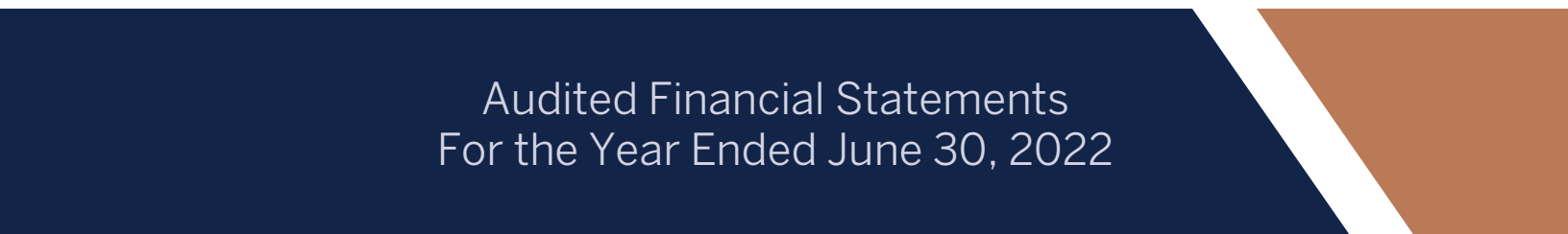




# ST. MARIES JOINT SCHOOL DISTRICT NO. 41

St. Maries, Idaho



Audited Financial Statements  
For the Year Ended June 30, 2022

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

### 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 the St. Maries Joint School District No. 41, 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 as 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 St. Maries Joint School District No. 41 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 District 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 5-10, the budgetary comparison on pages 43-44, the net pension (asset) liability related schedules on page 45, Other Post Employment Benefit liability schedule on page 46, and the Net OPEB Asset – sick leave plan related schedules on page 47 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 St. Maries Joint School District No. 41's basis 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 2, 2022 on our consideration of St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 2, 2022

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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

As management of the St. Maries Joint School District No. 41 (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**

- St. Maries Joint School District No. 41's financial status, as reflected in the General Fund balance, decreased \$21,145 from the previous fiscal year to an ending balance of \$974,623. Fund Balance stabilized this year with the Board fully utilizing revenues received to allocate expenditures to provide a quality education for students. General Fund Balance represents 1.25 months of operating expenditures.
- Supplemental levies have supported essential school programs for over 30 years in St. Maries. Voters approved the \$2,073,385 two-year supplemental levy held on May 21, 2021 which provides support for the 2021-2022 and 2022-2023 school years. Supplemental levies continue to be a necessary part of the school district's budget to help close the gap between State revenues received for education and the expenditures necessary to provide a quality education for our students. The supplemental levy for 2021-2022 represents 22.57% of general fund budgeted revenues.
- Overall district enrollment for the 2021-2022 school year increased from the 2020-2021 school year. Ending K-12 enrollment for the 2020-2021 school year was 870 students. The School District began the 2021-2022 school year with 939 students and ended with 886 students in June.
- The School District received Federal Funds for the 2021-2022 School year to provide assistance to address the economic impact of COVID-19 by preventing, preparing for, and responding to the pandemic. These funds were used to implement Distance/Blended Learning and improve facility safety and security measures.

**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 of 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 Statement.** 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 between them 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 governmental 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 funds 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 (asset) liability schedules provide additional information required by GASB 68. The other post-employment schedules provides additional information required by GASB 75.

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

**Government-Wide Financial Analysis  
Statement of Net Position  
June 30,**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Assets</b>			
Current assets	6,037,339	5,650,922	386,417
Capital assets	3,556,029	3,530,783	25,246
Other noncurrent assets	<u>678,205</u>	<u>479,678</u>	<u>198,527</u>
<b>Total Assets</b>	<u><b>10,271,573</b></u>	<u><b>9,661,383</b></u>	<u><b>610,190</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>2,496,074</b></u>	<u><b>1,505,519</b></u>	<u><b>990,555</b></u>
<b>Liabilities</b>			
Current liabilities	1,256,416	1,290,105	(33,689)
Noncurrent liabilities	<u>627,501</u>	<u>3,993,779</u>	<u>(3,366,278)</u>
<b>Total Liabilities</b>	<u><b>1,883,917</b></u>	<u><b>5,283,884</b></u>	<u><b>(3,399,967)</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>6,141,682</b></u>	<u><b>2,425,051</b></u>	<u><b>3,716,631</b></u>
<b>Net Position</b>			
Net investment in capital assets	3,300,340	3,184,065	116,275
Restricted	1,692,693	1,242,807	449,886
Unrestricted	<u>(250,985)</u>	<u>(968,905)</u>	<u>717,920</u>
<b>Total Net Position</b>	<u><b>\$4,742,048</b></u>	<u><b>\$3,457,967</b></u>	<u><b>\$1,284,081</b></u>

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,742,048 at the close of the most recent fiscal year.

The largest portion of the District’s net position (69.60%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (mortgage obligations and obligations under right-to-use lease liability) used to acquire those assets that are still outstanding. The District uses these 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. An additional portion of the District’s net position (35.70%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-5.30%) may be used to meet the District’s ongoing obligations to students, employees, and creditors.

The unrestricted net position amount is typically earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency. The District is reporting a deficit in unrestricted net position.

**Changes in Net Position  
For Fiscal Year Ending June 30,**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	281,091	205,270	75,821
Operating grants and contributions	1,732,561	1,499,710	232,851
General revenues:			
Property taxes -general purposes	2,149,432	2,104,410	45,022
Property taxes -liability insurance	21,993	18,281	3,712
Federal and state revenues	7,195,400	6,696,422	498,978
Other	217,778	224,980	(7,202)
Gain on sale of capital asset	2,579	4,825	(2,246)
Interest and investment earnings	24,139	16,653	7,486
<b>Total revenues</b>	<u>11,624,973</u>	<u>10,770,551</u>	<u>854,422</u>

**Changes in Net Position (Continued)**  
**For Fiscal Year Ending June 30,**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Expenses</b>			
Preschool - 12 instruction	5,641,233	6,078,656	(437,423)
Support services:			
Pupil support	589,540	529,976	59,564
Staff support	194,968	462,039	(267,071)
General administration	385,233	385,963	(730)
School administration	810,131	1,002,416	(192,285)
Maintenance/custodial	876,721	842,636	34,085
Transportation	666,532	797,513	(130,981)
Other support	24,513	14,725	9,788
Child Nutrition	509,805	481,871	27,934
Student activity	262,726	119,797	142,929
Capital outlay	-	1,427	(1,427)
Debt services, interest	20,565	12,338	8,227
Amortization, unallocated	5,572	-	5,572
Depreciation, unallocated	353,353	343,813	9,540
<b>Total Expenses</b>	<u>10,340,892</u>	<u>11,073,170</u>	<u>(732,278)</u>
 <b>Change in Net Position</b>	 1,284,081	 (302,619)	 1,586,700
 <b>Net Position – Beginning</b>	 <u>3,457,967</u>	 <u>3,760,586</u>	 <u>(302,619)</u>
 <b>Net Position – Ending</b>	 <u><u>\$4,742,048</u></u>	 <u><u>\$3,457,967</u></u>	 <u><u>\$1,284,081</u></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 total balance of \$974,623 was unreserved and undesignated. The unreserved and undesignated fund balance decreased by \$21,145 during the current fiscal year.

Expenditures for general District purposes totaled \$8,717,461, an increase of 2.27% during the current fiscal year from the prior year, which was \$8,523,734.

**Capital Asset and Debt Administration**

**Capital Assets.** The Plant Facility Fund is the District fund used to pay for capital construction, building repair and remodeling, and furniture, fixtures, and equipment. Capital asset acquisitions for the fiscal year totaled \$370,240.

**Capital Assets  
Governmental Activities  
Capital Assets, Net  
June 30,**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Land	92,884	92,884	-
Site improvements	1,618,030	1,618,030	-
Building	8,318,876	8,060,448	258,428
Equipment	2,158,489	2,046,677	111,812
Transportation	1,807,864	1,922,086	(114,222)
Less: Accumulated Depreciation	(10,448,473)	(10,209,342)	(239,131)
Right-to-use lease assets	13,931	-	13,931
Less: Accumulated Amortization	(5,572)	-	(5,572)
Total Net Capital Assets	<u>\$ 3,556,029</u>	<u>\$ 3,530,783</u>	<u>\$ 25,246</u>

**Long Term Debt.** At year end the District had \$255,689 of outstanding debt as follows:

	<u>Beginning Balance, As Restated</u>	<u>Long-Term Obligations Incurred</u>	<u>Long-Term Obligations Paid</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Remaining Balance</u>
Bus loan	325,854	-	(78,610)	247,244	80,482	166,762
PAC loan	20,864	-	(20,864)	-	-	-
Right-to-use lease liability	13,931	-	(5,486)	8,445	5,595	2,850
Total	<u>\$ 360,649</u>	<u>\$ -</u>	<u>\$ (104,960)</u>	<u>\$ 255,689</u>	<u>\$ 86,077</u>	<u>\$ 169,612</u>

**Factors Bearing on the District's Future**

Circumstances that may impact the District's financial status in the future are:

- The economy in Benewah County and other factors which impact student enrollment and attendance.
- Idaho State's economy which directly affects the school district's state funding resources that accounts for the majority of general fund revenues.
- The uncertainty of existing levels of Federal Program funds.
- The lack of funding resources for aging equipment and facilities.

**Requests for Information**

This financial report is designed to provide a general overview of the St. Maries Joint School District No. 41's finances for all those with 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 Mrs. Alica Holthaus, Superintendent, St. Maries School District No. 41, P.O. Box 384 St. Maries, Idaho 83861.

