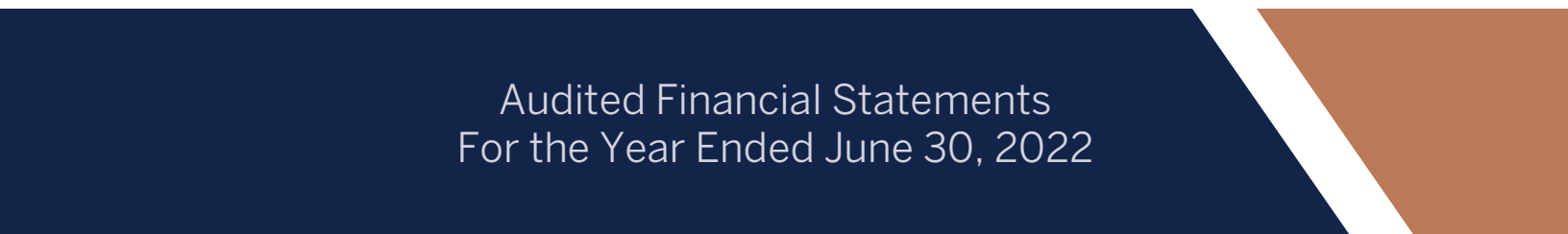




# LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho



Audited Financial Statements  
For the Year Ended June 30, 2022

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of June 30, 2022, 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 Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lakeland Joint School District No. 272 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 Lakeland Joint School District No. 272'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 Lakeland Joint School District No. 272'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 5 through 10, the budgetary comparison on pages 43 through 45, the net pension (asset) liability related schedules on page 46, the other post-employment benefits liability schedule on page 47, and the net OPEB asset – sick leave plan related schedules on page 48 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 inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lakeland Joint School District No. 272's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 on our consideration of Lakeland Joint School District No. 272'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 Lakeland Joint School District No. 272's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 19, 2022

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

As management of Lakeland Joint School District No. 272 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2022.

**Financial Highlights**

**State Revenue**

First reporting period enrollment funding units were 241.57 for FY 2021-22. This is an increase of 9.5% when comparing to FY 2020-21 funding units of 220.65. Increased enrollment, coupled with increases in entitlement revenue and salary-based apportionment revenue resulted in a \$4,255,518 increase in state apportionment revenues for the general fund.

**Supplemental Property Tax Levy Revenue**

In the 2021-22 fiscal year, the School District's supplemental property tax levy generated \$9,885,116 (24.73%) of the total General Fund revenues for the fiscal year. This revenue comes from a 2-year supplemental property tax levy expiring in June 30, 2023.

**General Fund Balance Increases over the 2021-22 Fiscal Year**

The School District's ending fund balance increased by \$2,002,852 compared to the prior year. This increase was due to close monitoring of discretionary expenditures, increased enrollment, and an increase in federal revenues; primarily COVID Relief funds. At the close of the 2021-22 fiscal year the District's fund balance was \$8,987,773.

**Revenue and Resources**

Enrollment and Attendance - A key component in preparing the annual budget is a projection of funding from the State. The majority of this funding is based on a formula which measures average daily attendance (ADA). For FY 2021-22, State apportionment was based on Enrollment as opposed to ADA. Enrollment is projected by utilizing a cohort model taking into account 2-year, 3-year, and 5-year averages. These numbers are also compared to a roll forward of spring enrollment to the upcoming school year.

The School District's actual Best 28 weeks Enrollment generated 241.57 support units for the year, compared to 220.65 from the 2020-21 fiscal year. School Districts received \$29,542 per support unit in 2021-22. For FY 2022-23, the State will continue to use Enrollment for funding units. This is a temporary rule and could change in future years. The projection of support units for the 2022-23 fiscal year is 239.00.



Bond Interest Stabilization Payment – In 2021-22, the School District received a bond interest stabilization payment of \$35,706. This revenue helps reduce the burden on the local property taxpayer for bond interest.

## **Long Range Planning**

In spring of 2022, the Lakeland Jt. School District (LJSD) Board of Trustees authorized a Long Range Planning Committee to make recommendations regarding local property tax levies and also the future facility needs of the District. Committee members include community members, parents, District staff, board members, and administration. Over the course of the 2022-23 school year, the committee will review enrollment projections, demographic trends, facility condition, and building capacity. The committee's goal is to gather input on the community's priorities for addressing educational needs and submit its recommendations to the Board of Trustees in the Spring of 2023.

## **Overview of the Financial Statements**

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

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

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

**Government-wide financial statements.** 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. The statements present an aggregate view of the District's finances. They contain useful long-term information for the just completed fiscal year.

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 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. In the statements, the District's activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e., repaying long-term debt).

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**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.

**Required supplementary information.** The budgetary comparison schedules, the net pension liability related schedules, the other post-employment benefit schedules provide additional information required by GASB.

**Supplementary information.** The supplementary information referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

**Government -Wide Financial Analysis  
Statement of Net Position**

	June 30, <b>2022</b>	<b>2021</b>	<b>Change</b>
<b>Assets</b>			
Current assets	32,007,055	31,130,964	876,091
Capital assets	25,206,233	25,321,206	(114,973)
Noncurrent assets	2,813,606	1,939,299	874,307
<b>Total Assets</b>	<b>60,026,894</b>	<b>58,391,469</b>	<b>1,635,425</b>
 <b>Deferred Outflows of Resources</b>	 <b>11,201,175</b>	 <b>7,206,359</b>	 <b>3,994,816</b>
 <b>Liabilities</b>			
Current liabilities	6,751,831	6,259,243	492,588
Long-term liabilities	3,808,430	21,682,941	(17,874,511)
<b>Total Liabilities</b>	<b>10,560,261</b>	<b>27,942,184</b>	<b>(17,381,923)</b>
 <b>Deferred Inflows of Resources</b>	 <b>29,777,075</b>	 <b>13,124,844</b>	 <b>16,652,231</b>
 <b>Net Position</b>			
Net investment in capital assets	21,391,233	20,191,206	1,200,027
Restricted	7,032,200	7,188,362	(156,162)
Unrestricted	2,467,300	(2,848,768)	5,316,068
<b>Total Net Position</b>	<b>\$30,890,733</b>	<b>\$24,530,800</b>	<b>\$ 6,359,933</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position as of June 30, 2022 was \$30,890,733.

The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Government- Wide Financial Analysis**  
**Changes in Net Position**

	<u>2021 - 2022</u>	<u>2020 - 2021</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for services	29,526	10,800	18,726
Operating grants and contributions	8,286,026	6,983,918	1,302,108
Property taxes	11,636,313	12,616,484	(980,171)
Federal and state revenues	30,793,088	26,471,357	4,321,731
Interest and investment earnings	36,402	48,213	(11,811)
Other	1,961,403	1,472,818	488,585
<b>Total Revenues</b>	<u>52,742,758</u>	<u>47,603,590</u>	<u>5,139,168</u>
<b>Expenses</b>			
Program Expenses:			
Preschool - 12 Instruction	25,644,149	25,886,200	(242,051)
Support services			
Pupil support	2,577,145	2,421,303	155,842
Staff support	1,652,974	2,158,068	(505,094)
General administration	1,004,139	1,066,827	(62,688)
School/business administration	3,787,131	4,111,212	(324,081)
Maintenance/custodial	4,847,042	4,636,495	210,547
Transportation	2,164,688	2,001,868	162,820
Other services	330,607	418,204	(87,597)
Child Nutrition	1,697,812	1,574,478	123,334
Student activity	1,025,196	728,977	296,219
Debt Services	128,073	166,855	(38,782)
Depreciation, unallocated	1,523,869	1,481,634	42,235
<b>Total Expenses</b>	<u>46,382,825</u>	<u>46,652,121</u>	<u>(311,531)</u>
<b>Change in Net Position</b>	6,359,933	951,469	5,408,464
<b>Net Position – Beginning</b>	<u>24,530,800</u>	<u>23,579,331</u>	<u>951,469</u>
<b>Net Position – Ending</b>	<u>\$30,890,733</u>	<u>\$24,530,800</u>	<u>\$ 6,359,933</u>

**District Funds**

**General Fund.** The General Fund is the chief operating fund of the District. At the end of the current fiscal year the ending fund balance was \$8,987,773. The fund balance increased by \$2,002,852 during the current fiscal year.

## Capital Asset and Debt Administration

**Capital Assets.** The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing, and remodeling facilities, bus depreciation and procuring equipment necessary for providing educational programs for all students within the District.

<b>Governmental Activities</b>			
<b>Capital Assets Net of Accumulated Depreciation</b>			
	<b>June 30,</b>		
	<b>2022</b>	<b>2021</b>	<b>Change</b>
Sites	1,333,484	1,333,484	-
Buildings	22,336,123	22,394,520	(58,397)
Equipment	713,820	600,659	113,161
Transportation	822,806	992,543	(169,737)
Total Capital Assets, Net	<u>\$ 25,206,233</u>	<u>\$ 25,321,206</u>	<u>\$ (114,973)</u>

At year end, the capital projects fund has a total fund balance of \$1,628,027.

**Long-term Debt.** The Debt Service Fund has a total fund balance of \$2,068,933, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance decreased by \$464,444.

At year end the District had \$3,815,000 in general obligation bonds outstanding. The debt of the District is secured by an annual tax levy authorized in past years by the patrons.

**Requests for Information.** This financial report is designed to provide a general overview of the Lakeland Joint School District No. 272's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brian Wallace, Chief of Finance and Operations, Lakeland Joint School District, PO Box 39, Rathdrum, ID 83858.

