plan (Continued)

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.

Payables to the pension plan

At June 30, 2024, the District reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 7 Contingencies Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 government expects such amounts to be immaterial.

NOTE 8 Excess of Actual Expenditures Over Budget in Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2024:

Fund	Excess
General Fund	160,190
Title VI-B, ESEA - Rural Education Achievement Programs	5,882

NOTE 9 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning nonmajor funds including:

Interfund Transfers - Transfers to support the operations of other funds are recorded as “Transfers” and are classified with “Other financing sources or uses”. The composition of interfund transfers as of June 30, 2024 was as follows:

	Out	In
General Fund	4,764	-
Bus Acquisition Fund	-	4,764
Total	$ 4,764	$ 4,764

NOTE 9 Interfund Receivables, Payables and Transfers (Continued)

The composition of interfund receivables and payables as of June 30, 2024 was as follows:

	Due from Other Funds	Due to Other Funds
General Fund	-	335,631
Plant Facility Fund	-	-
Bus Acquisition Fund	44,264	-
Federal Forest Reserve Fund	52,996	-
Securing Our Future Grant	59,971	-
Other Local Fund	178,400	-
Total	$ 335,631	$ 335,631

NOTE 10 Risk Management

Insurance - The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims did not exceed coverage during any of the past three fiscal years. The District pays the State Worker's Compensation System based on a rate per $100 of compensation. The rate is calculated based on accident history and administrative costs.

The District provides life, accidental death and dismemberment as well as medical and dental insurance to most employees through a commercial insurance company.

Litigation - The District is occasionally named a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying district-wide financial statements, and accordingly, no provision for loss has been recorded.

NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan

In accordance with GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the year ended June 30, 2023. All amounts are as of June 30, 2023 unless otherwise noted.

Plan Description

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of

NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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 the Sick Leave Plan. 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.

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions

The contribution rate for employees are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended to June 30, 2026, therefore the District's contributions required and paid were $0 for the year ended June 30, 2024.

OPEB Liabilities, OPEB Expense (Expenses Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reported an asset of $7,478 for its proportionate share of the net OPEB asset as of June 30, 2023. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2023, the District's proportion was 0.0103052%.

The District's OPEB expense (expense offset) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2024 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ended June 30, 2023 was calculated at $1,413.

NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,508	96
Changes in assumptions or other inputs	1,788	2,974
Net difference between projected and actual earning on pension plan investments	1,897	-
Change in proportionate share	-	949
Total	$5,193	$4,019

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

For the Year Ending June 30:	Amount to be Recognized
2025	$577
2026	$283
2027	$1,314
2028	$(236)
2029	$(38)
Thereafter	$(726)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	5.45%
Health care trend rate	N/A*

NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

*Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement and is calculated as a fixed dollar amount that can be applied to premiums

The long-term expected rate of return on OPEB Fund 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 OPEB 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 approach used builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the 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.

Capital Market Assumptions

Asset Class	Target Allocation	Expected Real Rate of Return (Arithmetic)
Broad U.S. Equity	39.3%	4.90%
Developed Ex U.S. Equity	10.7%	4.78%
Fixed Income	50.0%	0.50%

Discount Rate

Discount rate – The discount rate used to measure the total OPEB liability was 5.45%. 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 Fund's 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 Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB asset to changes in the discount rate

The following presents the District's proportionate share of net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the District's proportionate share of the net OPEB

NOTE 11 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease (4.45%)	**Current Discount Rate (5.45%)**	**1% Increase (6.45%)**
Employer's proportionate share of the net OPEB liability (asset)	$(5,033)	$(7,478)	$(9,714)

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in a 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.

Payable to the OPEB plan

At June 30, 2024, the District reported payables to the defined benefit OPEB plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