## **FINANCIAL STATEMENTS**



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

**ASSETS**

Current assets:

Cash	386,757
Investments	2,210,364
Taxes receivable	131,236
Unbilled taxes receivable	2,096,925
Other receivables:	
Due from other governments	1,139,578
Other receivables	46,933
Inventory	25,546
<b>Total current assets</b>	<b>6,037,339</b>

Noncurrent assets:

Nondepreciated capital assets	92,884
Depreciated capital assets	13,903,259
Less: accumulated depreciation	(10,448,473)
Right-to-use lease asset	13,931
Less: accumulated amortization	(5,572)
Net OPEB asset - sick leave	565,734
Net pension asset	112,471
<b>Total noncurrent assets</b>	<b>4,234,234</b>

Total assets 10,271,573

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items	2,158,611
Net OPEB - sick leave related items	147,168
OPEB related items	190,295

Total deferred outflows of resources 2,496,074

**LIABILITIES**

Current liabilities:

Accounts payable and other current liabilities	1,170,339
Current portion of long-term debt	80,482
Current portion of right-to-use lease liability	5,595
<b>Total current liabilities</b>	<b>1,256,416</b>

Noncurrent liabilities:

Noncurrent portion of long-term debt	166,762
Noncurrent portion of right-to-use lease liability	2,850
Other post employment benefit liability	457,889
<b>Total noncurrent liabilities</b>	<b>627,501</b>

Total liabilities 1,883,917

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	2,096,925
Pension related items	3,706,694
Net OPEB - sick leave related items	287,616
OPEB related items	50,447

Total deferred inflows of resources 6,141,682

**NET POSITION**

Net investment in capital assets	3,300,340
Restricted for:	
Capital projects	962,840
Grant programs	729,853
Unrestricted	(250,985)

**TOTAL NET POSITION** **\$ 4,742,048**

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Preschool - 12 instruction	5,641,233	78,552	912,628	-	(4,650,053)
Support services					
Pupil support	589,540	-	-	-	(589,540)
Staff support	194,968	-	164,566	-	(30,402)
General administration	385,233	-	-	-	(385,233)
School/business administration	810,131	-	-	-	(810,131)
Maintenance/custodial	876,721	-	-	-	(876,721)
Transportation	666,532	-	-	-	(666,532)
Other support	24,513	-	-	-	(24,513)
Child nutrition	509,805	2,434	655,367	-	147,996
Student activity	262,726	200,105	-	-	(62,621)
Debt services, interest	20,565	-	-	-	(20,565)
Amortization, unallocated	5,572	-	-	-	(5,572)
Depreciation, unallocated	353,353	-	-	-	(353,353)
	<u>\$ 10,340,892</u>	<u>\$ 281,091</u>	<u>\$ 1,732,561</u>	<u>\$ -</u>	<u>(8,327,240)</u>
General revenues					
Taxes:					
Property taxes levied for general purposes					2,149,432
Property taxes levied for liability insurance					21,993
Federal and State aid not restricted to specific purposes					7,195,400
Other					217,778
Gain on sale of capital assets					2,579
Interest and investment earnings					24,139
					<u>9,611,321</u>
Total general revenues					<u>9,611,321</u>
Change in net position					1,284,081
Net position - beginning					<u>3,457,967</u>
Net position - ending					<u>\$ 4,742,048</u>



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2022**

	<u>General</u>	<u>Plant Facilities</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash	3,388	-	383,369	386,757
Investments	2,103,084	819	106,461	2,210,364
Due from other funds	-	792,304	420,913	1,213,217
Taxes receivable	131,236	-	-	131,236
Unbilled taxes receivable	2,096,925	-	-	2,096,925
Other receivables:				
Due from other governments	677,450	-	462,128	1,139,578
Other receivables	41,695	1	5,237	46,933
Inventory	-	-	25,546	25,546
Total assets	<u>5,053,778</u>	<u>793,124</u>	<u>1,403,654</u>	<u>7,250,556</u>
Deferred outflows of resources	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 5,053,778</u>	<u>\$ 793,124</u>	<u>\$ 1,403,654</u>	<u>\$ 7,250,556</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
Liabilities:				
Due to other funds	870,078	-	343,139	1,213,217
Accounts payable	50,089	-	24,502	74,591
Accrued payroll and benefits	959,304	-	136,444	1,095,748
Total liabilities	<u>1,879,471</u>	<u>-</u>	<u>504,085</u>	<u>2,383,556</u>
Deferred inflows of resources:				
Deferred revenue	102,759	-	-	102,759
Unavailable property tax revenue	2,096,925	-	-	2,096,925
Total deferred inflows of resources	<u>2,199,684</u>	<u>-</u>	<u>-</u>	<u>2,199,684</u>
Fund balance:				
Nonspendable	-	-	25,546	25,546
Restricted	-	793,124	874,023	1,667,147
Unassigned	974,623	-	-	974,623
Total fund balance	<u>974,623</u>	<u>793,124</u>	<u>899,569</u>	<u>2,667,316</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 5,053,778</u>	<u>\$ 793,124</u>	<u>\$ 1,403,654</u>	<u>\$ 7,250,556</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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

Total fund balances - governmental funds	2,667,316
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	13,996,143
Accumulated depreciation	(10,448,473)
Right-to-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.	
Cost of right-to-use lease assets	13,931
Accumulated amortization	(5,572)
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.	102,759
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:	565,734
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	2,158,611
Deferred inflow of resources	(3,706,694)
Certain OPEB related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	190,295
Deferred inflow of resources	(50,447)
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	147,168
Deferred inflow of resources	(287,616)
Total net pension asset for PERSI is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds	112,471
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
Right-to-use lease liability	(8,445)
Long-term debt	(247,244)
Other post employment benefit liability	(457,889)
Total net position - governmental activities	<u>\$ 4,742,048</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>General</u>	<u>Plant Facilities</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local	2,386,826	2	332,060	2,718,888
State	6,933,090	-	229,306	7,162,396
Federal	-	-	1,765,565	1,765,565
Total revenues	<u>9,319,916</u>	<u>2</u>	<u>2,326,931</u>	<u>11,646,849</u>
<b>EXPENDITURES</b>				
Instruction	5,338,899	-	873,821	6,212,720
Support	3,339,410	-	466,403	3,805,813
Non-instruction	-	-	807,614	807,614
Capital asset program	-	155,004	92,986	247,990
Debt service	39,152	-	86,373	125,525
Total expenditures	<u>8,717,461</u>	<u>155,004</u>	<u>2,327,197</u>	<u>11,199,662</u>
Excess (deficiency) of revenue over (under) expenditures	<u>602,455</u>	<u>(155,002)</u>	<u>(266)</u>	<u>447,187</u>
Other financing sources (uses)				
Proceeds from sale of capital asset	1,591	-	988	2,579
Loss on investments	-	-	(21,025)	(21,025)
Transfer in	-	507,360	117,831	625,191
Transfer out	(625,191)	-	-	(625,191)
Total other financing sources (uses)	<u>(623,600)</u>	<u>507,360</u>	<u>97,794</u>	<u>(18,446)</u>
Net change in fund balances	(21,145)	352,358	97,528	428,741
Fund balance - beginning of year	<u>995,768</u>	<u>440,766</u>	<u>802,041</u>	<u>2,238,575</u>
Fund balance - end of year	<u>\$ 974,623</u>	<u>\$ 793,124</u>	<u>\$ 899,569</u>	<u>\$ 2,667,316</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**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		428,741
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 shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlays	370,240	
Depreciation expense	<u>(353,353)</u>	16,887
Capital outlays used to lease right-to-use lease assets are related in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net position and allocated over their estimated useful lives as annual amortization expense.		
Amortization expense	<u>(5,572)</u>	(5,572)
Net Pension (Asset) Liability Adjustments:		
Fiscal year 2021 employer PERSI contributions recognized as pension expense in the current year	(639,889)	
Fiscal year 2022 employer PERSI contributions deferred to subsequent year	682,346	
Pension related amortization expense	<u>719,738</u>	762,195
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		
		(24,453)
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 expense	<u>35,272</u>	35,272
Net OPEB liability adjustment:		
Current year change in liability		(33,949)
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.		
		<u>104,960</u>
Net change in net position - total governmental activities		<u>\$ 1,284,081</u>

**ST. MARIES SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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

**NOTE 1      Summary of Significant Accounting Policies**

The financial statements of St. Maries Joint School District No. 41 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** - St. Maries Joint School District No. 41 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 school district.

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.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds.

## **NOTE 1      Summary of Accounting Policies (Continued)**

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.
- Plant Facilities Fund – This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property.

**Basis of Accounting** - The district-wide 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 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 Accounting 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. Prior to July 1, the final budget is adopted by resolution of the Board at the regular June meeting of the Board of Directors.
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.

Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

**Cash and Investments** - The District's cash includes amounts in demand deposits and checking 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 investment 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 Districts inventory is valued at the lower of cost, using the first-in, first-out (FIFO) method, or net realizable value, or, if donated, at fair value when received. 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.

## **NOTE 1      Summary of Accounting 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 \$2,500. 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 15–40 years. Lives for equipment range from 5–10 years. Vehicles and school buses have estimated lives of 5-10 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 "St. Maries School District Board Policies" District employees are granted vacation and sick leave in varying amounts. Unused sick leave can be accumulated from year to year. Unused vacation leave cannot be accumulated.

In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for non-vesting on accumulating right to receive sick pay benefits.

**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.

**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 for membership.

The Bank is administered by an in-district four-member committee as provided in the School District Board Policies.

**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.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since



## **NOTE 1      Summary of Accounting Policies (Continued)**

they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

**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 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.

**Deferred Revenue** - Deferred revenue in the General Fund represents property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund represents 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 fund and the government-wide financial statements.