## FINANCIAL STATEMENTS

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

**STATEMENT OF NET POSITION**  
**June 30, 2022**

**ASSETS**

Current assets:

Cash	6,946,939
Investments	8,488,436
Taxes receivable	244,396
Unbilled taxes receivable	10,561,018
Other receivables:	
Due from other governments	5,265,005
Other	62,677
Prepaid expenses	389,217
Inventory	49,367
Total current assets	<u>32,007,055</u>

Noncurrent assets:

Non-depreciated capital assets	1,333,484
Depreciated capital assets	55,383,788
Less: accumulated depreciation	(31,511,039)
Net pension asset	526,393
Net OPEB asset - sick leave	<u>2,287,213</u>
Total noncurrent assets	<u>28,019,839</u>

Total assets 60,026,894

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items	10,485,374
Net OPEB - sick leave related items	637,660
OPEB related items	<u>78,141</u>

Total deferred outflows of resources 11,201,175

**LIABILITIES**

Current liabilities:

Accounts payable and other current liabilities	5,323,105
Accrued interest payable	58,726
Current portion of long-term debt	<u>1,370,000</u>
Total current liabilities	<u>6,751,831</u>

Noncurrent liabilities:

Noncurrent portion of long-term debt	2,445,000
Net OPEB liability	<u>1,363,430</u>
Total noncurrent liabilities	<u>3,808,430</u>

Total liabilities 10,560,261

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	10,561,018
Deferred grant revenue	4,051
OPEB related items	894,359
Net OPEB - sick leave related items	1,097,739
Pension related items	<u>17,219,908</u>

Total deferred inflows of resources 29,777,075

**NET POSITION**

Net investment in capital assets	21,391,233
Restricted for:	
Debt service	2,078,616
Capital projects	1,639,836
Specific programs	3,313,748
Unrestricted	<u>2,467,300</u>

Total net position \$ 30,890,733

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2022

		<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Instruction	25,644,149	-	5,847,240	-	(19,796,909)
Support Services:					
Pupil support	2,577,145	-	81,760	-	(2,495,385)
Staff support	1,652,974	-	-	-	(1,652,974)
General administration	1,004,139	-	-	-	(1,004,139)
School/business administration	3,787,131	-	-	-	(3,787,131)
Maintenance/custodial	4,847,042	-	-	-	(4,847,042)
Transportation	2,164,688	-	-	-	(2,164,688)
Other services	330,607	-	-	-	(330,607)
Child nutrition	1,697,812	29,526	2,357,026	-	688,740
Student activity	1,025,196	-	-	-	(1,025,196)
Debt Services	128,073	-	-	-	(128,073)
Depreciation, unallocated	1,523,869	-	-	-	(1,523,869)
Total School District	<u>\$ 46,382,825</u>	<u>\$ 29,526</u>	<u>\$ 8,286,026</u>	<u>\$ -</u>	<u>(38,067,273)</u>
<b>General revenues</b>					
Taxes					
Property taxes levied for general purposes					9,513,889
Property taxes levied for liability insurance					93,417
Property taxes levied for debt service					908,903
Property taxes levied for capital projects					1,120,104
Federal and State aid not restricted to specific purposes					30,793,088
Other					1,961,403
Interest and investment earnings					<u>36,402</u>
Total general revenues					<u>44,427,206</u>
Change in net position					6,359,933
<b>Net position - beginning</b>					<u>24,530,800</u>
<b>Net position - ending</b>					<u>\$ 30,890,733</u>



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

June 30, 2022

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Cash	6,728,641	-	-	218,298	6,946,939
Investments	6,384,351	1,616,953	-	487,132	8,488,436
Due from other funds	-	147,331	1,374,538	2,652,798	4,174,667
Taxes receivable	200,820	19,603	23,973	-	244,396
Unbilled taxes receivable	9,624,924	936,094	-	-	10,561,018
Other receivables:					
Due from other governments	3,441,126	294,729	356,972	1,172,178	5,265,005
Other	-	-	-	62,677	62,677
Prepaid expenses	389,217	-	-	-	389,217
Inventory	-	-	-	49,367	49,367
Total assets	<u>26,769,079</u>	<u>3,014,710</u>	<u>1,755,483</u>	<u>4,642,450</u>	<u>36,181,722</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 26,769,079</b></u>	<u><b>\$ 3,014,710</b></u>	<u><b>\$ 1,755,483</b></u>	<u><b>\$ 4,642,450</b></u>	<u><b>\$ 36,181,722</b></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	3,530,448	-	-	644,219	4,174,667
Accounts payable	144,759	-	115,647	66,473	326,879
Accrued payroll and benefits	4,382,267	-	-	613,959	4,996,226
Total liabilities	<u>8,057,474</u>	<u>-</u>	<u>115,647</u>	<u>1,324,651</u>	<u>9,497,772</u>
Deferred inflows of resources:					
Deferred revenue	98,908	9,683	11,809	-	120,400
Other deferred revenue	-	-	-	4,051	4,051
Unavailable property tax revenue	9,624,924	936,094	-	-	10,561,018
Total deferred inflows of resources	<u>9,723,832</u>	<u>945,777</u>	<u>11,809</u>	<u>4,051</u>	<u>10,685,469</u>
Fund balances:					
Nonspendable	389,217	-	-	49,367	438,584
Committed	-	-	190,055	-	190,055
Restricted	-	2,068,933	1,437,972	3,264,381	6,771,286
Unassigned	8,598,556	-	-	-	8,598,556
Total fund balances	<u>8,987,773</u>	<u>2,068,933</u>	<u>1,628,027</u>	<u>3,313,748</u>	<u>15,998,481</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><b>\$ 26,769,079</b></u>	<u><b>\$ 3,014,710</b></u>	<u><b>\$ 1,755,483</b></u>	<u><b>\$ 4,642,450</b></u>	<u><b>\$ 36,181,722</b></u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES****June 30, 2022**

Total fund balances - governmental funds	15,998,481
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	56,717,272
Accumulated depreciation	(31,511,039)
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.	120,400
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	10,485,374
Deferred inflow of resources	(17,219,908)
Certain OPEB related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	78,141
Deferred inflow of resources	(894,359)
Certain 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	637,660
Deferred inflow of resources	(1,097,739)
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.	2,287,213
Net pension asset is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in the governmental funds.	526,393
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	(58,726)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities consisted of the following:	
General obligation bonds	(3,815,000)
Net OPEB liability	(1,363,430)
Total net position - governmental activities	<u>\$ 30,890,733</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local	10,202,890	963,695	1,155,934	1,704,657	14,027,176
State	29,119,232	35,706	-	1,200,127	30,355,065
Federal	646,033	-	-	8,078,016	8,724,049
Total revenues	<u>39,968,155</u>	<u>999,401</u>	<u>1,155,934</u>	<u>10,982,800</u>	<u>53,106,290</u>
<b>EXPENDITURES</b>					
Instruction	22,400,207	-	-	5,611,140	28,011,347
Support	15,345,376	-	377,151	2,018,924	17,741,451
Non-instruction	-	-	-	2,841,577	2,841,577
Capital asset program	-	-	1,100,075	15,583	1,115,658
Debt service	-	1,463,845	-	-	1,463,845
Total expenditures	<u>37,745,583</u>	<u>1,463,845</u>	<u>1,477,226</u>	<u>10,487,224</u>	<u>51,173,878</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,222,572</u>	<u>(464,444)</u>	<u>(321,292)</u>	<u>495,576</u>	<u>1,932,412</u>
Other financing sources (uses):					
Transfer in	-	-	384,720	60,000	444,720
Transfer out	(219,720)	-	(225,000)	-	(444,720)
Total other financing sources (uses)	<u>(219,720)</u>	<u>-</u>	<u>159,720</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	2,002,852	(464,444)	(161,572)	555,576	1,932,412
Fund balance -beginning of year	<u>6,984,921</u>	<u>2,533,377</u>	<u>1,789,599</u>	<u>2,758,172</u>	<u>14,066,069</u>
Fund balance-end of year	<u>\$ 8,987,773</u>	<u>\$ 2,068,933</u>	<u>\$ 1,628,027</u>	<u>\$ 3,313,748</u>	<u>\$ 15,998,481</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

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**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, 2022**

Net change in fund balances - total governmental funds 1,932,412

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	1,408,896	
Depreciation expense	<u>(1,523,869)</u>	(114,973)

Some property taxes will not be collected for several months after the District's fiscal year end and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are however, recorded as revenues in the statement of activities. (363,532)

Net pension (asset) liability adjustments:

Fiscal year 2021 employer PERSI contributions recognized as pension expense in the current year.	(2,949,726)	
Fiscal year 2022 employer PERSI contributions deferred to subsequent year	3,338,949	
Pension related amortization revenue (expense)	<u>3,157,809</u>	3,547,032

Net OPEB liability adjustments (104,539)

Net OPEB asset - sick leave adjustment:

Fiscal year 2021 employer PERSI Sick Leave contributions recognized as OPEB expense in the current year	-	
Fiscal year 2022 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization revenue (expense)	<u>127,761</u>	127,761

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due. 20,772

Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities:

General obligation bonds	<u>1,315,000</u>
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Net change in net position - governmental activities \$ 6,359,933

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 1      Summary of Significant Account Policies**

The financial statements of Lakeland Joint School District No. 272 have been prepared in conformity with accounting principles generally accepted in the United States of America 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**

Lakeland Joint School District No. 272 is the basic level of government, which has financial accountability, and control over all activities related to the public-school education within the District. The Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters.

**Basis of Presentation, Fund Accounting** - District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District. Only governmental-type activities are shown, since there are no "business-type activities" within the District. The District eliminates internal activity on the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients 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 particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

**Fund Financial Statements:** The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- **General Fund.** This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- **Debt Service Fund.** This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- **Capital Projects Fund.** This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property and the purchase of buses.

**Basis of Accounting** - The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support for grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under right-to-use lease assets 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.

**Restricted Resources** - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

**Budgets** - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

**Cash and Investments** - The District's cash includes amounts in demand deposits and 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.

**Short-Term Interfund Loans Receivables/Payables** - 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, when applicable, on the statement of net position.

**Inventory** - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased. However, in the Child Nutrition Fund, the District records inventory of food commodities at cost at year-end.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

**General Capital Assets** - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15 to 40 years. Lives for equipment range from 3 to 10 years. Vehicles and school buses have estimated lives of 10 to 20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Accumulated Unpaid Vacation and Sick Pay** - Under the terms of the "Lakeland Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Vacation does not roll over from year to year. Employees are not paid for unused sick leave upon termination of employment with the District.