				Variances Favorable (Unfavorable)	
	Original Budget	Final Budget	Actual	Original to Actual	Final to Actual
REVENUES					
Local:					
Taxes	168,976	168,976	172,187	3,211	3,211
Earnings on investments	1,024	1,024	47,265	46,241	46,241
Other local	-	-	17,835	17,835	17,835
Total local	170,000	170,000	237,287	67,287	67,287
State:					
Base support program	295,542	295,542	274,723	(20,819)	(20,819)
Transportation support	93,937	93,937	91,279	(2,658)	(2,658)
Benefit apportionment	44,218	44,218	44,155	(63)	(63)
Other state revenue	52,050	52,050	44,285	(7,765)	(7,765)
Total state	485,747	485,747	454,442	(31,305)	(31,305)
Federal:					
Restricted	-	-	33,044	33,044	33,044
Total revenues	655,747	655,747	724,773	69,026	69,026
EXPENDITURES					
Instruction:					
Salaries	182,477	182,477	193,260	(10,783)	(10,783)
Benefits	69,570	69,570	71,640	(2,070)	(2,070)
Purchased services	40,500	40,500	78,500	(38,000)	(38,000)
Supplies-materials	15,000	15,000	23,508	(8,508)	(8,508)
Total instruction	307,547	307,547	366,908	(59,361)	(59,361)
Support:					
Salaries	156,523	156,523	177,563	(21,040)	(21,040)
Benefits	70,430	70,430	64,227	6,203	6,203
Purchased services	56,500	56,500	116,479	(59,979)	(59,979)
Supplies-materials	21,550	21,550	27,536	(5,986)	(5,986)
Insurance-judgment	13,000	13,000	11,146	1,854	1,854
Total support	318,003	318,003	396,951	(78,948)	(78,948)
Capital asset program:					
Purchased services	-	-	14,011	(14,011)	(14,011)
Capital objects	-	-	7,870	(7,870)	(7,870)
Total capital asset program	-	-	21,881	(21,881)	(21,881)
Total expenditures	625,550	625,550	785,740	(160,190)	(160,190)
Excess (deficiency) of revenues over (under) expenditures	30,197	30,197	(60,967)	(91,164)	(91,164)
Other financing sources (uses)					
Transfer out	-	-	(4,764)	(4,764)	(4,764)
Net change in fund balance	$ 30,197	$ 30,197	(65,731)	$ (95,928)	$ (95,928)
Fund balance-beginning of year			548,537		
Fund balance-end of year			$ 482,806		

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable) Original to Actual	Final to Actual
REVENUES					
State support	6,000	6,000	-	6,000	6,000
EXPENDITURES					
Capital asset program:					
Capital objects	-	-	31,657	(31,657)	(31,657)
Total expenditures	-	-	31,657	(31,657)	(31,657)
Excess (deficiency) of revenues over (under) expenditures	6,000	6,000	(31,657)	(37,657)	(37,657)
Other financing sources (uses)					
Transfer in	-	-	4,764	4,764	4,764
Net change in fund balance	$ 6,000	$ 6,000	(26,893)	$ (32,893)	$ (32,893)
Fund balance-beginning of year			71,157		
Fund balance-end of year			$ 44,264		

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

Schedule of the District's Share of Net Pension (Asset) Liability
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	Unavailable	0.00522870%	0.00398643%	0.00375327%	0.0038030%	0.0035783%	0.0034453%	0.0031773%	0.0045965%	0.0611250%
Employer's proportionate share of the net pension (asset) liability	Unavailable	208,660	157,016	(2,964)	88,311	40,845	50,819	49,942	93,178	80,492
Employer's covered employee payroll	237,869	222,320	157,203	140,067	135,419	121,537	110,848	98,684	134,435	171,210
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	Unavailable	93.86%	99.88%	-2.12%	65.21%	33.61%	45.85%	50.61%	69.31%	47.01%
Plan fiduciary net position as a percentage of the total	Unavailable	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Schedule of District Contributions
PERSI - Base Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution - Class 1 Employees	2,707	2,410	1,704	1,518	1,468	1,249	1,139	1,014	1,381	1,759
Statutorily required contribution - Class 3 Employees	27,113	24,135	17,066	15,206	14,701	12,509	11,409	10,157	13,837	17,622
Total statutorily required contributions - All Employees	29,820	26,545	18,770	16,724	16,169	13,758	12,548	11,171	15,218	19,381
Contributions in relation to the statutorily required contribution	(29,820)	(26,545)	(18,770)	(16,724)	(16,169)	(13,758)	(12,548)	(11,171)	(15,218)	(19,381)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll - Class 1 employees	24,213	20,187	14,271	12,714	12,295	11,034	10,062	8,958	12,200	15,539
Employer's covered payroll - Class 3 employees	213,656	202,133	142,931	127,353	123,124	110,504	100,786	89,726	122,235	155,671
Contributions as a percentage of covered payroll - Class 1	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered payroll - Class 3	12.69%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

NOTES TO THE NET PENSION (ASSET) LIABILITY SCHEDULES
As of June 30, 2023 (most recently issued PERSI information)

Change of Assumptions. There were no change of assumptions as of June 30, 2023.

NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES

Schedule of the District's Share of Net OPEB Asset - Sick Leave Plan*
PERSI - OPEB Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Employer's portion of the net OPEB asset	Unavailable	0.0103052%	0.0103052%	0.0103052%	0.0103052%	0.0085952%	0.0082455%	0.0077491%
Employer's proportionate share of the net OPEB asset	Unavailable	7,478	7,845	14,965	12,689	8,233	6,839	5,948
Employer's covered payroll	24,213	20,187	14,271	12,714	12,295	11,034	10,062	8,958
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	37.04%	54.97%	117.71%	103.21%	74.62%	67.97%	66.40%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	124.33%	127.21%	152.61%	152.87%	138.51%	135.69%	136.78%

Schedule of the District's Contributions*
PERSI - OPEB Plan
As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	-	-	-	-	924	1,410	1,286	1,145
Contributions in relation to the statutorily required contribution	-	-	-	-	(924)	(1,410)	(1,286)	(1,145)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-
Employer's covered payroll	24,213	20,187	14,271	12,714	12,295	11,034	10,062	8,958
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	7.52%	12.78%	12.78%	12.78%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2023 (most recently issued PERSI information)

Change of Assumptions. There were no change of assumptions as of June 30, 2023.

SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION			
Elementary school program:			
Salaries	193,260	182,477	(10,783)
Benefits	71,640	69,570	(2,070)
Purchased services	49,993	10,500	(39,493)
Supplies-materials	23,508	15,000	(8,508)
Total elementary school program	338,401	277,547	(60,854)
Secondary school program:			
Purchased services	28,507	30,000	1,493
TOTAL INSTRUCTION			
Salaries	193,260	182,477	(10,783)
Benefits	71,640	69,570	(2,070)
Purchased services	78,500	40,500	(38,000)
Supplies-materials	23,508	15,000	(8,508)
Total instruction	$ 366,908	$ 307,547	$ (59,361)
SUPPORT			
Attendance - guidance - health program:			
Purchased services	1,561	1,300	(261)
Board of education program:			
Benefits	-	300	300
Purchased services	1,436	900	(536)
Supplies-materials	1,062	100	(962)
Total board of education program	2,498	1,300	(1,198)

GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
SUPPORT (Continued)			
District administration program:			
Salaries	144,744	120,523	(24,221)
Benefits	39,788	47,080	7,292
Purchased services	33,464	18,000	(15,464)
Supplies-materials	3,112	1,000	(2,112)
Total district administration program	221,108	186,603	(34,505)
Buildings-care program (custodial):			
Salaries	3,538	3,000	(538)
Benefits	3,017	2,500	(517)
Purchased services	19,840	26,800	6,960
Supplies-materials	-	150	150
Insurance-judgment	7,124	7,000	(124)
Total buildings-care program (custodial)	33,519	39,450	5,931
Maintenance-student-occupied buildings:			
Salaries	500	1,000	500
Benefits	1,597	1,650	53
Purchased services	22,435	4,000	(18,435)
Supplies-materials	4,872	5,300	428
Total maintenance-student-occupied buildings	29,404	11,950	(17,454)
Pupil-to-school transportation program:			
Salaries	28,781	32,000	3,219
Benefits	19,825	18,900	(925)
Purchased services	37,743	5,500	(32,243)
Supplies-materials	18,490	15,000	(3,490)
Insurance-judgment	4,022	6,000	1,978
Total pupil-to-school transportation program	108,861	77,400	(31,461)
TOTAL SUPPORT			
Salaries	177,563	156,523	(21,040)
Benefits	64,227	70,430	6,203
Purchased services	116,479	56,500	(59,979)
Supplies-materials	27,536	21,550	(5,986)
Insurance-judgment	11,146	13,000	1,854
Total support	$ 396,951	$ 318,003	$ (78,948)
CAPITAL ASSET PROGRAM			
Capital assets - student-occupied:			
Purchased services	14,011	-	(14,011)
Capital objects	7,870	-	(7,870)
Total capital assets - student-occupied	21,881	-	(21,881)
TOTAL CAPITAL ASSET PROGRAMS	$ 21,881	$ -	$ (21,881)

NONMAJOR SPECIAL REVENUE FUNDS

Federal Forest Reserve Fund – To account for unrestricted Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

Securing Our Future Grant Fund – To account for restricted State revenue to be spent on school safety upgrades.

Technology-State Fund – To account for restricted State revenue to be spent on training.

Title VI-B, ESEA – Rural Education Achievement Programs Fund – The Rural Education Achievement Program is designed to address the unique needs of rural school districts. These districts frequently lack personnel and resources needed to compete for federal competitive grants and often receive formula allocations that are too small to be used effectively for their intended purposes.