**Subsequent Events** - The District has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. The District 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 \$655,699,902. 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:

	<u>Percentage</u>	<u>Amount</u>
Supplemental	31.62%	\$2,103,244
Tort	0.32%	\$21,287
Total	<u>31.94%</u>	<u>\$2,124,531</u>

### 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 \$2,096,925. This levy is for the FY2023 operations and has been presented as unavailable property tax revenue.

### Deferred Revenue

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

Total taxes receivable at June 30,2022	131,236
Less: Taxes collected by the County Treasurer by August 31,2022	<u>(28,477)</u>
Deferred Revenue	<u>\$ 102,759</u>

## NOTE 3 Cash and Investments

<u>Cash</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking Accounts	<u>\$386,793</u>	<u>\$578,445</u>

Deposits are held at three separate banks all of which have balances less than \$250,000 of interest bearing accounts and non-interest bearing accounts and were covered by Federal Deposit Insurance.

### NOTE 3 Cash and Investments (Continued)

#### Investments

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

	<u>Rate</u>	<u>General Fund</u>	<u>Child Nutrition</u>	<u>Plant Facilities</u>	<u>Student Activity</u>	<u>Scholarship Fund</u>	<u>Total</u>
General Motors Stock		-	-	-	-	25,114	25,114
Investment in State Treasurer's Pool	Variable	<u>2,103,084</u>	<u>860</u>	<u>819</u>	<u>23,654</u>	<u>56,833</u>	<u>2,185,250</u>
Total		<u>\$2,103,084</u>	<u>\$860</u>	<u>\$819</u>	<u>\$23,654</u>	<u>\$81,947</u>	<u>\$2,210,364</u>

<u>Investment Maturities External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$2,185,250</u>	<u>\$2,185,250</u>	<u>\$2,185,250</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 policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

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

### **NOTE 3      Cash and Investments (Continued)**

*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.

The Scholarship Fund is composed of GM Stock and LGIP investments. The GM Stock is registered and held in the District's name. The market price as of June 30, 2022 is \$25,114.

## NOTE 4 Capital Assets

A summary of changes in capital assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Non-depreciated assets</b>					
Land	<u>92,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,884</u>
<b>Depreciated assets</b>					
Site improvement	1,618,030	-	-	-	1,618,030
Building	8,060,448	258,428	-	-	8,318,876
Equipment	2,046,677	111,812	-	-	2,158,489
Transportation	<u>1,922,086</u>	<u>-</u>	<u>(114,222)</u>	<u>-</u>	<u>1,807,864</u>
Total depreciated assets	<u>13,647,241</u>	<u>370,240</u>	<u>(114,222)</u>	<u>-</u>	<u>13,903,259</u>
Total assets	<u>13,740,125</u>	<u>370,240</u>	<u>(114,222)</u>	<u>-</u>	<u>13,996,143</u>
<b>Accumulated Depreciation</b>					
<b>Function</b>					
Elementary	(1,665,403)	(122,555)	-	-	(1,787,958)
Secondary	(6,677,005)	(95,989)	-	-	(6,772,994)
Administration	(297,526)	(20,578)	-	-	(318,104)
Maintenance	(22,666)	(1,046)	-	-	(23,712)
Transportation	(1,400,526)	(106,501)	114,222	-	(1,392,805)
Child nutrition	<u>(146,216)</u>	<u>(6,684)</u>	<u>-</u>	<u>-</u>	<u>(152,900)</u>
Total accumulated depreciation	<u>(10,209,342)</u>	<u>(353,353)</u>	<u>114,222</u>	<u>-</u>	<u>(10,448,473)</u>
<b>Governmental Activities</b>					
Assets (Net)	<u>\$ 3,530,783</u>	<u>\$ 16,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,547,670</u>

## NOTE 5 Right-to-use Lease Asset/Liability

During the year ended June 30, 2022, the District adopted new accounting guidance by implementing the provision of GASB Statement No. 87, *Leases*, which establishes criteria for identifying and reporting right-to-use lease assets and lease liabilities. The implementation of this statement has resulted in a change in the presentation of the financial statements for the following activities:

- The copier leases previously reported as operating leases have been restated as a right-to-use lease assets and right-to-use lease liabilities.

The restatement has no affect on beginning governmental activities net position.

The District entered into a lease agreement to lease two copiers on January 1, 2019 for 60 months ending on December 31, 2023 with a discount rate of 2.49% based on the estimated incremental borrowing rate determined by the District. The lease requires monthly payments of \$478.

## NOTE 5 Right-to-use Lease Asset/Liability (Continued)

During the year ended June 30, 2022, the following changes occurred in right-to-use lease assets:

	Beginning Balance, As Restated	Additions	Modications & Remeasurements	Subtractions	Ending Balance
<b>Right-to-Use Lease Assets</b>					
Copiers	13,931	-	-	-	13,931
<b>Less: Accumulated Amortization</b>					
Copiers	-	(5,572)	-	-	(5,572)
<b>Total Right-to-Use Lease Assets, net</b>	<u>\$ 13,931</u>	<u>\$ (5,572)</u>	<u>-</u>	<u>-</u>	<u>\$ 8,359</u>

Total lease expense for the year ended June 30, 2022 is as follows:

<b>Lease expense</b>	
Amortiation expense by class of underlying asset	
Copier	5,572
<b>Total Amortization Expense</b>	<u>\$ 5,572</u>

During the year ended June 30, 2022, the following changes occurred in the right-to-use lease liability:

	Beginning Balance, As Restated	Additions	Modications & Remeasurements	Subtractions	Ending Balance
<b>Right-to-Use Lease Liabilities</b>					
Copiers	<u>\$ 13,931</u>	<u>-</u>	<u>-</u>	<u>\$ (5,486)</u>	<u>\$ 8,445</u>

Future minimum annual payments as of June 30, 2022 are as follows:

<b>FY Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2023	5,595	147	5,742
2024	2,850	21	2,871
<b>Total Future Payments</b>	<u>\$ 8,445</u>	<u>\$ 168</u>	<u>\$ 8,613</u>

## NOTE 6 Long-term Debt

In November 2008, the District entered into a loan agreement with the Panhandle Area Council, In. (PAC), a non-profit organization whose purpose is to promote economic development in North Idaho. The purpose of the loan was to help the District acquire real estate for current and future expansion and to help the District finance a "Woody Bio-Mass Heating System," which provides the heating to one of the District's school buildings.

The total loan was for \$605,000 and, at June 30, 2009, \$375,615 of loan proceeds were used to acquire real estate. The remaining \$229,385 was utilized when the Bio-Mass Project was completed in the fiscal year ended June 30, 2010.

## NOTE 6 Long-term Debt (Continued)

The terms of the loan provide for monthly payments of \$5,025, which includes PAC's administrative fee of \$88 and the balance to service a bank loan negotiated by PAC with imputed interest of 5.25%.

On May 15, 2020 the Districted entered into a loan agreement with Mercedes-Benz Financial Services USA, LLC. The District purchased four 2021 Freightliner Buses for a total of \$402,634 with an interest rate of 2.382%. The terms of the loan provide annual payments of \$86,372 for five years.

The following is a summary of changes in long-term debt obligations of the District for the year ended June 30, 2022:

	<u>Long-Term Obligations July 1, 2021</u>	<u>Long-Term Obligations Incurred</u>	<u>Long-Term Obligations Paid</u>	<u>Long-Term Obligations June 30, 2022</u>	<u>Due Within One Year</u>	<u>Remaining Balance</u>
Bus	\$ 325,854	\$ -	\$ (78,610)	\$ 247,244	\$ 80,482	\$ 166,762
PAC	\$ 20,864	\$ -	\$ (20,864)	\$ -	\$ -	\$ -
Total Loan	<u>\$ 346,718</u>	<u>\$ -</u>	<u>\$ (99,474)</u>	<u>\$ 247,244</u>	<u>\$ 80,482</u>	<u>\$ 166,762</u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	80,482	5,890	86,372
2024	82,400	3,972	86,372
2025	84,362	2,010	86,372
Total	<u>\$ 247,244</u>	<u>\$ 11,872</u>	<u>\$ 259,116</u>

## NOTE 7 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

## **NOTE 7      Pension Plan (Continued)**

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

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

### *Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. 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, 2022 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 \$682,346 for the year ended June 30, 2022.

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



## NOTE 7 Pension Plan (Continued)

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 0.14240769%.

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 (\$58,130).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	165,710	65,376
Changes in assumptions or other inputs	1,291,021	-
Net difference between projected and actual earning on pension plan investments	-	3,532,623
Change in proportionate share	19,534	108,695
Employer contributions subsequent to the measurement date	<u>682,346</u>	<u>-</u>
Total	<u>\$2,158,611</u>	<u>\$3,706,694</u>

\$682,346 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:

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2023	(503,698)
2024	(453,935)
2025	(396,687)
2026	(786,948)

## NOTE 7 Pension Plan (Continued)

The total pension (asset) liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases 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 7 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%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>6.35%</b>

### Discount Rate

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

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

## NOTE 7 Pension Plan (Continued)

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 <u>(5.35%)</u></b>	<b>Current Discount Rate <u>(6.35%)</u></b>	<b>1% Increase <u>(7.35%)</u></b>
Employer's proportionate share of the net pension liability (asset)	\$3,909,727	\$(112,471)	\$3,409,547

### *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 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><u>Fund</u></b>	<b><u>Excess</u></b>
IDEA Part B (611 School Age 3-21)	19,844
School-Based Medicaid	2,905
Child Nutrition	71,326
Plant Facilities – Bus Acquisition	1

**NOTE 10 Interfund Receivables, Payables and Transfers**

These over-expenditures arose due to an increase in Local, State and Federal funding. 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.