**Long Term Obligations** - In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Compensation** - The Sick Leave Bank 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. The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement.

**Encumbrances** - The District does not utilize an encumbrance system.

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

**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



## **NOTE 1      Summary of Significant Account Policies (Continued)**

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 the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications. The Districts fund balance policy is to maintain an unassigned fund balance of not less than 8.3% and not more than 16.6% of the general fund expenses budget for the fiscal year.

**Deferred Revenue** - Deferred revenue in the General, Debt Service and Capital Projects Fund represent property taxes recorded but not estimated to be collected within sixty days of the end of the accounting period.

**Other Deferred Revenue** - Deferred grant revenue in the Before and After School Enrichment Fund represents revenue received but not yet earned.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund and Debt Service Fund represent the property taxes levied for 2022 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the District-wide financial statements.

**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.

**Subsequent Events** - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

## **NOTE 2      Property Tax**

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 FY2022, the District has recognized the 2021 levy as revenue and the tax year 2022 levy as an asset.

## NOTE 2      Property Tax (Continued)

### Tax Year 2021 Levy (FY2022 Revenue)

The market value upon which the 2021 levy was based was \$5,119,258,520. The property tax was levied in October 2021 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	18.31831	\$9,508,322
Tort	0.18250	\$93,567
Bond	1.82699	\$947,329
Plant Facility	2.20612	\$1,146,140
Total	22.53392	\$11,695,358

### Tax Year 2022 Levy (FY2022 Asset)

The property tax levy for 2022 has been recorded as an asset in the general fund in the amount of \$9,624,924 and in the debt service fund in the amount of \$936,094. This levy is for the FY2023 operations and has been presented as unbilled taxes receivable.

### 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	Debt Service Fund	Capital Projects Fund	Total
Total taxes receivable at June 30, 2022	200,820	19,603	23,973	244,396
Less: Taxes to be collected by the County Treasurer by August 31, 2022	(101,912)	(9,920)	(12,164)	(123,996)
Deferred revenue	<u>\$ 98,908</u>	<u>\$ 9,683</u>	<u>\$ 11,809</u>	<u>\$ 120,400</u>

## NOTE 3      Cash and Investments

### Deposits

	Carrying Amount	Bank Balance
Cash		
Checking and Savings Accounts	<u>\$ 6,946,939</u>	<u>\$ 8,307,655</u>

### NOTE 3 Cash and Investments (Continued)

Deposits were with Wells Fargo of which \$250,000 of interest-bearing accounts and non-interest-bearing accounts were covered by Federal Deposit Insurance. The remaining balance of \$8,042,326 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

#### Investments

Detail of investments at June 30, 2022 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Student Activity</u>	<u>Total</u>
State Treasurer's Pool	Variable	6,384,351	1,616,953	487,132	8,488,436
Total		<u>\$6,384,351</u>	<u>\$1,616,953</u>	<u>\$487,132</u>	<u>\$ 8,488,436</u>

The District's investments, except for amounts held in the State Treasurer's Pool, are classified as uncollateralized.

#### **Investment Maturities:**

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$ 8,488,436</u>	<u>\$ 8,488,436</u>	<u>\$ 8,488,436</u>	<u>\$ -</u>

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' notification.

The State Treasurer's investment policies and the Local Government Investment Pool financial statements 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

### NOTE 3 Cash and Investments (Continued)

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 108 days. The District does not have a policy regarding interest rate risk.

*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 one 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 4 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Capital assets not being depreciated</b>					
Land	<u>1,333,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333,484</u>
Total capital assets not being depreciated	<u>1,333,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333,484</u>

## NOTE 4 Capital Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets being depreciated</b>					
Buildings	48,128,543	1,133,524	-	-	49,262,067
Equipment	2,411,777	275,372	-	-	2,687,149
Transportation	3,434,572	-	-	-	3,434,572
Total depreciated assets	53,974,892	1,408,896	-	-	55,383,788
<b>Less: Accumulated Depreciation</b>					
Buildings	(25,734,023)	(1,191,921)	-	-	(26,925,944)
Equipment	(1,811,118)	(162,211)	-	-	(1,973,329)
Transportation	(2,442,029)	(169,737)	-	-	(2,611,766)
Total accumulated depreciation	(29,987,170)	(1,523,869)	-	-	(31,511,039)
Total capital assets, net	\$ 25,321,206	\$ (114,973)	\$ -	\$ -	\$25,206,233

## NOTE 5 Long Term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2022:

Bonds payable @ July 1, 2021	5,130,000
Debt retired	(1,315,000)
Bonds payable @ June 30, 2022	<u>\$ 3,815,000</u>

Bonds payable at June 30, 2022, are comprised of the following individual issues:

### General Obligation Bonds:

#### **2012 Refunding Series**

Original issue of \$3,955,000 due August 15, 2023. Interest is stated at 3.0%

970,000

#### **2013 Refunding Series**

Original issue of \$8,490,000 due August 15, 2025. Interest varies between 2.0% and 4.0%

2,845,000

Total

\$ 3,815,000

## NOTE 5 Long Term Debt (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2022 including interest payments are as follows:

### 2012 Refunding Series

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2022	3.00	480,000	14,550	494,550
2/15/2023	3.00	-	7,350	7,350
8/15/2023	3.00	490,000	7,350	497,350
Total		<u>\$ 970,000</u>	<u>\$ 29,250</u>	<u>\$ 999,250</u>

### 2013 Refunding Series

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2022	4.00	890,000	47,125	937,125
2/15/2023	3.00	-	29,325	29,325
8/15/2023	3.00	925,000	29,325	954,325
2/15/2024	3.00	-	15,450	15,450
8/15/2024	3.00	975,000	15,450	990,450
2/15/2025	3.00	-	825	825
8/15/2025	3.00	55,000	825	55,825
Total		<u>\$ 2,845,000</u>	<u>\$ 138,325</u>	<u>\$ 2,983,325</u>

### Combined Totals

<u>Date of Redemption</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
2023	1,370,000	98,350	1,468,350
2024	1,415,000	52,125	1,467,125
2025	975,000	16,275	991,275
2026	55,000	825	55,825
Totals	<u>\$ 3,815,000</u>	<u>\$ 167,575</u>	<u>\$ 3,982,575</u>

## NOTE 5 Long Term Debt (Continued)

Changes in long-term bond obligations: During the year ended June 30, 2022, the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Noncurrent Portion</u>
2012 Refunding series	1,430,000	-	(460,000)	970,000	480,000	490,000
2013 Refunding series	<u>3,700,000</u>	<u>-</u>	<u>(855,000)</u>	<u>2,845,000</u>	<u>890,000</u>	<u>1,955,000</u>
Totals	<u>\$ 5,130,000</u>	<u>\$ -</u>	<u>\$(1,315,000)</u>	<u>\$ 3,815,000</u>	<u>\$1,370,000</u>	<u>\$2,445,000</u>

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2022 the Legal Debt Margin was:

Market Value at January 1, 2021	5,119,258,520
Percentage allowed	<u>5%</u>
Debt Limitation	255,962,926
Less Bonded debt at June 30, 2022	<u>(3,815,000)</u>
Legal Debt Margin	<u>\$ 252,147,926</u>

As of June 30, 2022, \$2,068,933 was available in the Debt Service Fund to service the general obligation bonds.

## 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, 2021. All amounts are as of June 30, 2021 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](http://www.persi.idaho.gov).

## **NOTE 6      Pension Plan (Continued)**

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% (72%) of the employer rate. As of June 30, 2020 it was 7.16% (9.13%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The District's employer contributions required and paid were \$3,338,949 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported an asset for its proportionate share of the Net Pension (Asset) Liability as of June 30, 2021. The Net Pension (Asset) Liability was measured as of June 30, 2021, 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, 2021, the District's proportion was 0.6665055%.



## NOTE 6 Pension Plan (Continued)

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, 2022 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2021 was calculated at \$(272,065).

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of <u>Resources</u></b>	<b>Deferred Inflows of <u>Resources</u></b>
Differences between expected and actual experience	775,566	305,975
Changes in assumptions or other inputs	6,042,305	-
Net difference between projected and actual earning on pension plan investments	-	16,533,576
Change in proportionate share	328,554	380,357
Employer contributions subsequent to the measurement date	<u>3,338,949</u>	<u>-</u>
Total	<u>\$10,485,374</u>	<u>\$17,219,908</u>

\$3,338,949 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, 2023.

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:

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2023	(2,357,435)
2024	(2,124,530)
2025	(1,856,597)
2026	(3,683,118)

## 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)

Capital Market Assumptions from Callan 2021			
Asset Class	Target Allocation	Long-Term Expected Nominal Rate of (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	(0.20%)
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Investment Policy Assumptions from PERSI November 2019			
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Economic/Demographic Assumptions from Milliman 2021			
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			6.35%

### 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.

## NOTE 6 Pension Plan (Continued)

*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:

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
Employer's proportionate share of the Net Pension (Asset) Liability (asset)	18,298,516	(526,393)	(15,957,548)

### *Pension plan fiduciary net position*

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

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

### *Payables to the pension plan*

At June 30, 2022, 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 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 period ended June 30, 2021. All amounts are as of June 30, 2021 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 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](http://www.persi.idaho.gov).

## **NOTE 7      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

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 is 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, 2022.

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

At June 30, 2022, the District reported an asset for its proportionate share of the net OPEB asset as of June 30, 2021. The net OPEB asset was measured as of June 30, 2021, 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, 2021, the District's proportion was 1.5749938%.

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, 2022 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ending June 30, 2021 was calculated at \$(124,675).