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Federal Forest Reserve	Securing Our Future Grant	Technology - State	Title VI-B, ESEA - Rural Education Achievement Programs	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Due from other funds	52,996	59,971	-	-	112,967
Due from other governments	8,838	-	-	-	8,838
Total assets	61,834	59,971	-	-	121,805
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 61,834	$ 59,971	$ -	$ -	$ 121,805
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities	-	-	-	-	-
Deferred inflows of resources:					
Deferred grant revenue	-	59,971	-	-	59,971
Fund balances:					
Unrestricted	61,834	-	-	-	61,834
Total liabilities, deferred inflows of resources and fund balances	$ 61,834	$ 59,971	$ -	$ -	$ 121,805

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Federal Forest Reserve	Securing Our Future Grant	Technology - State	Title VI-B, ESEA - Rural Education Achievement Programs	Total
REVENUES					
State:					
Other state support	-	-	10,933	-	10,933
Federal:					
Restricted	-	-	-	24,292	24,292
Unrestricted	8,838	-	-	-	8,838
Total federal	8,838	-	-	24,292	33,130
Total revenues	8,838	-	10,933	24,292	44,063
EXPENDITURES					
Instruction:					
Purchased services	-	-	-	24,292	24,292
Supplies-materials	-	-	10,933	-	10,933
Total instruction	-	-	10,933	24,292	35,225
Total expenditures	-	-	10,933	24,292	35,225
Net change in fund balance	8,838	-	-	-	8,838
Fund balance-beginning of year	52,996	-	-	-	52,996
Fund balance-end of year	$ 61,834	$ -	$ -	$ -	$ 61,834

NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Final Budgeted Revenue	Actual Revenue	Final Budgeted Expenditures	Actual Expenditures	Beginning Fund Balance	Ending Fund Balance
Federal Forest Reserve	9,678	8,838	-	-	52,996	61,834
Securing Our Future Grant	-	-	-	-	-	-
Technology - State	-	10,933	-	10,933	-	-
Title VI-B, ESEA - Rural Education Achievement Programs	18,410	24,292	18,410	24,292	-	-
Total	$ 28,088	$ 44,063	$ 18,410	$ 35,225	$ 52,996	$ 61,834

CAPITAL PROJECTS FUNDS

Plant Facility Fund – This fund is established to account for appropriated funds to acquire plant facility items. Financing is provided by tax revenues.

Bus Acquisition Fund – This fund is established to account for funds to replace school buses only.

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Plant Facility	Bus Acquisition	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Due from other funds	-	44,264	44,264
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ -	$ 44,264	$ 44,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities	-	-	-
Deferred inflows of resources	-	-	-
Fund balances:			
Restricted	-	44,264	44,264
Total liabilities, deferred inflows of resources and fund balances	$ -	$ 44,264	$ 44,264

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Plant Facility	Bus Acquisition	Total
REVENUES	-	-	-
EXPENDITURES			
Capital objects	31,657	-	31,657
Total expenditures	31,657	-	31,657
Excess (deficiency) of revenues over (under) expenditures	(31,657)	-	(31,657)
Other financing sources (uses)			
Transfer in	-	4,764	4,764
Net change in fund balance	(31,657)	4,764	(26,893)
Fund balance-beginning of year	31,657	39,500	71,157
Fund balance-end of year	$ -	$ 44,264	$ 44,264

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2024

Finding 2024-001 Lack of Year-End Closing Process

Condition Due in part to the District's size and limited resources, year-end closing procedures are not fully formalized and documented for certain accounts.

Criteria An effective system of internal control includes periodically reconciling each general ledger account, and adjusting the recorded balances if necessary.

Effect In connection with performing our audit testing, we proposed many audit adjustments to correct account balances. Statement on Auditing Standards No. 122, AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*, indicates that identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity's internal control should at least be regarded as a significant deficiency and should be considered as a strong indicator of material weakness in internal control.

Cause The District does not have fully formalized, documented procedures for periodically reviewing and reconciling each general ledger account.

Recommendation We recommend that year-end closing procedures be further developed, document and implemented for each general ledger account. The implementation of increased procedures should reduce or eliminate the need for audit adjustments.

Management's Response Acceptable past practice with previous auditors has been to close books at the time of the audit through journal entries to finalize count activities and to account for the expending of funds. This has been acceptable in the past and is still seen as the most efficient way of dealing with smaller accounts (i.e., Title Funds, and other small governmental grant accounts), rather than doing a large number of smaller journal entries.

STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
For the Year Ended June 30, 2024

Finding 2023-001 Lack of Year-End Closing Process

Condition

Due in part to the District's size and limited resources, year-end closing procedures are not fully formalized and documented for certain accounts.

Status

This finding still exists and is reported as Finding 2024-001.