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 In/(Out)” and are classified with “Other financing sources or uses.” Idaho Code and State Department of Education Regulations mandate transfers into the Plant Facilities – Bus Acquisition Fund to cover the depreciation reimbursement. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	625,191	-
School-Based Medicaid	-	9,870
Child Nutrition	-	11,797
Plant Facilities	-	507,360
Plant Facilities - Bus Acquisition	-	96,164
Total	<u>\$ 625,191</u>	<u>\$625,191</u>

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

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	870,078
Special Revenue Funds:		
Federal Forest Reserve	5,678	-
KIC Heyburn Playground	2,807	-
Student Utility Building	3,593	-
Donations	30,476	-
Driver Education - State	-	1,412
Professional Technical - State	2,964	-
Technology - State	182,171	-
Substance Abuse - State	22,588	-
ESSER III (ARPA) - American Rescue Plan Act	-	134,212
Title I-A, ESEA - Improving Basic Programs	-	48,567
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	10,162
IDEA Part B (611 School Age 3-21)	-	52,061
IDEA Part B (619 Pre-School 3-5)	-	2,454
IDEA Part B (ARPA) American Rescue Plan Act	-	664
School-Based Medicaid	-	11,422
Title IV-A, ESSA – Student Support and Academic Enrichment	-	3,926
Perkins IV – Professional Technical Act	-	16,010
Title II-A, ESEA - Supporting Effective Instruction	-	17,835
Title IV-B, ESEA - 21st Century Community Learning Centers		42,172
Summer Recreation Program	920	-
Cultivating Leaders	-	2,194
Child Nutrition	-	48
Capital Project Funds:		
Plant Facilities	792,304	-
Plant Facilities – Bus Acquisition	80,684	-
Plant Facilities – Lottery	89,032	-
Total	<u>\$ 1,213,217</u>	<u>\$ 1,213,217</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 year.

## **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 St. Maries 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 St. Maries 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.

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

### *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.

### **OPEB Benefits**

The health care benefits are contracted by the District through group medical and dental plans. The medical and dental plans includes 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).

### **Census Data**

As of June 30, 2022, the valuation date, the District had 141 active (future retirees) participants and 47 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 \$457,889 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 \$53,240. At June 30, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	158,683	-
Changes in assumptions or other inputs	<u>31,612</u>	<u>50,447</u>
Total	<u>\$190,295</u>	<u>\$50,447</u>



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

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

Year ended June 30:	
2023	\$14,582
2024	\$14,582
2025	\$14,582
2026	\$14,582
2027	\$14,582
2028	\$14,582
Thereafter	\$67,346

### Actuarial assumptions

**Valuation Date** June 30, 2022

**Measurement Date** June 30, 2022

**Interest/Discount Rate** 4.02%

**Projected Payroll Increases** 3.75%

**Health Care Cost Trend Rate** Medical: between 3.8% and 7.5%  
Dental: between 1.7% and 3.2%  
Prescription Drugs: between 3.8% and 7.5%

**Retiree Contributions** Retiree contributions are assumed to increase to match the health care cost trends.

### Participation

For future retirees, participation rates were assumed to be 40% for medical coverage and 48% for dental coverage. Future retired members who elect to participate in the plan are assumed to be married. 70.0% of the future retirees who elect medical or dental coverage and married are assumed to elect spousal coverage. Males are assumed to be three years older than females. Actual spouse information is used for current retirees.

### Mortality

For active members, inactive members and healthy retirees, mortality rates were based on the RP2000 Healthy Combined 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.

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

### *Interest/Discount rate*

The interest 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:

	<u>1% Decrease</u> <u>(3.02%)</u>	<u>Current Discount Rate</u> <u>(4.02%)</u>	<u>1% Increase</u> <u>(5.02%)</u>
Net OPEB liability	\$485,117	\$457,889	\$432,549

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	\$422,451	\$457,889	\$498,576

### **Summary of the Change in OPEB Liability**

<i>Total OPEB Liability – Beginning of Year</i>	\$291,719
Service Cost	31,546
Interest	7,120
Plan Design Changes	-
Difference Between Expected and Actual Experience	196,681
Changes of Assumptions or Other Inputs	(49,886)
Benefit Payments (Estimated)	<u>(19,291)</u>
<i>Total OPEB Liability – End of Year</i>	<u>\$457,889</u>

## NOTE 13 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.

## **NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

### *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).

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

### *OPEB Benefits*

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

### *Employer Contributions*

The contribution rate for employees are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended to June 30, 2026, therefore the District's contributions required and paid were \$0 for the year ended June 30, 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 0.3895689%.

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

**NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

time of issuance. The OPEB expense (expense offset) for the year ending June 30, 2021 was calculated at \$(30,838).

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	80,721	-
Changes in assumptions or other inputs	66,447	107,174
Net difference between projected and actual earning on pension plan investments	-	151,233
Change in proportionate share	-	<u>29,209</u>
Total	<u>\$147,168</u>	<u>\$287,616</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	(33,381)
2024	(28,583)
2025	(26,790)
2026	(37,899)
2027	1,072
Thereafter	14,342

*Actuarial Assumptions*

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

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

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

## NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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

The long-term expected rate of return on OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the approach used builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

<b>Capital Market Assumptions from Callen 2021</b>			
Asset Class	Target Allocation	Long - Term Expected Nominal Rate of Return (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%
<b>Investment Policy Assumptions from PERSI November 2019</b>			
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
<b>Economic/Demographic Assumptions from Milliman 2021</b>			
<b>Valuation Assumptions Chosen by PERSI Board</b>			
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			<b>5.45%</b>

## NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

### *Discount Rate*

Discount rate – The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the Fund’s net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

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

The following presents the District’s proportionate share of net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the District’s proportionate share of the net OPEB 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 Rate <u>(5.45%)</u></b>	<b>1% Increase <u>(6.45%)</u></b>
Employer’s proportionate share of the net OPEB liability (asset)	\$ (490,926)	\$ (565,734)	\$ (635,609)

### *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.

## REQUIRED SUPPLEMENTARY INFORMATION



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, 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
<b>REVENUES</b>					
Local:					
Taxes	2,118,635	2,114,371	2,195,878	77,243	81,507
Earnings on investments	17,600	8,100	11,474	(6,126)	3,374
Tuition from individuals	29,500	27,000	27,754	(1,746)	754
Other	87,000	97,000	151,720	64,720	54,720
Total local	<u>2,252,735</u>	<u>2,246,471</u>	<u>2,386,826</u>	<u>134,091</u>	<u>140,355</u>
State:					
Base support	4,919,165	5,321,167	5,292,367	373,202	(28,800)
Transportation	520,000	542,937	540,977	20,977	(1,960)
Tuition equivalency	-	-	10,888	10,888	10,888
Benefit apportionment	670,134	727,473	724,609	54,475	(2,864)
Other state support	297,758	290,888	305,489	7,731	14,601
Revenue in lieu of taxes	46,332	46,332	46,333	1	1
Other state revenue	-	11,520	12,427	12,427	907
Total state	<u>6,453,389</u>	<u>6,940,317</u>	<u>6,933,090</u>	<u>479,701</u>	<u>(7,227)</u>
Federal:					
Restricted	-	-	-	-	-
Total revenues	<u>8,706,124</u>	<u>9,186,788</u>	<u>9,319,916</u>	<u>613,792</u>	<u>133,128</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	3,384,564	3,676,885	3,586,402	(201,838)	90,483
Benefits	1,594,388	1,535,940	1,459,783	134,605	76,157
Purchased services	35,218	35,218	33,288	1,930	1,930
Supplies/materials	215,577	218,577	259,426	(43,849)	(40,849)
Total instruction	<u>5,229,747</u>	<u>5,466,620</u>	<u>5,338,899</u>	<u>(109,152)</u>	<u>127,721</u>
Support:					
Salaries	1,627,731	1,547,824	1,538,105	89,626	9,719
Benefits	840,571	689,638	679,525	161,046	10,113
Purchased services	534,704	641,404	652,869	(118,165)	(11,465)
Supplies/materials	290,484	314,639	381,425	(90,941)	(66,786)
Capital objects	30,000	30,000	5,025	24,975	24,975
Insurance	81,368	82,128	82,461	(1,093)	(333)
Total support	<u>3,404,858</u>	<u>3,305,633</u>	<u>3,339,410</u>	<u>65,448</u>	<u>(33,777)</u>
Debt service:					
Debt services - principal	53,500	33,940	26,350	27,150	7,590
Debt services - interest	6,800	-	12,802	(6,002)	(12,802)
Total debt services	<u>60,300</u>	<u>33,940</u>	<u>39,152</u>	<u>21,148</u>	<u>(5,212)</u>
Total expenditures	<u>8,694,905</u>	<u>8,806,193</u>	<u>8,717,461</u>	<u>(22,556)</u>	<u>88,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,219</u>	<u>380,595</u>	<u>602,455</u>	<u>591,236</u>	<u>221,860</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	1,591	1,591	1,591
Transfers out	(163,424)	(401,004)	(625,191)	(461,767)	(224,187)
Total other financing sources (uses)	<u>(163,424)</u>	<u>(401,004)</u>	<u>(623,600)</u>	<u>(460,176)</u>	<u>(222,596)</u>
Net change in fund balance	<u>\$ (152,205)</u>	<u>\$ (20,409)</u>	<u>(21,145)</u>	<u>\$ 131,060</u>	<u>\$ (736)</u>
Fund balance-beginning of year			<u>995,768</u>		
Fund balance-end of year			<u>\$ 974,623</u>		



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
<b>REVENUES</b>					
Local:					
Earnings on investments	-	-	2	2	2
Total revenues	-	-	2	2	2
<b>EXPENDITURES</b>					
Capital asset programs:					
Capital objects	496,760	200,000	155,004	341,756	44,996
Total expenditures	496,760	200,000	155,004	341,756	44,996
Excess (deficiency) of revenues over (under) expenditures	(496,760)	(200,000)	(155,002)	341,758	44,998
Other financing sources (uses)					
Transfer in	56,000	282,360	507,360	451,360	225,000
Net change in fund balance	<u>\$ (440,760)</u>	<u>\$ 82,360</u>	352,358	<u>\$ 793,118</u>	<u>\$ 269,998</u>
Fund balance - beginning of year			440,766		
Fund balance - end of year			<u>\$ 793,124</u>		