**NOTE 7      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	326,349	-
Changes in assumptions or other inputs	268,638	433,297
Net difference between projected and actual earning on pension plan investments	-	611,424
Change in proportionate share	<u>42,673</u>	<u>53,018</u>
Total	<u>\$637,660</u>	<u>\$1,097,739</u>

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:

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2023	(134,957)
2024	(115,557)
2025	(108,310)
2026	(153,224)
2027	4,334
Thereafter	47,635

***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	5.45%
Health care trend rate	N/A*

\*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

## NOTE 7      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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

Capital Market Assumptions from Callen 2021			
Asset Class	Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Fixed Income	50.00%	2.80%	-0.20%
US/Global Equity	39.30%	8.00%	6.00%
International Equity	10.70%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	40.00%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Investment Policy Assumptions from PERSI November 2019			
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Economic/Demographic Assumptions from Milliman 2021			
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.15%
Assumed Inflation			2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			5.45%

## NOTE 7 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

### *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 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:

	<b>1% Decrease <u>(4.45%)</u></b>	<b>Current Discount <u>Rate (5.45%)</u></b>	<b>1% Increase <u>(6.45%)</u></b>
Employer's proportionate share of the net OPEB liability (asset)	\$ (1,984,770)	\$ (2,287,213)	\$ (2,569,713)

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

### *Payable to the OPEB plan*

At June 30, 2022, 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.

## NOTE 8 Contingent 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, if any, to be immaterial.



## NOTE 9 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2022:

<b>Fund</b>	<b>Excess</b>
General	923,827
Debt Service	1,495
Capital Projects	141,706
Facilities	24,671
Before and After School Enrichment	13,104
Literacy Intervention	103,155
State Professional Technical	4,154
Technology Grant	47,551
State Substance Abuse	4,484
Leadership Stipends	10,794
Miscellaneous Grant	20,853
ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	941,974
IDEA Part B (611 School Age 3-21)	81,234

To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

## NOTE 10 Interfund Receivables, Payables and Transfers

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

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as "Transfers" and are classified as "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total transfers are as follows:

	<b>Out</b>	<b>In</b>
General	219,720	-
School Based Medicaid	-	60,000
Capital Projects Fund	225,000	384,720
Total	<u>\$ 444,720</u>	<u>\$ 444,720</u>

**NOTE 10 Interfund Receivables, Payables and Transfers (Continued)**

The composition of Interfund receivables and payables as of June 30, 2022 was as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	-	3,530,448
Special Revenue Funds:		
Federal Forest Reserve	64,065	-
Facilities	204,749	-
Before and After School Enrichment	189,346	-
Literacy Intervention	47,116	-
State Professional Technical	1,016	-
Gifted and Talented	13,587	-
Technology Grant	592,010	-
Leadership Stipends	20,710	-
Miscellaneous Grant	39,957	-
Title I-A ESSA – Improving Basic Programs	-	66,542
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	2,161
ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	-	277,182
IDEA Part B (611 School Age 3-21)	-	44,502
IDEA Part B (619 Pre-School Age 3-5)	-	1,218
School Based Medicaid	-	163,693
Title IV-A, ESSA - Student Support and Academic Enrichment	-	4,344
Perkins IV Professional Technical Act	-	45,801
Title II-A, ESEA – Supporting Effective Instruction	-	38,604
Idaho Rebounds COVID Relief	-	172
Child Nutrition	1,480,242	-
Debt Service Fund	147,331	-
Capital Projects Fund	1,374,538	-
Total	<u>\$ 4,174,667</u>	<u>\$ 4,174,667</u>

**NOTE 11 Risk Management**

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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

## **NOTE 12     Other Post-Employment Benefits**

### **Summary of Significant Accounting Policies**

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Lakeland Joint School District Employee Group Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method.

### **General Information about the OPEB Plan**

The Lakeland Joint School District Employee Group Benefit Plan is a single employer defined benefit OPEB plan that provides benefits to current and future retirees.

### ***Retirement and Dependent Medical Benefit Eligibility***

Upon separation from public school employment by retirement in accordance with Chapter 13, Title 59, Idaho Code, a retiree may continue to pay premiums for the retiree and the retiree's dependents at the rate for the active employee's group health, long-term care, vision, prescription drug and dental insurance programs as maintained by the employer for the active employees until the retiree and/or the retiree's spouse becomes eligible for Medicare at which time the district shall make available a supplemental program to Medicare for the eligible individual (Medicare Retirees).

### ***Eligibility for Retirement***

Normal retirement eligibility is age 65 with five years of service, including six months of membership service. Early retirement eligibility is age 55 with five years of service, including six months of membership coverage.

### ***Medicare Retirees***

Medicare retirees are defined as retirees who are 65 years of age or older, are not included in the District's plan, and Medicare will be considered their primary plan. Medicare Retirees and eligible dependents who enroll in Medicare (both Part A and Part B) are eligible to participate in the Statewide School Retiree Program that supplements Medicare.

### ***Funding***

The District's OPEB plan is funded under a pay-as-you-go funding method. Under this method, the District has not set aside any assets (nor accumulated any assets in a trust) that meet the definition of plan assets under GASB 74 or 75 to offset the OPEB liability. Therefore, the Net OPEB liability is equal to the Total OPEB liability.

## NOTE 12 Other Post-Employment Benefits (Continued)

### OPEB Benefits

The health care benefits are contracted by the District through group medical and dental plans. The medical and dental plans include an annual deductible, coinsurance payment requirements, and an annual out-of-pocket maximum for the member/family. The prescription drug benefit is provided through a tiered system comprising of the type of prescription (generic, preferred brand, and non-preferred brand) and the method of purchase.

### Census Data

As of June 30, 2022, the valuation date, the District had 473 active (future retirees) participants and 16 inactive (current retirees) participants.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Employer reported a liability of \$1,363,430 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

For the year ended June 30, 2022, the Employer recognized OPEB expense of \$194,825. At June 30, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	-	660,239
Changes in assumptions or other inputs	<u>78,141</u>	<u>234,120</u>
Total	<u>\$78,141</u>	<u>\$894,359</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows

#### Year ended June 30:

2022	(58,045)
2023	(58,045)
2024	(58,045)
2025	(58,045)
2026	(58,045)
Thereafter	(525,993)

## NOTE 12 Other Post-Employment Benefits (Continued)

### Actuarial assumptions

<b>Valuation Date</b>	June 30, 2022
<b>Measurement Date</b>	June 30, 2022
<b>Interest/Discount Rate</b>	4.02%
<b>Projected Payroll Increases</b>	3.75%
<b>Health Care Cost Trend Rate</b>	Medical and Prescription Drugs: between 3.8% and 10.8% Dental: between 1.9% and 3.0% Vision: between 0.0% and 2.0%
<b>Retiree Contributions</b>	Retiree contributions are assumed to increase to match the health care cost trends.

### Participation

For future retirees, participation rates were assumed to be 40.0% for medical and vision coverage and 40.5% for dental coverage. Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 60.0%. 70.0% of the future retirees who elect medical coverage and married are assumed to elect spousal coverage as well. Males are assumed to be three years older than males.

### Mortality

For active members, inactive members and healthy retirees, mortality rates were based on the RP2000 Combined Healthy Mortality Table adjusted with generational mortality adjustments using Scale AA, set back three years for both males and females. For disabled retirees, mortality rates were based on the RP2000 Disabled Mortality Table adjusted with generational mortality adjustments using Scale AA, set back one year for males, and set forward two years for females.

### Interest/Discount rate

The interest/discount rate is based on the average of multiple June 30, 2022 municipal bond rate sources.

### Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of June 30, 2022, calculated using the discount rate of 4.02%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current rate:

	<b><u>1% Decrease (3.02%)</u></b>	<b><u>Current Discount Rate (4.02%)</u></b>	<b><u>1% Increase (5.02%)</u></b>
Net OPEB liability	\$1,462,526	\$1,363,430	\$1,268,909

## NOTE 12    Other Post-Employment Benefits (Continued)

The following presents the net OPEB liability of the Plan as of June 30, 2022, calculated using the assumed health care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$1,216,817	\$1,363,430	\$1,534,458

### Summary of the Change in OPEB Liability

<b><i>Total OPEB Liability – Beginning of Year</i></b>	\$ 1,800,258
Service Cost	172,419
Interest	43,761
Plan Design Changes	-
Difference Between Expected and Actual Experience	(430,787)
Changes of Assumptions or Other Inputs	(131,935)
Benefit Payments (Estimated)	<u>(90,286)</u>
<b><i>Total OPEB Liability – End of Year</i></b>	<u><u>\$1,363,430</u></u>

## REQUIRED SUPPLEMENTARY INFORMATION

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable)	
				Original to Actual	Final to Actual
REVENUES					
Local:					
Taxes	9,740,000	9,740,000	9,885,116	145,116	145,116
Earnings on investments	50,000	50,000	31,445	(18,555)	(18,555)
Other	160,000	160,000	286,329	126,329	126,329
Total local	9,950,000	9,950,000	10,202,890	252,890	252,890
State:					
Base program	21,114,079	21,114,079	23,342,531	2,228,452	2,228,452
Transportation	1,307,250	1,307,250	1,449,229	141,979	141,979
Tuition equivalency	5,000	5,000	9,207	4,207	4,207
Benefit apportionment	2,903,558	2,903,558	3,165,510	261,952	261,952
Other state support	617,277	617,277	743,761	126,484	126,484
Lottery/additional state maintenance	276,250	276,250	295,836	19,586	19,586
Revenue in lieu of taxes	60,540	60,540	63,978	3,438	3,438
Other state revenue	30,000	30,000	49,180	19,180	19,180
Total state	26,313,954	26,313,954	29,119,232	2,805,278	2,805,278
Federal:					
Unrestricted	120,000	120,000	646,033	526,033	526,033
Total revenues	36,383,954	36,383,954	39,968,155	3,584,201	3,584,201
EXPENDITURES					
Instruction:					
Salaries	15,769,321	15,769,321	15,814,158	(44,837)	(44,837)
Benefits	5,327,127	5,327,127	5,145,082	182,045	182,045
Purchased services	864,385	864,385	971,950	(107,565)	(107,565)
Supplies-materials	616,560	616,560	469,017	147,543	147,543
Total instruction	22,577,393	22,577,393	22,400,207	177,186	177,186
Support:					
Salaries	8,234,601	8,234,601	9,024,352	(789,751)	(789,751)
Benefits	2,943,588	2,943,588	2,982,632	(39,044)	(39,044)
Purchased services	2,146,495	2,146,495	2,283,611	(137,116)	(137,116)
Supplies-materials	744,100	744,100	879,203	(135,103)	(135,103)
Insurance - judgment	175,579	175,579	175,578	1	1
Total support	14,244,363	14,244,363	15,345,376	(1,101,013)	(1,101,013)
Total expenditures	36,821,756	36,821,756	37,745,583	(923,827)	(923,827)
Excess (deficiency) of revenues over (under) expenditures	(437,802)	(437,802)	2,222,572	2,660,374	2,660,374
Other financing sources (uses):					
Transfer in	33,989	33,989	-	(33,989)	(33,989)
Transfer out	(90,000)	(90,000)	(219,720)	(129,720)	(129,720)
Total other financing sources (uses)	(56,011)	(56,011)	(219,720)	(163,709)	(163,709)
Net change in fund balance	\$ (493,813)	\$ (493,813)	2,002,852	\$ 2,496,665	\$ 2,496,665
Fund balance -beginning of year			6,984,921		
Fund balance-end of year			\$ 8,987,773		



