POST FALLS SCHOOL DISTRICT NO. 273

FINANCIAL STATEMENTS
JUNE 30, 2023

Post Falls School District No. 273
June 30, 2023

TABLE OF CONTENTS

FINANCIAL SECTION:

Independent Auditor's Report ..... 1 – 3

Management's Discussion and Analysis ..... 4 – 12

Basic Financial Statements:

District-Wide Financial Statements:

Statement of Net Position 13

Statement of Activities 14

Governmental Funds Financial Statements:

Balance Sheet ..... 15 – 16

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 17

Statement of Revenues, Expenditures and Changes in Fund Balances ..... 18 – 19

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 20

Notes to the Financial Statements ..... 21 – 48

Required Supplementary Information:

GASB 68 Required Supplementary Information ..... 49 – 50

GASB 75 Required Supplementary Information ..... 51 – 54

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:

General Fund 55

Child Nutrition Fund 56

Other Supplementary Information:

Nonmajor Governmental Funds – Combining Balance Sheet – By Fund Type 57

Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 58

Nonmajor Special Revenue Funds – Combining Balance Sheet ..... 59 – 60

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 61 – 62

Nonmajor Capital Projects Funds – Combining Balance Sheet 63

Nonmajor Capital Projects Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances 64

Schedule of Changes in Deposit Balances of Individual Schools 65

TABLE OF CONTENTS

SINGLE AUDIT SECTION:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards* ..... 66 – 67

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance ..... 68 – 70

Schedule of Expenditures of Federal Awards 71

Notes to Schedule of Expenditures of Federal Awards 72

Schedule of Findings and Questioned Costs ..... 73 – 74

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

MAGNUSON • McHUGH • DOUGHERTY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Post Falls School District No. 273
PO Box 40
Post Falls, ID 83854

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Post Falls School District No. 273's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273 as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows 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 (GAAS) 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 Post Falls School District No. 273, 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 Post Falls School District No. 273'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.

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814
www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

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 GAAS 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 GAAS 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 Post Falls School District No. 273'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 Post Falls School District No. 273'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, schedules of required supplementary information required by GASB 68 and GASB 75, and analysis and budgetary comparison information as listed in the table of contents 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.

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814
www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Post Falls School District No. 273's basic financial statements. The combining and individual nonmajor fund financial statements, Schedule of Changes in Deposit Balances of Individual Schools, 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, Schedule of Changes in Deposit Balances of Individual Schools, and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2023, on our consideration of Post Falls School District No. 273'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 Post Falls School District No. 273's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Post Falls School District No. 273's internal control over financial reporting and compliance.

Magnuson, McHugh, Dougherty CPAs

Magnuson, McHugh, Dougherty CPAs

October 31, 2023

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814

www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis of Post Falls School District No. 273's (the "School District") financial performance provides an overall review of financial activities for the fiscal year. Efforts have been made to provide comparison to prior year data when such data is available.

FINANCIAL HIGHLIGHTS

State Revenue Increases for 2022-23 Fiscal Year

In the 2022-23 fiscal year, enrollment for the first reporting period decreased by 2% compared to the same period in 2021-2022. Despite the slight decline in total enrollment, there were notable increases in salary-based revenue distribution factors and discretionary unit distribution set by the Idaho legislature. These formula factor improvements led to a net increase of $2.3 million in state revenues in the General Fund compared to the previous year.

General Fund Balance Slightly Decreases over the 2022-23 Fiscal Year

The School District's ending fund balance decreased by $132k in the General Fund compared to the prior year. There were several factors netting to create a nearly balanced financial year:

- The unexpected decline in enrollment resulted in revenues falling slightly short of the FY23 original budget.
- The School District shifted $1M in ongoing operational costs to ESSER to continue to spend down the balance before funds expire September 2024. This total is down from $3M in the prior year.
- A budgeted 5.5% increase to salaries for certificated staff and 5.5%-10% for classified staff.
- An unforeseen rise in investment earnings can be attributed to the high-yield interest rates in the Idaho Local Government Investment Pool (LGIP). The District maintains excess cash reserves in the LGIP, resulting in General Fund interest revenue of approximately $637,000, a significant increase from the approximately $29,000 earned in 2021-22.