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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

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

	<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	0.14240796%	0.1487777%	0.1486866%	0.1510857%	0.1445448%	0.1492027%	0.1466438%	0.1512820%
Employer's proportionate share of the net pension (asset) liability	Unavailable	(112,471)	3,454,815	1,697,216	2,228,540	2,271,996	3,024,568	1,931,060	1,113,672
Employer's covered payroll	5,714,791	5,314,472	5,297,797	5,050,000	4,860,972	4,489,461	4,364,067	4,107,451	4,098,428
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%	50.61%	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\***  
**PERSI - Base Plan**  
**As of June 30,**

	<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	682,346	634,548	632,557	571,660	550,262	508,207	493,974	464,963	463,942
Contributions in relation to the statutorily required contribution	(682,346)	(634,548)	(632,557)	(571,660)	(550,262)	(508,207)	(493,974)	(464,963)	(463,942)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-
Employer's covered payroll	5,714,791	5,314,472	5,297,797	5,050,000	4,860,972	4,489,461	4,364,067	4,107,451	4,098,428
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 Jun 30, 2021, as follows:

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

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

**OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE**  
**As of June 30,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>		<u>2018</u>	<u>2017</u>
Service Cost	31,546	32,295	23,167	Unavailable	54,074	51,066
Interest	7,120	6,980	8,318	Unavailable	22,484	22,468
Changes of benefit terms	-	-	-	Unavailable	-	-
Differences between expected and actual experience	196,681	-	(9,164)	Unavailable	-	(18,397)
Changes of assumptions or other inputs	(49,886)	5,134	30,808	Unavailable	438	(9,445)
Benefit payments	(19,291)	(12,552)	(19,434)	Unavailable	(36,666)	(46,756)
Net change in total OPEB Liability	166,170	31,857	33,695	-	40,330	(1,064)
Total OPEB liability - beginning	291,719	259,862	226,167	594,544	554,214	555,278
Total OPEB liability-ending	<u>\$ 457,889</u>	<u>\$ 291,719</u>	<u>\$ 259,862</u>	<u>\$ 226,167</u>	<u>\$ 594,544</u>	<u>\$ 554,214</u>
Covered-employee payroll	5,196,884	5,194,062	5,006,325	Unavailable	4,529,922	4,366,190
Total OPEB liability as a percentage of covered-employee payroll	8.81%	5.62%	5.19%	Unavailable	13.12%	12.69%

\*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, 2022**

Change of Assumptions. Change of assumptions include aging factors, trend, interest rate, and participation.

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, 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,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of the net OPEB asset	Unavailable	0.3895689%	0.3895689%	0.3571315%	0.3615406%	0.3524528%
Employer's proportionate share of the net OPEB asset	Unavailable	565,734	479,678	342,062	299,880	270,553
Employer's covered payroll	5,714,791	5,314,472	5,297,797	5,050,000	4,860,972	4,489,461
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	10.65%	9.05%	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,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	-	-	34,930	58,581	56,387	52,078
Contributions in relation to the statutorily required contribution	-	-	(34,930)	(58,581)	(56,387)	(52,078)
Contribution (deficiency) excess	-	-	-	-	-	-
Employer's covered payroll	5,714,791	5,314,472	5,297,797	5,050,000	4,860,972	4,489,461
Contributions as a percentage of covered payroll	0.00%	0.00%	0.66%	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**



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION</b>			
Elementary school program:			
Salaries	1,485,258	1,475,752	(9,506)
Benefits	622,455	629,618	7,163
Purchased services	4,477	10,350	5,873
Supplies/materials	136,490	100,651	(35,839)
Total elementary school program	<u>2,248,680</u>	<u>2,216,371</u>	<u>(32,309)</u>
Secondary school program:			
Salaries	1,354,827	1,419,362	64,535
Benefits	520,500	556,705	36,205
Purchased services	5,777	13,600	7,823
Supplies/materials	89,575	79,437	(10,138)
Total secondary school program	<u>1,970,679</u>	<u>2,069,104</u>	<u>98,425</u>
Alternative school program:			
Salaries	46,338	23,420	(22,918)
Benefits	20,616	12,384	(8,232)
Purchased services	208	580	372
Supplies/materials	1	2,989	2,988
Total alternative school program	<u>67,163</u>	<u>39,373</u>	<u>(27,790)</u>
Special education program:			
Salaries	514,709	577,861	63,152
Benefits	251,889	292,983	41,094
Purchased services	22	-	(22)
Supplies/materials	1,285	3,000	1,715
Total special education program	<u>767,905</u>	<u>873,844</u>	<u>105,939</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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

	<b>Actual</b>	<b>Final Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>INSTRUCTION (Continued)</b>			
Special education preschool program:			
Salaries	53,861	54,890	1,029
Benefits	23,401	23,574	173
Supplies/materials	2,075	2,500	425
Total special education preschool program	79,337	80,964	1,627
 School activity program:			
Salaries	131,409	125,600	(5,809)
Benefits	20,922	20,676	(246)
Purchased services	14,304	10,688	(3,616)
Supplies/materials	30,000	30,000	-
Total school activity program	196,635	186,964	(9,671)
 Summer school program:			
Purchased services	8,500	-	(8,500)
<b>TOTAL INSTRUCTION</b>			
Salaries	3,586,402	3,676,885	90,483
Benefits	1,459,783	1,535,940	76,157
Purchased services	33,288	35,218	1,930
Supplies/materials	259,426	218,577	(40,849)
Total instruction	\$ 5,338,899	\$ 5,466,620	\$ 127,721

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT</b>			
Attendance-guidance-health program:			
Salaries	133,177	131,860	(1,317)
Benefits	44,672	45,395	723
Purchased services	146	1,246	1,100
Supplies/materials	4,902	2,350	(2,552)
Total attendance-guidance-health program	<u>182,897</u>	<u>180,851</u>	<u>(2,046)</u>
Special education support services program:			
Salaries	151,498	145,927	(5,571)
Benefits	55,766	57,031	1,265
Purchased services	101,968	118,865	16,897
Supplies/materials	1,672	2,000	328
Total special education support services program	<u>310,904</u>	<u>323,823</u>	<u>12,919</u>
Instruction improvement program:			
Salaries	6,115	4,000	(2,115)
Benefits	1,403	528	(875)
Purchased services	3,554	11,393	7,839
Supplies/materials	24,260	24,155	(105)
Total instruction improvement program	<u>35,332</u>	<u>40,076</u>	<u>4,744</u>
Educational media program:			
Salaries	17,052	18,835	1,783
Benefits	11,621	12,587	966
Supplies/materials	1,372	3,300	1,928
Total educational media program	<u>30,045</u>	<u>34,722</u>	<u>4,677</u>
Instruction-related technology program:			
Salaries	3,000	3,000	-
Benefits	564	607	43
Purchased services	23	2,500	2,477
Supplies/materials	66	-	(66)
Total instruction-related technology program	<u>3,653</u>	<u>6,107</u>	<u>2,454</u>