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	936,094	936,094	958,819	22,725	22,725
Earnings on investments	-	-	4,876	4,876	4,876
Total local	936,094	936,094	963,695	27,601	27,601
State:					
Other state support	35,706	35,706	35,706	-	-
Total revenues	971,800	971,800	999,401	27,601	27,601
<b>EXPENDITURES</b>					
Debt service:					
Purchased services	-	-	1,500	(1,500)	(1,500)
Principal	1,315,000	1,315,000	1,315,000	-	-
Interest	147,350	147,350	147,345	5	5
Total expenditures	1,462,350	1,462,350	1,463,845	(1,495)	(1,495)
Net change in fund balance	\$ (490,550)	\$ (490,550)	(464,444)	\$ 26,106	\$ 26,106
Fund balance-beginning of year			2,533,377		
Fund balance-end of year			\$ 2,068,933		

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	1,146,520	1,146,520	1,155,910	9,390	9,390
Other local	-	-	24	24	24
Total local	1,146,520	1,146,520	1,155,934	9,414	9,414
State:					
Other state support	115,000	115,000	-	(115,000)	(115,000)
Total revenues	1,261,520	1,261,520	1,155,934	(105,586)	(105,586)
<b>EXPENDITURES</b>					
Support:					
Purchased services	75,000	75,000	151,851	(76,851)	(76,851)
Supplies-materials	135,000	135,000	159,411	(24,411)	(24,411)
Capital objects	85,000	85,000	65,889	19,111	19,111
Total support	295,000	295,000	377,151	(82,151)	(82,151)
Capital asset program:					
Capital objects	1,040,520	1,040,520	1,100,075	(59,555)	(59,555)
Total expenditures	1,335,520	1,335,520	1,477,226	(141,706)	(141,706)
Excess (deficiency) of revenues over (under) expenditures	(74,000)	(74,000)	(321,292)	(247,292)	(247,292)
Other financing sources (uses)					
Transfer in	225,000	225,000	384,720	159,720	159,720
Transfer out	(225,000)	(225,000)	(225,000)	-	-
Total other financing sources (uses)	-	-	159,720	159,720	159,720
Net change in fund balance	\$ (74,000)	\$ (74,000)	(161,572)	\$ (87,572)	\$ (87,572)
Fund balance-beginning of year			1,789,599		
Fund balance-end of year			\$ 1,628,027		

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NET PENSION (ASSET) LIABILITY RELATED SCHEDULES**

**Schedule of the District's Share of Net Pension (Asset) Liability\***

<b>PERSI - Base Plan</b>									
<b>As of June 30,</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's portion of the net pension (asset) liability	Unavailable	0.6665055%	0.6919366%	0.6788635%	0.6537283%	0.6273618%	0.6318364%	0.6539498%	0.6570844%
Employer's proportionate share of the net pension (asset)	Unavailable	(526,393)	16,067,683	7,749,038	9,642,607	9,861,050	12,808,294	8,611,455	4,837,170
Employer's covered payroll	27,964,397	24,873,082	24,639,045	23,056,952	21,032,800	18,479,302	18,479,302	18,316,951	17,801,272
Employer's proportional share of the net pension (asset) liability as a percentage of its covered payroll	Unavailable	-2.12%	65.21%	33.61%	45.85%	53.36%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	Unavailable	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

**Schedule of the District's Contributions\***

<b>PERSI - Base Plan</b>									
<b>As of June 30,</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily required contribution	3,338,949	2,969,846	2,941,902	2,610,047	2,380,913	2,205,750	2,091,857	2,073,479	2,015,104
Contributions in relation to the statutorily required contribution	(3,338,949)	(2,969,846)	(2,941,902)	(2,610,047)	(2,380,913)	(2,205,750)	(2,091,857)	(2,073,479)	(2,015,104)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-
Employer's covered payroll	27,964,397	24,873,082	24,639,045	23,056,952	21,032,800	19,485,424	18,479,302	18,316,951	17,801,272
Contributions as a percentage of covered payroll	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

\*GASB Statement No. 68 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, 2021 (most recently issued PERSI Information)**

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2021, as follows:

\*The discount rate changed from 7.05% to 6.35%

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE**

As of June 30,

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost	172,419	172,840	149,537	Unavailable	131,354	121,220
Interest	43,761	45,855	61,495	Unavailable	76,134	76,652
Changes of benefit terms	-	-	-	Unavailable	-	-
Differences between expected and actual experience	(430,787)	-	(207,635)	Unavailable	-	(44,156)
Changes of assumptions or other inputs	(131,935)	28,423	(59,668)	Unavailable	10,928	(42,815)
Benefit payments	(90,286)	(86,486)	88,426	Unavailable	(149,556)	(129,326)
Net change in total OPEB Liability	(436,828)	160,632	32,155	-	68,860	(18,425)
Total OPEB liability - beginning	1,800,258	1,639,626	1,607,471	1,971,083	1,902,223	1,920,648
Total OPEB liability-ending	<u>\$ 1,363,430</u>	<u>\$ 1,800,258</u>	<u>\$ 1,639,626</u>	<u>\$ 1,607,471</u>	<u>\$ 1,971,083</u>	<u>\$ 1,902,223</u>
Covered payroll	18,620,858	23,808,899	22,948,337	17,723,445	17,372,039	16,744,134
Total OPEB liability as a percentage of covered- employee payroll	7.32%	7.56%	7.14%	9.07%	11.35%	11.36%

\*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 OTHER POST EMPLOYMENT BENEFITS LIABILITY SCHEDULE**

As of June 30, 2022

Change of Assumptions. Change of assumptions include state, trend, discount and other inputs.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**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,**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Employer's portion of the net OPEB asset	Unavailable	1.5749938%	1.5749938%	1.6296316%	1.5641424%	1.5297294%
Employer's proportionate share of the net OPEB asset	Unavailable	2,287,213	1,939,299	1,560,868	1,297,377	1,174,265
Employer's covered payroll	27,964,397	24,873,082	24,639,045	23,056,952	21,032,800	19,485,424
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	9.20%	7.87%	6.77%	6.17%	6.03%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	152.61%	152.87%	138.51%	135.69%	136.78%

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily required contribution	-	-	141,219	267,310	243,950	226,031
Contributions in relation to the statutorily required contribution	-	-	(141,219)	(267,310)	(243,950)	(226,031)
Contribution (deficiency) excess	-	-	-	-	-	-
Employer's covered payroll	27,964,397	24,873,082	24,639,045	23,056,952	21,032,800	19,485,424
Contributions as a percentage of covered payroll	0.00%	0.00%	0.57%	1.16%	1.16%	1.16%

\*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, 2021 (most recently issued PERSI information)**

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2021 as follows:

\*The discount rate changed from 7.05% to 5.45%

\*Inflation changed from 3.0% to 2.30%

\*Salary increases including inflation changed from 3.75% to 3.05%

## **SUPPLEMENTARY INFORMATION**



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION</b>			
Elementary school:			
Salaries	6,111,277	6,461,745	350,468
Benefits	1,916,197	2,115,487	199,290
Purchased services	31,951	52,000	20,049
Supplies-materials	132,123	232,910	100,787
Total elementary school	<u>8,191,548</u>	<u>8,862,142</u>	<u>670,594</u>
Secondary school:			
Salaries	6,621,786	6,385,272	(236,514)
Benefits	2,078,957	2,003,731	(75,226)
Purchased services	414,302	379,425	(34,877)
Supplies-materials	180,026	280,300	100,274
Total secondary school	<u>9,295,071</u>	<u>9,048,728</u>	<u>(246,343)</u>
Alternative School:			
Salaries	273,149	204,322	(68,827)
Benefits	80,968	70,298	(10,670)
Purchased services	2,250	1,500	(750)
Supplies-materials	19,548	9,350	(10,198)
Total alternative school	<u>375,915</u>	<u>285,470</u>	<u>(90,445)</u>
Special education:			
Salaries	2,242,943	2,099,099	(143,844)
Benefits	958,297	961,539	3,242
Purchased services	2,029	3,000	971
Supplies-materials	2,851	5,000	2,149
Total special education	<u>3,206,120</u>	<u>3,068,638</u>	<u>(137,482)</u>
Special education preschool:			
Salaries	(843)	78,218	79,061
Benefits	2,083	28,423	26,340
Total special education preschool	<u>1,240</u>	<u>106,641</u>	<u>105,401</u>
Gifted and talented:			
Benefits	1,091	1,100	9
Purchased services	1,741	-	(1,741)
Supplies-materials	3,678	-	(3,678)
Total gifted and talented	<u>6,510</u>	<u>1,100</u>	<u>(5,410)</u>
Interscholastic:			
Salaries	552,346	540,665	(11,681)
Benefits	104,250	145,949	41,699
Purchased services	519,527	428,460	(91,067)
Supplies-materials	111,927	89,000	(22,927)
Total interscholastic	<u>1,288,050</u>	<u>1,204,074</u>	<u>(83,976)</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GENERAL FUND****SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)**

For the Year Ended June 30, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION (Continued)</b>			
Summer school:			
Salaries	13,500	-	(13,500)
Benefits	3,239	600	(2,639)
Purchased services	150	-	(150)
Supplies-materials	18,864	-	(18,864)
Total summer school	<u>35,753</u>	<u>600</u>	<u>(35,153)</u>
<b>TOTAL INSTRUCTION</b>			
Salaries	15,814,158	15,769,321	(44,837)
Benefits	5,145,082	5,327,127	182,045
Purchased services	971,950	864,385	(107,565)
Supplies-materials	469,017	616,560	147,543
Total instruction	<u>\$ 22,400,207</u>	<u>\$ 22,577,393</u>	<u>\$ 177,186</u>
<b>SUPPORT</b>			
Attendance, guidance and health:			
Salaries	1,363,022	1,186,393	(176,629)
Benefits	402,262	379,801	(22,461)
Purchased services	3,628	3,000	(628)
Supplies-materials	4,030	4,000	(30)
Total attendance, guidance and health	<u>1,772,942</u>	<u>1,573,194</u>	<u>(199,748)</u>
Special education support services:			
Salaries	437,292	569,090	131,798
Benefits	148,400	189,676	41,276
Purchased services	274,878	118,000	(156,878)
Supplies-materials	6,218	8,700	2,482
Total special education support services	<u>866,788</u>	<u>885,466</u>	<u>18,678</u>
Instruction improvement program:			
Salaries	117,928	91,706	(26,222)
Benefits	33,153	30,446	(2,707)
Purchased services	48,084	41,195	(6,889)
Supplies-materials	14,345	27,000	12,655
Total instruction improvement program	<u>213,510</u>	<u>190,347</u>	<u>(23,163)</u>



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)  
For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Educational media:			
Salaries	238,614	237,322	(1,292)
Benefits	103,961	124,136	20,175
Purchased services	9,425	10,000	575
Supplies-materials	1,493	1,500	7
Total educational media	<u>353,493</u>	<u>372,958</u>	<u>19,465</u>
Instruction related technology:			
Salaries	179,529	349,082	169,553
Benefits	74,637	140,426	65,789
Purchased services	15,721	20,000	4,279
Supplies-materials	108,629	47,000	(61,629)
Total instruction related technology	<u>378,516</u>	<u>556,508</u>	<u>177,992</u>
Board of education:			
Purchased services	75,808	87,000	11,192
Supplies-materials	7,041	6,000	(1,041)
Insurance - judgment	21,224	35,116	13,892
Total board of education	<u>104,073</u>	<u>128,116</u>	<u>24,043</u>
District administration:			
Salaries	675,098	666,625	(8,473)
Benefits	202,411	202,378	(33)
Purchased services	44,789	45,000	211
Supplies-materials	31,698	36,000	4,302
Total district administration	<u>953,996</u>	<u>950,003</u>	<u>(3,993)</u>
School administration:			
Salaries	2,414,039	2,350,022	(64,017)
Benefits	773,559	755,014	(18,545)
Purchased services	(848)	-	848
Supplies-materials	15,119	21,300	6,181
Total school administration	<u>3,201,869</u>	<u>3,126,336</u>	<u>(75,533)</u>
Business operations:			
Salaries	303,864	283,880	(19,984)
Benefits	85,003	84,876	(127)
Purchased services	68,798	42,000	(26,798)
Supplies-materials	2,804	10,000	7,196
Total business operations	<u>460,469</u>	<u>420,756</u>	<u>(39,713)</u>
Administrative technology:			
Salaries	192,113	138,724	(53,389)
Benefits	56,915	40,310	(16,605)
Purchased services	100,117	110,000	9,883
Supplies-materials	538	1,000	462
Total administrative technology	<u>349,683</u>	<u>290,034</u>	<u>(59,649)</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)  
For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Buildings-care program (custodial):			
Salaries	947,478	663,254	(284,224)
Benefits	370,059	338,560	(31,499)
Purchased services	1,336,128	1,290,300	(45,828)
Supplies-materials	85,556	110,000	24,444
Insurance - judgment	115,766	105,347	(10,419)
Total buildings-care program (custodial)	<u>2,854,987</u>	<u>2,507,461</u>	<u>(347,526)</u>
Maintenance - non-student occupied:			
Purchased services	-	200	200
Supplies-materials	46	5,000	4,954
Total maintenance - non-student occupied	<u>46</u>	<u>5,200</u>	<u>5,154</u>
Maintenance - student occupied:			
Salaries	890,041	579,786	(310,255)
Benefits	281,447	207,399	(74,048)
Purchased services	60,808	115,900	55,092
Supplies-materials	70,357	100,000	29,643
Total maintenance - student occupied	<u>1,302,653</u>	<u>1,003,085</u>	<u>(299,568)</u>
Maintenance - grounds:			
Purchased services	84,148	176,500	92,352
Supplies-materials	25,775	25,000	(775)
Total maintenance - grounds	<u>109,923</u>	<u>201,500</u>	<u>91,577</u>
Security:			
Salaries	88,605	86,611	(1,994)
Benefits	30,934	30,067	(867)
Purchased services	72,036	17,500	(54,536)
Supplies-materials	29,059	20,000	(9,059)
Total security	<u>220,634</u>	<u>154,178</u>	<u>(66,456)</u>
Pupil-to-school transportation:			
Salaries	1,176,729	1,032,106	(144,623)
Benefits	406,417	406,999	582
Purchased services	69,959	61,900	(8,059)
Supplies-materials	410,520	316,500	(94,020)
Insurance - judgment	19,294	17,558	(1,736)
Total pupil-to-school transportation	<u>2,082,919</u>	<u>1,835,063</u>	<u>(247,856)</u>
General transportation:			
Benefits	13,474	13,500	26
Purchased services	20,132	8,000	(12,132)
Supplies-materials	65,975	5,100	(60,875)
Insurance - judgment	19,294	17,558	(1,736)
Total general transportation	<u>118,875</u>	<u>44,158</u>	<u>(74,717)</u>
<b>TOTAL SUPPORT</b>			
Salaries	9,024,352	8,234,601	(789,751)
Benefits	2,982,632	2,943,588	(39,044)
Purchased services	2,283,611	2,146,495	(137,116)
Supplies-materials	879,203	744,100	(135,103)
Insurance - judgment	175,578	175,579	1
Total support	<u>\$ 15,345,376</u>	<u>\$ 14,244,363</u>	<u>\$ (1,101,013)</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NONMAJOR FUND DESCRIPTIONS**

**Child Nutrition Fund** - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sales of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amounts of State and Federal assistance received by the program.

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

**Facilities Fund** - To account for local revenue supporting a facilities program.

**Before and After School Enrichment Fund** - To account for local revenues supporting a before and after school enrichment program.

**School Activity Fund** - To account for revenue and costs related to student activity funds.

**Literacy Intervention Fund** - To account for state revenues supporting literacy intervention.

**State Professional Technical Fund** - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

**Gifted and Talented Fund** - To account for State revenues to be spent on in service training for the gifted and talented program.

**Technology Grant Fund** - To account for restricted State revenue to be spent on capital outlay projects.

**State Substance Abuse Fund** - To account for restricted State revenue to be spent on drug education in-service training for teachers and parents and materials for classroom.

**Leadership Stipends Fund** - To account for State revenues to be spent on leadership stipends.

**Miscellaneous Grant Fund** - To account for State and Local revenue to be spent on the current needs of the District as indicated by each grant.

**Title I-A, ESSA - Improving Basic Programs Fund** - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

**ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NONMAJOR FUND DESCRIPTIONS (CONTINUED)**

**ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**IDEA Part B (611 School Age 3-21) Fund** - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aids, equipment and materials, etc. in special education.

**IDEA Part B (619 Pre-School Age 3-5) Fund** - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in IDEA Part B program.

**School Based Medicaid Fund** - To account for restricted Federal revenue to be spent on Medicaid related expenditures.

**Title IV-A ESSA - Student Support and Academic Enrichment Fund** - To account for restricted Federal revenue for student support and academic enrichment.

**Title V-B, ESSA - Rural Education Initiative Fund** - To account for restricted Federal revenue for rural education.

**Perkins IV - Professional Technical Act Fund** - To account for restricted Federal revenue to be spent on vocational training.

**Title II-A, ESEA - Supporting Effective Instruction Fund** - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

**Idaho Rebounds COVID Relief Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022**

	Child Nutrition	Federal Forest Reserve	Facilities	Before and After School Enrichment	Student Activity	Literacy Intervention	State Professional Technical	Gifted and Talented	Technology Grant	State Substance Abuse	Leadership Stipends	Miscellaneous Grant
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>												
Assets:												
Cash	-	-	-	-	202,969	-	-	-	-	-	-	-
Investments	-	-	-	-	487,132	-	-	-	-	-	-	-
Due from other funds	1,480,242	64,065	204,749	189,346	-	47,116	1,016	13,587	592,010	-	20,710	39,957
Other receivables:												
Federal reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	37,560	25,117	-	-	-	-	-	-	-	-
Inventory	49,367	-	-	-	-	-	-	-	-	-	-	-
Total assets	1,529,609	64,065	242,309	214,463	690,101	47,116	1,016	13,587	592,010	-	20,710	39,957
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,529,609</b>	<b>\$ 64,065</b>	<b>\$ 242,309</b>	<b>\$ 214,463</b>	<b>\$ 690,101</b>	<b>\$ 47,116</b>	<b>\$ 1,016</b>	<b>\$ 13,587</b>	<b>\$ 592,010</b>	<b>\$ -</b>	<b>\$ 20,710</b>	<b>\$ 39,957</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>												
Liabilities:												
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	58,022	-	129	78	-	7,174	1,016	-	54	-	-	-
Accrued payroll and benefits	-	-	-	25,348	-	39,942	-	-	-	-	20,710	-
Total liabilities	58,022	-	129	25,426	-	47,116	1,016	-	54	-	20,710	-
Deferred inflows of resources:												
Other deferred revenue	-	-	-	4,051	-	-	-	-	-	-	-	-
Fund balances:												
Nonspendable	49,367	-	-	-	-	-	-	-	-	-	-	-
Restricted	1,422,220	64,065	242,180	184,986	690,101	-	-	13,587	591,956	-	-	39,957
Total fund balances	1,471,587	64,065	242,180	184,986	690,101	-	-	13,587	591,956	-	-	39,957
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,529,609</b>	<b>\$ 64,065</b>	<b>\$ 242,309</b>	<b>\$ 214,463</b>	<b>\$ 690,101</b>	<b>\$ 47,116</b>	<b>\$ 1,016</b>	<b>\$ 13,587</b>	<b>\$ 592,010</b>	<b>\$ -</b>	<b>\$ 20,710</b>	<b>\$ 39,957</b>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NONMAJOR FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
June 30, 2022