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Board of education program:			
Salaries	48,701	47,025	(1,676)
Benefits	21,408	22,923	1,515
Purchased services	48,441	42,676	(5,765)
Supplies/materials	1,964	2,379	415
Insurance	23,575	23,241	(334)
Total board of education program	<u>144,089</u>	<u>138,244</u>	<u>(5,845)</u>
District administration program:			
Salaries	151,967	158,347	6,380
Benefits	51,059	52,932	1,873
Purchased services	18,205	12,813	(5,392)
Supplies/materials	11,347	11,923	576
Total district administration program	<u>232,578</u>	<u>236,015</u>	<u>3,437</u>
School administration program:			
Salaries	392,367	383,864	(8,503)
Benefits	167,039	170,532	3,493
Purchased services	26,450	22,511	(3,939)
Supplies/materials	7,307	7,500	193
Total school administration program	<u>593,163</u>	<u>584,407</u>	<u>(8,756)</u>
Business operation program:			
Salaries	68,122	67,750	(372)
Benefits	24,694	24,797	103
Purchased services	8,248	5,101	(3,147)
Supplies/materials	903	810	(93)
Total business operation program	<u>101,967</u>	<u>98,458</u>	<u>(3,509)</u>
Administrative technology service:			
Purchased services	57,600	57,600	-
Supplies/materials	27,348	41,000	13,652
Total administrative technology service	<u>84,948</u>	<u>98,600</u>	<u>13,652</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Buildings - care program (custodial):			
Salaries	98,135	93,000	(5,135)
Benefits	52,912	53,375	463
Purchased services	269,624	261,000	(8,624)
Supplies/materials	30,527	30,660	133
Insurance	34,581	34,582	1
Total building - care program (custodial)	<u>485,779</u>	<u>472,617</u>	<u>(13,162)</u>
Maintenance - non-student occupied:			
Purchased services	11,462	1,000	(10,462)
Supplies/materials	12,381	3,350	(9,031)
Capital objects	5,025	-	(5,025)
Total maintenance - non-student occupied	<u>28,868</u>	<u>4,350</u>	<u>(24,518)</u>
Maintenance - student occupied buildings:			
Salaries	151,140	161,700	10,560
Benefits	65,303	64,210	(1,093)
Purchased services	33,185	33,223	38
Supplies/materials	79,691	58,730	(20,961)
Capital objects	-	30,000	30,000
Total maintenance - student occupied buildings	<u>329,319</u>	<u>347,863</u>	<u>18,544</u>
Maintenance - grounds:			
Purchased services	15,670	4,647	(11,023)
Supplies/materials	6,710	4,000	(2,710)
Total maintenance - grounds	<u>22,380</u>	<u>8,647</u>	<u>(13,733)</u>
Security program:			
Purchased services	4,713	3,806	(907)
Supplies/materials	24,542	1,500	(23,042)
Total security program	<u>29,255</u>	<u>5,306</u>	<u>(23,949)</u>
Pupil-to-school transportation program:			
Salaries	291,140	310,516	19,376
Benefits	165,953	179,703	13,750
Purchased services	39,268	49,927	10,659
Supplies/materials	135,225	113,882	(21,343)
Insurance	16,477	16,477	-
Total pupil-to-school transportation program	<u>648,063</u>	<u>670,505</u>	<u>22,442</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Pupil-activity transportation program:			
Salaries	25,691	20,000	(5,691)
Benefits	4,704	4,617	(87)
Purchased services	1,342	-	(1,342)
Total pupil-activity transportation program	<u>31,737</u>	<u>24,617</u>	<u>(7,120)</u>
General transportation program:			
Salaries	-	2,000	2,000
Benefits	10	401	391
Purchased services	874	1,000	126
Supplies/materials	11,208	7,100	(4,108)
Insurance	7,828	7,828	-
Total general transportation program	<u>19,920</u>	<u>18,329</u>	<u>(1,591)</u>
Other support services program:			
Benefits	12,417	-	(12,417)
Purchased services	12,096	12,096	-
Total other support services program	<u>24,513</u>	<u>12,096</u>	<u>(12,417)</u>
<b>TOTAL SUPPORT</b>			
Salaries	1,538,105	1,547,824	9,719
Benefits	679,525	689,638	10,113
Purchased services	652,869	641,404	(11,465)
Supplies/materials	381,425	314,639	(66,786)
Capital objects	5,025	30,000	24,975
Insurance	82,461	82,128	(333)
Total Support	<u>\$ 3,339,410</u>	<u>\$ 3,305,633</u>	<u>\$ (33,777)</u>
<b>DEBT SERVICES PROGRAM</b>			
Debt services program			
Principal	26,350	33,940	7,590
Interest	12,802	-	(12,802)
Total Debt Services Program	<u>\$ 39,152</u>	<u>\$ 33,940</u>	<u>\$ (5,212)</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash	383,369	-	383,369
Investments	106,461	-	106,461
Due from other funds	251,197	169,716	420,913
Other receivables:			
Due from other governmental units	462,128	-	462,128
Other receivables	5,237	-	5,237
Inventories	25,546	-	25,546
Total assets	<u>1,233,938</u>	<u>169,716</u>	<u>1,403,654</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,233,938</u>	<u>\$ 169,716</u>	<u>\$ 1,403,654</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	343,139	-	343,139
Accounts payable	24,502	-	24,502
Accrued payroll and benefits	136,444	-	136,444
Total liabilities	<u>504,085</u>	<u>-</u>	<u>504,085</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Nonspendable	25,546	-	25,546
Restricted	704,307	169,716	874,023
Total fund balance	<u>729,853</u>	<u>169,716</u>	<u>899,569</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 1,233,938</u>	<u>\$ 169,716</u>	<u>\$ 1,403,654</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>			
Local	332,060	-	332,060
State	153,068	76,238	229,306
Federal	1,765,565	-	1,765,565
Total revenues	<u>2,250,693</u>	<u>76,238</u>	<u>2,326,931</u>
<b>EXPENDITURES</b>			
Instruction	873,821	-	873,821
Support	436,956	29,447	466,403
Non-instruction	807,614	-	807,614
Capital asset program	-	92,986	92,986
Debt service	-	86,373	86,373
Total expenditures	<u>2,118,391</u>	<u>208,806</u>	<u>2,327,197</u>
Excess (deficiency) of revenue over (under) expenditures	<u>132,302</u>	<u>(132,568)</u>	<u>(266)</u>
Other financing sources (uses)			
Loss on investments	(21,025)	-	(21,025)
Proceeds from sale of capital asset	-	988	988
Transfer in	21,667	96,164	117,831
Total other financing sources (uses)	<u>642</u>	<u>97,152</u>	<u>97,794</u>
Net change in fund balances	132,944	(35,416)	97,528
Fund balance - beginning of year	<u>596,909</u>	<u>205,132</u>	<u>802,041</u>
Fund balance - end of year	<u>\$ 729,853</u>	<u>\$ 169,716</u>	<u>\$ 899,569</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Final Budgeted Revenue</u>	<u>Actual Revenue</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Other Sources (Uses)</u>	<u>Beginning Fund Balance (Deficit)</u>	<u>Ending Fund Balance</u>
Nonmajor special revenue funds:							
Federal Forest Reserve	17,866	21,930	41,892	41,892	-	25,640	5,678
KIC Heyburn Playground	-	-	-	4,192	-	6,999	2,807
Student Utility Building	-	-	-	-	-	3,593	3,593
Donations	-	33,591	-	6,200	-	3,085	30,476
Student Activity	-	259,962	-	228,703	-	133,965	165,224
Driver Education - State	18,000	22,750	15,810	15,439	-	(5,873)	1,438
Professional Technical - State	28,641	28,641	28,641	28,641	-	-	-
Technology - State	110,150	117,713	128,220	110,757	-	178,815	185,771
Substance Abuse - State	12,082	12,564	29,300	12,160	-	21,827	22,231
ESSER III (ARPA) American Rescue Plan Act	-	160,247	-	160,247	-	-	-
Title I-A, ESSA - Improving Basic Programs	203,673	184,624	203,673	184,624	-	-	-
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	20,845	-	20,845	-	-	-
IDEA Part B (611 School Age 3-21)	220,527	240,371	220,527	240,371	-	-	-
IDEA Part B (619 Pre-School Age 3-5)	9,545	9,545	9,545	9,545	-	-	-
IDEA Part B (ARPA) American Rescue Plan Act	-	4,267	-	4,267	-	-	-
School-Based Medicaid	40,000	33,007	40,000	42,905	9,870	28	-
Title IV-A ESSA - Student Support and Academic Enrichment	15,729	15,729	15,729	15,729	-	-	-
Perkins IV - Professional Technical Act	18,000	17,287	18,000	17,287	-	-	-
Title II-A, ESEA - Supporting Effective Instruction	46,133	44,338	46,133	44,338	-	-	-
Idaho Rebounds Coronavirus Relief	-	172,549	-	172,549	-	-	-
Title IV-B, ESEA - 21st Century Community Learning Centers	124,469	79,530	124,469	79,530	-	-	-
Building Idaho Future - Learning Loss	-	88,779	-	88,779	-	-	-
Summer Recreation Program	-	-	920	-	-	920	920
Cultivating Readers	-	17,153	-	17,153	-	-	-
Child Nutrition	487,480	657,803	487,912	559,238	11,797	89,102	199,464
Scholarship	-	7,468	-	13,000	(21,025)	138,808	112,251
Nonmajor capital projects funds:							
Plant Facilities - Bus Acquisition	96,164	988	86,372	86,373	96,164	69,905	80,684
Plant Facilities - Lottery	76,238	76,238	211,464	122,433	-	135,227	89,032
<b>Total</b>	<u>\$ 1,524,697</u>	<u>\$ 2,327,919</u>	<u>\$ 1,708,607</u>	<u>\$ 2,327,197</u>	<u>\$ 96,806</u>	<u>\$ 802,041</u>	<u>\$ 899,569</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS**

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

**KIC Heyburn Playground Fund** - To account for local project revenue related to the Heyburn playground.

**Student Utility Building Fund** - To account for local project revenue related to the student utility building.

**Donations Fund** - To account for donations received.

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

**Driver Education - State Fund** - To account for costs of providing a driver education program. Financing for the program is provided through the Idaho State Department of Education.

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

**Technology - State Fund** - To account for restricted State revenue to be spent on the technology program.

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

**ESSER III (ARPA) American Rescue Plan Act Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**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.

**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 aides, equipment and materials, etc. in special education.

**IDEA Part B (619 Pre-School 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 the Title VI-B program.

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**

**IDEA Part B (ARPA) American Rescue Plan Act Fund** - To account for restricted Federal revenue to be spent on programs for students with disabilities.

**School-Based Medicaid Fund** - To account for Federal revenue reimbursement of qualified Medicaid expenditures.

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

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

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

**Title IV-B, ESEA - 21<sup>st</sup> Century Community Learning Centers Fund** - To account for restricted Federal revenue to be spent on programs that help address the needs of rural school districts with a high percentage of student from low-income families.

**Building Idaho Future - Learning Loss Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**Summer Recreation Program Fund** - To account for restricted Federal revenue to be spent on summer activities for children.

**Cultivating Leaders Fund** - To account for restricted Federal revenue to be spent on growing young readers.

**Child Nutrition Fund** - To account for restricted Federal revenue to be spent on child nutrition.

**Scholarship Fund** - To account for restricted donations to be spent on scholarships for students.



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

	Federal Forest Reserve	KIC Heyburn Playground	Student Utility Building	Donations	Student Activity	Driver Education - State	Professional Technical - State	Technology - State	Substance Abuse - State
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	141,978	-	-	-	-
Investments	-	-	-	-	23,654	-	-	-	-
Due from other funds	5,678	2,807	3,593	30,476	-	-	2,964	182,171	22,588
Other receivables:									
Due from other governments	-	-	-	-	-	2,850	-	3,600	-
Other receivable	-	-	-	-	17	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>5,678</u>	<u>2,807</u>	<u>3,593</u>	<u>30,476</u>	<u>165,649</u>	<u>2,850</u>	<u>2,964</u>	<u>185,771</u>	<u>22,588</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 5,678</u>	<u>\$ 2,807</u>	<u>\$ 3,593</u>	<u>\$ 30,476</u>	<u>\$ 165,649</u>	<u>\$ 2,850</u>	<u>\$ 2,964</u>	<u>\$ 185,771</u>	<u>\$ 22,588</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	-	-	-	-	-	1,412	-	-	-
Accounts payable	-	-	-	-	425	-	2,964	-	-
Accrued payroll and benefits	-	-	-	-	-	-	-	-	357
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>1,412</u>	<u>2,964</u>	<u>-</u>	<u>357</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	5,678	2,807	3,593	30,476	165,224	1,438	-	185,771	22,231
Total fund balance	<u>5,678</u>	<u>2,807</u>	<u>3,593</u>	<u>30,476</u>	<u>165,224</u>	<u>1,438</u>	<u>-</u>	<u>185,771</u>	<u>22,231</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 5,678</u>	<u>\$ 2,807</u>	<u>\$ 3,593</u>	<u>\$ 30,476</u>	<u>\$ 165,649</u>	<u>\$ 2,850</u>	<u>\$ 2,964</u>	<u>\$ 185,771</u>	<u>\$ 22,588</u>

ST. MARIES JOINT SCHOOL DISTRICT NO. 41  
St. Maries, Idaho

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

	ESSER III (ARPA) American Rescue Plan Act	Title I-A, ESSA - Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre- School Age 3-5)	IDEA Part B (ARPA) American Rescue Plan Act	School-Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins IV - Professional Technical Act
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables:									
Due from other governments	160,247	78,564	20,845	87,137	4,032	664	11,422	6,540	17,287
Other receivable	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	160,247	78,564	20,845	87,137	4,032	664	11,422	6,540	17,287
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 160,247</b>	<b>\$ 78,564</b>	<b>\$ 20,845</b>	<b>\$ 87,137</b>	<b>\$ 4,032</b>	<b>\$ 664</b>	<b>\$ 11,422</b>	<b>\$ 6,540</b>	<b>\$ 17,287</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	134,212	48,567	10,162	52,061	2,454	664	11,422	3,926	16,010
Accounts payable	2,657	-	10,683	-	-	-	-	2,614	-
Accrued payroll and benefits	23,378	29,997	-	35,076	1,578	-	-	-	1,277
Total liabilities	160,247	78,564	20,845	87,137	4,032	664	11,422	6,540	17,287
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 160,247</b>	<b>\$ 78,564</b>	<b>\$ 20,845</b>	<b>\$ 87,137</b>	<b>\$ 4,032</b>	<b>\$ 664</b>	<b>\$ 11,422</b>	<b>\$ 6,540</b>	<b>\$ 17,287</b>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<b>Title II-A, ESEA - Supporting Effective Instruction</b>	<b>Idaho Rebounds Coronavirus Relief</b>	<b>Title IV-B, ESEA - 21st Century Community Learning Centers</b>	<b>Building Idaho Future - Learning Loss</b>	<b>Summer Recreation Program</b>	<b>Cultivating Readers</b>	<b>Child Nutrition</b>	<b>Scholarship Fund</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	211,129	30,262	383,369
Investments	-	-	-	-	-	-	860	81,947	106,461
Due from other funds	-	-	-	-	920	-	-	-	251,197
Other receivables:									
Due from other governments	22,968	-	43,401	-	-	2,571	-	-	462,128
Other receivable	-	-	-	-	-	-	5,178	42	5,237
Inventory	-	-	-	-	-	-	25,546	-	25,546
<b>Total assets</b>	<b>22,968</b>	<b>-</b>	<b>43,401</b>	<b>-</b>	<b>920</b>	<b>2,571</b>	<b>242,713</b>	<b>112,251</b>	<b>1,233,938</b>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 22,968</b>	<b>\$ -</b>	<b>\$ 43,401</b>	<b>\$ -</b>	<b>\$ 920</b>	<b>\$ 2,571</b>	<b>\$ 242,713</b>	<b>\$ 112,251</b>	<b>\$ 1,233,938</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	17,835	-	42,172	-	-	2,194	48	-	343,139
Accounts payable	-	-	384	-	-	-	4,775	-	24,502
Accrued payroll and benefits	5,133	-	845	-	-	377	38,426	-	136,444
<b>Total liabilities</b>	<b>22,968</b>	<b>-</b>	<b>43,401</b>	<b>-</b>	<b>-</b>	<b>2,571</b>	<b>43,249</b>	<b>-</b>	<b>504,085</b>
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	-	-	-	-	-	-	25,546	-	25,546
Restricted	-	-	-	-	920	-	173,918	112,251	704,307
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>920</b>	<b>-</b>	<b>199,464</b>	<b>112,251</b>	<b>729,853</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 22,968</b>	<b>\$ -</b>	<b>\$ 43,401</b>	<b>\$ -</b>	<b>\$ 920</b>	<b>\$ 2,571</b>	<b>\$ 242,713</b>	<b>\$ 112,251</b>	<b>\$ 1,233,938</b>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

	Federal Forest Reserve	KIC Heyburn Playground	Student Utility Building	Donations	Student Activity	Driver Education - State	Professional Technical - State	Technology - State	Substance Abuse - State
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	-	-	-
Earnings on investment	-	-	-	-	-	-	-	-	-
Other	-	-	-	33,591	259,962	14,200	-	14,400	-
Total local	-	-	-	33,591	259,962	14,200	-	14,400	-
State:									
Other state support	-	-	-	-	-	-	-	103,313	12,564
Driver education program	-	-	-	-	-	8,550	-	-	-
Professional technical program	-	-	-	-	-	-	28,641	-	-
Total state	-	-	-	-	-	8,550	28,641	103,313	12,564
Federal:									
Restricted	21,930	-	-	-	-	-	-	-	-
Total revenues	21,930	-	-	33,591	259,962	22,750	28,641	117,713	12,564
<b>EXPENDITURES</b>									
Instruction:									
Salaries	-	-	-	-	-	11,105	1,652	-	-
Benefits	-	-	-	-	-	2,182	308	-	-
Purchased services	-	-	-	-	-	87	2,391	-	-
Supplies/materials	-	-	-	3,200	-	2,065	24,290	-	-
Capital objects	41,892	-	-	-	-	-	-	-	-
Total instruction	41,892	-	-	3,200	-	15,439	28,641	-	-
Support:									
Salaries	-	-	-	-	-	-	-	12,630	1,762
Benefits	-	-	-	-	-	-	-	2,486	306
Purchased services	-	-	-	-	-	-	-	67,560	1,839
Supplies/materials	-	-	-	3,000	-	-	-	28,081	8,253
Capital objects	-	4,192	-	-	-	-	-	-	-
Total support	-	4,192	-	3,000	-	-	-	110,757	12,160
Non-instruction:									
Salaries	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	94,628	-	-	-	-
Supplies/materials	-	-	-	-	134,075	-	-	-	-
Capital objects	-	-	-	-	-	-	-	-	-
Total non-instruction	-	-	-	-	228,703	-	-	-	-
Total expenditures	41,892	4,192	-	6,200	228,703	15,439	28,641	110,757	12,160
Excess (deficiency) revenues over (under) expenditures	(19,962)	(4,192)	-	27,391	31,259	7,311	-	6,956	404
Other financing sources (uses)									
Loss on investments	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balance	(19,962)	(4,192)	-	27,391	31,259	7,311	-	6,956	404
Fund balance (deficit) - beginning of year	25,640	6,999	3,593	3,085	133,965	(5,873)	-	178,815	21,827
Fund balance - end of year	\$ 5,678	\$ 2,807	\$ 3,593	\$ 30,476	\$ 165,224	\$ 1,438	\$ -	\$ 185,771	\$ 22,231

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

	ESSER III (ARPA) American Rescue Plan Act	Title I-A, ESSA - Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre- School Age 3-5)	IDEA Part B (ARPA) American Rescue Plan Act	School-Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins IV - Professional Technical Act
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	-	-	-
Earnings on investment	-	-	-	-	-	-	3	-	-
Other	-	-	-	-	-	-	-	-	-
Total local	-	-	-	-	-	-	3	-	-
State:									
Other state support	-	-	-	-	-	-	-	-	-
Driver education program	-	-	-	-	-	-	-	-	-
Professional technical program	-	-	-	-	-	-	-	-	-
Total state	-	-	-	-	-	-	-	-	-
Federal:									
Restricted	160,247	184,624	20,845	240,371	9,545	4,267	33,004	15,729	17,287
Total revenues	160,247	184,624	20,845	240,371	9,545	4,267	33,007	15,729	17,287
<b>EXPENDITURES</b>									
Instruction:									
Salaries	97,035	132,736	-	117,650	4,868	-	-	9,411	5,416
Benefits	37,307	48,243	-	91,322	4,677	-	-	6,273	4,370
Purchased services	-	1,279	2,250	-	-	-	-	-	-
Supplies/materials	1,470	2,366	10,224	7,519	-	4,267	-	-	7,501
Capital objects	-	-	-	-	-	-	-	-	-
Total instruction	135,812	184,624	12,474	216,491	9,545	4,267	-	15,684	17,287
Support:									
Salaries	2,325	-	500	10,494	-	-	-	-	-
Benefits	442	-	96	1,982	-	-	-	45	-
Purchased services	18,968	-	4,250	11,199	-	-	42,905	-	-
Supplies/materials	2,700	-	3,525	205	-	-	-	-	-
Capital objects	-	-	-	-	-	-	-	-	-
Total support	24,435	-	8,371	23,880	-	-	42,905	45	-
Non-instruction:									
Salaries	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-	-	-
Supplies/materials	-	-	-	-	-	-	-	-	-
Capital objects	-	-	-	-	-	-	-	-	-
Total non-instruction	-	-	-	-	-	-	-	-	-
Total expenditures	160,247	184,624	20,845	240,371	9,545	4,267	42,905	15,729	17,287
Excess (deficiency) revenues over (under) expenditures	-	-	-	-	-	-	(9,898)	-	-
Other financing sources (uses)									
Loss on investments	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	9,870	-	-
Total other financing sources (uses)	-	-	-	-	-	-	9,870	-	-
Net change in fund balance	-	-	-	-	-	-	(28)	-	-
Fund balance (deficit) - beginning of year	-	-	-	-	-	-	28	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