	ESSE I (CARES) Coronavirus Aid, Relief and Economic Security Act	ESSE II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment	Title V-B, ESSA - Rural Education Initiative	Perkins IV Professional Technical Act	Title II-A ESEA - Supporting Effective Instruction	Idaho Rebounds COVID Relief	Total
Title I-A, ESSA - Improving Basic Programs											
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>											
Assets:											
Cash	-	-	-	-	15,329	-	-	-	-	-	218,298
Investments	-	-	-	-	-	-	-	-	-	-	487,132
Due from other funds	-	-	-	-	-	-	-	-	-	-	2,652,798
Other receivables:											
Federal reimbursements	196,650	2,161	492,197	193,929	163,693	8,467	-	57,272	52,948	-	1,172,178
Other receivables	-	-	-	-	-	-	-	-	-	-	62,677
Inventory	-	-	-	-	-	-	-	-	-	-	49,367
Total assets	196,650	2,161	492,197	193,929	179,022	8,467	-	57,272	52,948	-	4,642,450
Deferred outflows of resources:	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 196,650</b>	<b>\$ 2,161</b>	<b>\$ 492,197</b>	<b>\$ 193,929</b>	<b>\$ 179,022</b>	<b>\$ 8,467</b>	<b>\$ -</b>	<b>\$ 57,272</b>	<b>\$ 52,948</b>	<b>\$ -</b>	<b>\$ 4,642,450</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>											
Liabilities:											
Due to other funds	66,542	2,161	277,182	44,502	1,218	163,693	4,344	45,801	38,604	172	644,219
Accounts payable	-	-	-	-	-	-	-	-	-	-	66,473
Accrued payroll and benefits	130,108	-	215,015	149,427	3,643	-	4,123	11,471	14,344	(172)	613,959
Total liabilities	196,650	2,161	492,197	193,929	4,861	163,693	8,467	57,272	52,948	-	1,324,651
Deferred inflows of resources:											
Other deferred revenue	-	-	-	-	-	-	-	-	-	-	4,051
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	49,367
Restricted	-	-	-	-	15,329	-	-	-	-	-	3,264,381
Total fund balances	-	-	-	-	15,329	-	-	-	-	-	3,313,748
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 196,650</b>	<b>\$ 2,161</b>	<b>\$ 492,197</b>	<b>\$ 193,929</b>	<b>\$ 4,861</b>	<b>\$ 179,022</b>	<b>\$ 8,467</b>	<b>\$ -</b>	<b>\$ 57,272</b>	<b>\$ 52,948</b>	<b>\$ -</b>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NONMAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2022

	Child Nutrition	Federal Forest Reserve	Facilities	Before and After School Enrichment	Student Activity	Literacy Intervention	State Professional Technical	Gifted and Talented	Technology Grant	State Substance Abuse	Leadership Stipends	Miscellaneous Grant
<b>REVENUES</b>												
Local:												
Earnings on investments	-	-	-	-	-	-	-	-	-	-	-	-
Lunch sales	29,526	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	101,548	408,314	1,149,757	-	-	-	-	-	-	15,431
Total local	29,526	-	101,548	408,314	1,149,757	-	-	-	-	-	-	15,431
State:												
Restricted	-	-	-	-	-	398,155	83,070	-	352,611	53,481	281,188	31,090
Other state revenue	532	-	-	-	-	-	-	-	-	-	-	-
Total state	532	-	-	-	-	398,155	83,070	-	352,611	53,481	281,188	31,090
Federal:												
School lunch reimbursement	2,235,289	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	26,038	-	-	-	-	-	-	-	-	-	-
Restricted	121,737	-	-	-	-	-	-	-	-	-	-	-
Total federal	2,357,026	26,038	-	-	-	-	-	-	-	-	-	-
Total revenues	2,387,084	26,038	101,548	408,314	1,149,757	398,155	83,070	-	352,611	53,481	281,188	46,521
<b>EXPENDITURES</b>												
Instruction:												
Salaries	-	-	-	55,068	-	283,955	-	-	-	-	205,419	14,460
Benefits	-	-	-	14,108	-	92,853	-	-	-	-	39,474	2,732
Purchased services	-	-	-	-	-	4,390	1,599	-	-	-	-	597
Supplies-materials	-	-	11,547	-	-	16,957	81,471	-	-	-	-	19,764
Total instruction	-	-	11,547	69,176	-	398,155	83,070	-	-	-	244,893	37,553
Support:												
Salaries	-	-	-	254,647	-	-	-	-	-	-	30,484	-
Benefits	-	-	-	71,240	-	-	-	-	1,050	-	5,811	-
Purchased services	-	8,000	2,285	17,437	-	-	-	-	60,745	55,359	-	300
Supplies-materials	-	8,996	2,857	3,530	-	-	-	-	495,756	-	-	-
Capital objects	-	-	14,899	-	-	-	-	-	-	-	-	-
Total support	-	16,996	20,041	346,854	-	-	-	-	557,551	55,359	36,295	300
Non-instruction:												
Purchased services	856,040	-	-	-	-	-	-	-	-	-	-	-
Supplies-materials	829,983	-	-	-	1,025,198	-	-	-	-	-	-	-
Capital objects	92,181	-	-	-	26,386	-	-	-	-	-	-	-
Insurance - judgment	11,789	-	-	-	-	-	-	-	-	-	-	-
Total non-instruction	1,789,993	-	-	-	1,051,584	-	-	-	-	-	-	-
Capital asset:												
Capital objects	-	-	15,583	-	-	-	-	-	-	-	-	-
Total expenditures	1,789,993	16,996	47,171	416,030	1,051,584	398,155	83,070	-	557,551	55,359	281,188	37,853
Excess (deficiency) of revenues over (under) expenditures	597,091	9,042	54,377	(7,716)	98,173	-	-	-	(204,940)	(1,878)	-	8,668
Other financing sources (uses)												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	597,091	9,042	54,377	(7,716)	98,173	-	-	-	(204,940)	(1,878)	-	8,668
Fund balance-beginning of year	874,496	55,023	187,803	192,702	591,928	-	-	13,587	796,896	1,878	-	31,289
Fund balance-end of year	\$ 1,471,587	\$ 64,065	\$ 242,180	\$ 184,986	\$ 690,101	\$ -	\$ -	\$ 13,587	\$ 591,956	\$ -	\$ -	\$ 39,957

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

**NONMAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**For the Year Ended June 30, 2022**

	Title I-A, ESSA - Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment	Title V-B, ESSA - Rural Education Initiative	Perkins IV Professional Technical Act	Title II-A ESEA - Supporting Effective Instruction	Idaho Rebounds COVID Relief	Total
<b>REVENUES</b>												
Local:												
Earnings on investments	-	-	-	-	-	81	-	-	-	-	-	81
Lunch sales	-	-	-	-	-	-	-	-	-	-	-	29,526
Other	-	-	-	-	-	-	-	-	-	-	-	1,675,050
Total local	-	-	-	-	-	81	-	-	-	-	-	1,704,657
State:												
Restricted	-	-	-	-	-	-	-	-	-	-	-	1,199,595
Other state revenue	-	-	-	-	-	-	-	-	-	-	-	532
Total state	-	-	-	-	-	-	-	-	-	-	-	1,200,127
Federal:												
School lunch reimbursement	-	-	-	-	-	-	-	-	-	-	-	2,235,289
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	26,038
Restricted	788,853	2,161	2,302,328	935,541	21,653	351,990	52,241	3,481	65,865	147,159	1,023,680	5,816,689
Total federal	788,853	2,161	2,302,328	935,541	21,653	351,990	52,241	3,481	65,865	147,159	1,023,680	8,078,016
Total revenues	788,853	2,161	2,302,328	935,541	21,653	352,071	52,241	3,481	65,865	147,159	1,023,680	10,982,800
<b>EXPENDITURES</b>												
Instruction:												
Salaries	552,828	-	1,374,830	623,069	19,703	305,000	2,000	-	43,583	-	220,209	3,700,124
Benefits	227,319	-	388,531	197,573	1,950	104,312	391	-	13,690	-	86,684	1,169,617
Purchased services	-	-	214	2,388	-	-	-	-	-	-	-	9,188
Supplies-materials	8,706	190	144,848	49,540	-	-	170	-	8,592	-	390,426	732,211
Total instruction	788,853	190	1,908,423	872,570	21,653	409,312	2,561	-	65,865	-	697,319	5,611,140
Support:												
Salaries	-	-	160,862	46,796	-	-	41,498	2,841	-	87,601	263,788	888,517
Benefits	-	-	36,946	16,175	-	-	8,182	640	-	26,547	50,463	217,054
Purchased services	-	-	8,956	-	-	-	-	-	-	33,011	12,110	198,203
Supplies-materials	-	1,971	93,238	-	-	-	-	-	-	-	-	606,348
Capital objects	-	-	93,903	-	-	-	-	-	-	-	-	108,802
Total support	-	1,971	393,905	62,971	-	-	49,680	3,481	-	147,159	326,361	2,018,924
Non-instruction:												
Purchased services	-	-	-	-	-	-	-	-	-	-	-	856,040
Supplies-materials	-	-	-	-	-	-	-	-	-	-	-	1,855,181
Capital objects	-	-	-	-	-	-	-	-	-	-	-	118,567
Insurance - judgment	-	-	-	-	-	-	-	-	-	-	-	11,789
Total non-instruction	-	-	-	-	-	-	-	-	-	-	-	2,841,577
Capital asset:												
Capital objects	-	-	-	-	-	-	-	-	-	-	-	15,583
Total expenditures	788,853	2,161	2,302,328	935,541	21,653	409,312	52,241	3,481	65,865	147,159	1,023,680	10,487,224
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	(57,241)	-	-	-	-	-	495,576
Other financing sources (uses)												
Transfers in	-	-	-	-	-	60,000	-	-	-	-	-	60,000
Net change in fund balance	-	-	-	-	-	2,759	-	-	-	-	-	555,576
Fund balance-beginning of year	-	-	-	-	-	12,570	-	-	-	-	-	2,758,172
Fund balance-end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,313,748