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

	Title II-A, ESEA - Supporting Effective Instruction	Idaho Rebounds Coronavirus Relief	Title IV-B, ESEA - 21st Century Community Learning Centers	Building Idaho Future - Learning Loss	Summer Recreation Program	Cultivating Readers	Child Nutrition	Scholarship Fund	Total
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	2,434	-	2,434
Earnings on investments	-	-	-	-	-	-	2	160	165
Other	-	-	-	-	-	-	-	7,308	329,461
Total local	-	-	-	-	-	-	2,436	7,468	332,060
State:									
Other state support	-	-	-	-	-	-	-	-	115,877
Driver education program	-	-	-	-	-	-	-	-	8,550
Professional technical program	-	-	-	-	-	-	-	-	28,641
Total state	-	-	-	-	-	-	-	-	153,068
Federal:									
Restricted	44,338	172,549	79,530	88,779	-	17,153	655,367	-	1,765,565
Total revenues	44,338	172,549	79,530	88,779	-	17,153	657,803	7,468	2,250,693
<b>EXPENDITURES</b>									
Instruction:									
Salaries	-	83,632	-	25,877	-	-	-	-	489,382
Benefits	-	16,054	-	7,474	-	-	-	-	218,210
Purchased services	-	-	-	7,097	-	-	-	-	13,104
Supplies/materials	-	-	-	48,331	-	-	-	-	111,233
Capital objects	-	-	-	-	-	-	-	-	41,892
Total instruction	-	99,686	-	88,779	-	-	-	-	873,821
Support:									
Salaries	27,520	56,017	54,716	-	-	9,504	-	-	175,468
Benefits	14,794	10,044	15,085	-	-	1,842	-	-	47,122
Purchased services	60	129	5,521	-	-	3,439	-	-	155,870
Supplies/materials	1,964	-	4,208	-	-	2,368	-	-	54,304
Capital objects	-	-	-	-	-	-	-	-	4,192
Total support	44,338	66,190	79,530	-	-	17,153	-	-	436,956
Non-instruction:									
Salaries	-	5,659	-	-	-	-	165,226	-	170,885
Benefits	-	1,014	-	-	-	-	101,838	-	102,852
Purchased services	-	-	-	-	-	-	3,140	13,000	110,768
Supplies/materials	-	-	-	-	-	-	254,841	-	388,916
Capital objects	-	-	-	-	-	-	34,193	-	34,193
Total non-instruction	-	6,673	-	-	-	-	559,238	13,000	807,614
Total expenditures	44,338	172,549	79,530	88,779	-	17,153	559,238	13,000	2,118,391
Excess (deficiency) revenues over (under) expenditures	-	-	-	-	-	-	98,565	(5,532)	132,302
Other financing sources (uses)									
Loss on investments	-	-	-	-	-	-	-	(21,025)	(21,025)
Transfer in	-	-	-	-	-	-	11,797	-	21,667
Total other financing sources (uses)	-	-	-	-	-	-	11,797	(21,025)	642
Net change in fund balance	-	-	-	-	-	-	110,362	(26,557)	132,944
Fund balance (deficit) - beginning of year	-	-	-	-	920	-	89,102	138,808	596,909
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ 920	\$ -	\$ 199,464	\$ 112,251	\$ 729,853

ST. MARIES JOINT SCHOOL DISTRICT NO. 41

St. Maries, Idaho

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

June 30, 2022

	<u>Plant Facilities - Bus Acquisition</u>	<u>Plant Facilities - Lottery</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Due from other funds	<u>80,684</u>	<u>89,032</u>	<u>169,716</u>
Total assets	<u>80,684</u>	<u>89,032</u>	<u>169,716</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 80,684</u>	<u>\$ 89,032</u>	<u>\$ 169,716</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:	-	-	-
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	<u>80,684</u>	<u>89,032</u>	<u>169,716</u>
Total fund balance	<u>80,684</u>	<u>89,032</u>	<u>169,716</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCE</b>			
	<u>\$ 80,684</u>	<u>\$ 89,032</u>	<u>\$ 169,716</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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

	<u>Plant Facilities - Bus Acquisition</u>	<u>Plant Facilities - Lottery</u>	<u>Total</u>
<b>REVENUES</b>			
State:			
Lottery/additional state maintenance	-	76,238	76,238
Total revenues	-	76,238	76,238
<b>EXPENDITURES</b>			
Support:			
Purchased services	-	-	-
Capital objects	-	29,447	29,447
Total support	-	29,447	29,447
Debt service:			
Principal	78,610	-	78,610
Interest	7,763	-	7,763
Total debt service	86,373	-	86,373
Capital asset program:			
Capital objects	-	92,986	92,986
Total expenditures	86,373	122,433	208,806
Excess (deficiency) of revenues over (under) expenditures	(86,373)	(46,195)	(132,568)
Other financing sources (uses)			
Transfer in	96,164	-	96,164
Proceeds from sale of capital assets	988	-	988
Total other financing sources (uses)	97,152	-	97,152
Net change in fund balance	10,779	(46,195)	(35,416)
Fund balance-beginning of year	69,905	135,227	205,132
Fund balance-end of year	\$ 80,684	\$ 89,032	\$ 169,716



**SINGLE AUDIT SECTION**



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, 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:				
National School Lunch Program	10.555	41	202222N1109947	467,160
NSLP Donated Foods (non-cash)	10.555	41	202222N1109947	30,907
Total National School Lunch Program (NSLP)				<u>498,067</u>
School Breakfast Program	10.553	41	202222N1109947	146,540
Total Child Nutrition Cluster				<u>644,607</u>
Other Programs				
Child and Adult Care Food Program	10.558	41	202222N1109947	10,760
Total Other Programs				<u>10,760</u>
Total Passed Through State Department of Education				<u>655,367</u>
Direct through U.S. Department of Agriculture				
Federal Forest	10.665	Not Available	Not Available	41,892
Total Direct through U.S. Department of Agriculture				<u>41,892</u>
<b>Total U.S. Department of Agriculture</b>				<u>697,259</u>
<b>U. S. Department of Treasury</b>				
Passed through State Department of Education				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	41	SLFRP0142	141,977
COVID-19 - Coronavirus Relief Fund	21.019	41	20-1892-0-1-806	119,351
<b>Total U. S. Department of Treasury</b>				<u>261,328</u>
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster				
Grants to States (IDEA, Part B)	84.027	41	H027A210088	240,371
COVID 19 - Grants to States (IDEA, Part B)	84.027X	41	H027X210088	664
Total Grants to States (IDEA, Part B)				<u>241,035</u>
Preschool Grants (IDEA Preschool)	84.173	41	H173A210030	9,545
COVID 19 -Preschool Grants (IDEA Preschool)	84.173X	41	H173X210030	3,603
Total Preschool Grants (IDEA Preschool)				<u>13,148</u>
Total Special Education Cluster				<u>254,183</u>
Passed through Plummer-Worley Joint School District #44				
Career and Technical Education	84.048	Not Available	Not Available	17,287
Education Stabilization Fund (ESF)				
COVID-19 - Elementary and Secondary School Emergency Relief (Esser) Fund	84.425D	41	S425D200043	20,845
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Esser)	84.425U	41	S425U200043	160,247
Total Education Stabilization Fund (ESF)				<u>181,092</u>
Other Programs				
Title I Grants to LEAs	84.010	41	S010A210012	184,624
Twenty-First Century Community Learning Centers	84.287	41	S287C200012	79,530
State Personnel Development Grants (SPDG)	83.323	41	H323A200002	17,153
Supporting Effective Instruction State Grant	84.367	41	S367A210011	44,338
Student Support and Academic Enrichment Program	84.424	41	S424A210013	15,729
Total Other Programs				<u>341,374</u>
<b>Total U.S. Department of Education</b>				<u>793,936</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 1,752,523</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NOTES TO THE 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 St. Maries Joint School District No. 41, under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the St. Maries Joint School District No. 41, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of the St. Maries Joint School District No. 41.

**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) St. Maries Joint School District No. 41 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 \$30,907.

**NOTE 4      Sub-Recipients**

There were no awards passed through to subrecipients.



**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  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

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 St. Maries Joint School District No. 41, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise St. Maries Joint School District No. 41’s basic financial statements, and have issued our report thereon dated October 2, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Maries Joint School District No. 41’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 St. Maries Joint School District No. 41’s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Maries Joint School District No. 41’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 St. Maries Joint School District No. 41'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 2, 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  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

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

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

We have audited St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41's major federal programs for the year ended June 30, 2022. Independent School District No. 1'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, St. Maries Joint School District No. 41 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 St. Maries Joint School District No. 41 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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 St. Maries Joint School District No. 41'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 2, 2022



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, 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:

Opinion Unit

Governmental Activities	Unmodified
General Fund	Unmodified
Plant Facilities	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

- material weakness(es) identified?	<u>    </u> yes	<u>  x  </u> no
- significant deficiency(ies) identified?	<u>    </u> yes	<u>  x  </u> none reported

Noncompliance material to financial statements noted?

     yes                        x   no

*Federal Awards*

Internal control over major programs:

- material weakness(es) identified?	<u>    </u> yes	<u>  x  </u> no
- significant deficiency(ies) identified?	<u>    </u> yes	<u>  x  </u> none reported

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

unmodified

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

     yes                        x   no

*Identification of major programs:*

Federal Assistance Listing Number

Name of Federal Program or Cluster

10.553, 10.555, 10.556, 10.559, 10.582

Child Nutrition Cluster

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

\$750,000

Auditee qualified as a low-risk auditee?

  x   yes                           no

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, 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.