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**NONMAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

<b>Fund</b>	<b>Budgeted Revenues</b>	<b>Actual Revenues</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Transfer</b>	<b>Beginning Fund Balance</b>	<b>Ending Fund Balance</b>
Child Nutrition	2,026,042	2,387,084	2,026,042	1,789,993	-	874,496	1,471,587
Federal Forest Reserve	20,000	26,038	25,000	16,996	-	55,023	64,065
Facilities	15,700	101,548	22,500	47,171	-	187,803	242,180
Before and After School Enrichment	410,000	408,314	402,926	416,030	-	192,702	184,986
Student Activity	-	1,149,757	-	1,051,584	-	591,928	690,101
Literacy Intervention	295,000	398,155	295,000	398,155	-	-	-
State Professional Technical	78,916	83,070	78,916	83,070	-	-	-
Gifted and Talented	-	-	-	-	-	13,587	13,587
Technology Grant	316,780	352,611	510,000	557,551	-	796,896	591,956
State Substance Abuse	50,875	53,481	50,875	55,359	-	1,878	-
Leadership Stipends	270,394	281,188	270,394	281,188	-	-	-
Miscellaneous Grant	17,000	46,521	17,000	37,853	-	31,289	39,957
Title I-A - ESSA Improving Basic Programs	789,257	788,853	811,457	788,853	-	-	-
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	2,161	-	2,161	-	-	-
ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	1,360,354	2,302,328	1,360,354	2,302,328	-	-	-
IDEA Part B (611 School Age 3-21)	798,011	935,541	854,307	935,541	-	-	-
IDEA Part B (619 Pre-School Age 3-5)	21,653	21,653	21,653	21,653	-	-	-
School Based Medicaid	410,000	352,071	410,000	409,312	60,000	12,570	15,329
Title IV-A, ESSA - Student Support and Academic Enrichment	77,626	52,241	104,373	52,241	-	-	-
Title V-B, ESSA - Rural Education Initiative	-	3,481	-	3,481	-	-	-
Perkins IV Professional Technical Act	65,865	65,865	65,865	65,865	-	-	-
Title II-A ESEA - Supporting Effective Instruction	143,202	147,159	159,026	147,159	-	-	-
Idaho Rebounds COVID Relief	-	1,023,680	-	1,023,680	-	-	-
<b>Total</b>	<b>\$ 7,166,675</b>	<b>\$ 10,982,800</b>	<b>\$ 7,485,688</b>	<b>\$ 10,487,224</b>	<b>\$ 60,000</b>	<b>\$ 2,758,172</b>	<b>\$ 3,313,748</b>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
June 30, 2022**

	<b>School Plant Facility</b>	<b>School Plant Facility - Bus Depreciation</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Due from other funds	542,034	832,504	1,374,538
Taxes receivable	23,973	-	23,973
Other receivables:			
Due from other governments	356,972	-	356,972
Total assets	922,979	832,504	1,755,483
Deferred outflows of resources	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 922,979</b>	<b>\$ 832,504</b>	<b>\$ 1,755,483</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	115,647	-	115,647
Deferred inflows of resources:			
Deferred revenue	11,809	-	11,809
Fund balances:			
Committed	190,055	-	190,055
Restricted	605,468	832,504	1,437,972
Total fund balances	795,523	832,504	1,628,027
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 922,979</b>	<b>\$ 832,504</b>	<b>\$ 1,755,483</b>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

**CAPITAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2022**

	<u>School Plant Facility</u>	<u>School Plant Facility - Bus Depreciation</u>	<u>Total</u>
<b>REVENUES</b>			
Local:			
Taxes	1,155,910	-	1,155,910
Other	-	24	24
	<u>1,155,910</u>	<u>24</u>	<u>1,155,934</u>
Total revenues	<u>1,155,910</u>	<u>24</u>	<u>1,155,934</u>
<b>EXPENDITURES</b>			
Support:			
Purchased services	151,851	-	151,851
Supplies-materials	159,411	-	159,411
Capital objects	65,889	-	65,889
Total support	<u>377,151</u>	<u>-</u>	<u>377,151</u>
Capital asset program:			
Capital objects	<u>1,100,075</u>	<u>-</u>	<u>1,100,075</u>
Total expenditures	<u>1,477,226</u>	<u>-</u>	<u>1,477,226</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(321,316)</u>	<u>24</u>	<u>(321,292)</u>
Other financing sources (uses):			
Transfer in	-	384,720	384,720
Transfer out	(225,000)	-	(225,000)
Total other financing sources (uses)	<u>(225,000)</u>	<u>384,720</u>	<u>159,720</u>
Net change in fund balance	(546,316)	384,744	(161,572)
Fund balance -beginning of year	<u>1,341,839</u>	<u>447,760</u>	<u>1,789,599</u>
Fund balance-end of year	<u>\$ 795,523</u>	<u>\$ 832,504</u>	<u>\$ 1,628,027</u>

## **SINGLE AUDIT SECTION**

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2022**

	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Grant Number</b>	<b>Expenditures</b>
<b>U. S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	272	202222N119947	389,766
National School Lunch Program	10.555	272	202222N119947	1,738,913
Food Distribution (non-cash)	10.555	272	Not Available	121,737
Summer Food Service Program for Children	10.559	272	202121N109947	48,423
Fresh Fruit and Vegetable Program	10.582	272	202221L160347	34,624
Total Child Nutrition Cluster				<u>2,333,463</u>
Other Programs				
Child and Adult Care Food Program	10.558	272	202222N119947	<u>23,563</u>
Direct through U.S. Department of Agriculture				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	272	Not Available	<u>16,996</u>
Total U.S. Department of Agriculture				<u>2,374,022</u>
<b>U. S. Department of Treasury</b>				
Passed through State Department of Education				
COVID-19 - Coronavirus Relief Fund	21.019	272	20-1892-0-1-806	445,773
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	272	SLFRP0142	<u>577,907</u>
Total U.S. Department of Treasury				<u>1,023,680</u>
<b>Federal Communications Commission</b>				
Direct through Federal Communications Commission				
COVID-19 - Emergency Connectivity Fund Program	32.009	272	Not Available	<u>560,000</u>
Total Federal Communications Commission				<u>560,000</u>
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to State	84.027	272	H027A210088	935,541
Special Education - Preschool Grants	84.173	272	H173A210030	<u>21,653</u>
Total Special Education Cluster (IDEA)				<u>957,194</u>
Other Programs				
Title I-A, ESEA - Improving Basic Programs	84.010	272	S010A210012	788,853
Perkins III, Professional Technical	84.048	272	V048A220012	65,865
Small, Rural School Achievement Program	84.358	272	S358B190012	3,481
Title II-A, ESEA - Improving Teacher Quality	84.367	272	S367A210011	147,159
State Support and Academic Enrichment Program	84.424	272	S424A210013	52,241
COVID-19 -Elementary and Secondary School Emergency Relief Fund	84.425D	272	S425D210043	<u>2,304,489</u>
Total Other Programs				<u>3,362,088</u>
Total U.S. Department of Education				<u>4,319,282</u>
<b>Total Expenditures</b>				<u><u>\$ 8,276,984</u></u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2022**

**NOTE 1      Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lakeland Joint School District No. 272 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lakeland Joint School District No. 272, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of Lakeland Joint School District No. 272.

**NOTE 2      Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Lakeland Joint School District No. 272 has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3      Food Distribution**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance for the year ended June 30, 2022 was \$121,737.

**NOTE 4      Sub-Recipients**

There were no awards passed through to sub-recipients.



**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  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

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 Lakeland Joint School District No. 272, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Lakeland Joint School District No. 272's basic financial statements, and have issued our report thereon dated October 19, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lakeland Joint School District No. 272'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 Lakeland Joint School District No. 272's internal control. Accordingly, we do not express an opinion on the effectiveness of Lakeland Joint School District No. 272'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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lakeland Joint School District No. 272'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*.

### **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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 19, 2022





## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

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

We have audited Lakeland Joint School District No. 272's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lakeland Joint School District No. 272's major federal programs for the year ended June 30, 2022. Lakeland Joint School District No. 272's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lakeland Joint School District No. 272 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

We are required to be independent of Lakeland Joint School District No. 272 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lakeland Joint School District No. 272's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lakeland Joint School District No. 272's federal programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lakeland Joint School District No. 272's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lakeland Joint School District No. 272's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lakeland Joint School District No. 272's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lakeland Joint School District No. 272's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control over compliance. Accordingly, no such opinion is expressed.

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

## Report on Internal Control over Compliance

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

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

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

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

*Hayden Ross, PLLC*

Moscow, Idaho  
October 19, 2022

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2022**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:

Governmental Activities, Each Major Fund,  
and Aggregate Remaining Fund Information      Unmodified

Internal control over financial reporting:

- material weakness(es) identified?      \_\_\_\_\_ yes        x   no

- significant deficiency(ies) identified?      \_\_\_\_\_ yes        x   none reported

Noncompliance material to financial statements  
noted?

\_\_\_\_\_ yes        x   no

*Federal Awards*

Internal control over major programs:

- material weakness(es) identified?      \_\_\_\_\_ yes        x   no

- significant deficiency(ies) identified?      \_\_\_\_\_ yes        x   none reported

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

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR section 200.516(a)?

\_\_\_\_\_ yes        x   no

*Identification of major programs:*

Federal Assistance Listing Number

Name of Federal Program or Cluster

32.009

84.027, 84.173

84.425

Emergency Connectivity Fund Program

Special Education Cluster (IDEA)

Education Stabilization Fund

Dollar threshold used to distinguish between  
type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes        x   no

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For The Year Ended June 30, 2022**

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.