At the close of the 2022-23 fiscal year, the $7,732,006 fund balance consists of approximately $2.3 million earmarked for a 5% contingency reserve, calculated based on total General Fund revenues. The remaining fund balance of $5,401,455 remains unassigned, serving to support cash flow flexibility for future District operations and addressing one-time costs that may arise in the future.

Supplemental Property Tax Levy Revenue Represents 10.6% of General Fund Revenues

In the 2022-23 fiscal year, the School District's supplemental property tax levy and tort levy generated just over $5M, 10.6% of the total General Fund revenues for the 2022-23 fiscal year. This revenue comes from a 2-year supplemental property tax levy of $4.955M which expired June 30, 2023.

REVENUE AND RESOURCES

Enrollment and Attendance – A key component in preparing the annual budget is a projection of funding from the state. Most of the 2022-23 state funding was based on a formula which measures average daily enrollment. Average daily enrollment was converted within the formula to support units, which are key drivers of the state funding formula along with staff experience averages. Prior to the 2019-20 fiscal year, the state funding formula used average daily attendance (ADA) to drive the funding formula. Using enrollment for this calculation is an extension of a temporary rule enacted by the Idaho State Board of Education in response to attendance issues created by COVID. The temporary rule expired June 30, 2023, with the decision from lawmakers and the State Board of Education that the rule will not be renewed for the 2023-24 fiscal year.

REVENUE AND RESOURCES (CONCLUDED)

The School District's enrollment (based on the best 28 weeks of weekly enrollment) generated 307.14 support units for the year, compared to 315.7 from the 2021-22 fiscal year. This decrease was due to a slight drop in students compared to the prior year. School Districts received $35,924 per support unit in 2022-23, an impactful increase from $29,542 in 2021-22.

State Support – State revenue across all funds increased $2.5M, an increase of 6.33% over the prior year's state revenues. Total state revenues came in at budget with a variance of less than 0.36%.

Bond Interest Stabilization Payment – In 2022-23, the School District received a bond interest stabilization payment of $94,970. This revenue helps reduce the burden on the local property taxpayer for bond interest payments.

EXPENDITURES

The most significant expenditure changes for the 2022-23 fiscal year include the following:

- Salaries increased by 5.5% for all certificated staff and administrators. Classified staff groups received varying increases between 5.5%-10% to bring positions closer to the market wages.
- The District maintained medical benefit contribution percentage, despite an increase in premium costs of 9.8%.
- Special services costs increased to meet student needs, including implementation of an innovative behavior support classroom to help students overcome behavior-related difficulties limiting success in school.
- The District implemented full day kindergarten. Idaho schools receive most of the operational funding from the state funding formula, and the formula was designed to fund only half-day kindergarten. An increase in K-3 Literacy funding from the state was sufficient to implement full day kindergarten for the 2022-23 school year. The District added seven new teachers to implement this program.
- The District paid all staff a recruitment and retention bonus of $1,500, prorated for staff working fewer than 3 hours per day. This stipend was funded with federal COVID relief funding.
- In the prior year, the District supplanted roughly $3M of General Fund operational costs to be temporarily assumed by federal COVID relief funds. This included custodial services, custodial salaries, custodial supplies, nursing salaries, and utility costs. These costs were supplanted to create budget stability in the General Fund. In 2022-23 all above mentioned costs were shifted back to the General Fund, and $1M in instructional salaries were supported by federal COVID relief funds. Going into 2023-24, all ongoing operational expenditures will be covered by ongoing revenues, as federal COVID relief funds are fully committed.

OVERVIEW OF THE FINANCIAL STATEMENTS

The comprehensive annual financial report consists of three parts: 1) Management's Discussion and Analysis; 2) basic financial statements, including notes to the financial statements; and 3) other required supplementary information.

The basic financial statements consist of two kinds of statements that present different views of the School District's financial activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

The statement of net position and statement of activities provide information on a School District wide basis. The statements present a total view of the School District's finances. School District wide statements contain useful long-term information, as well as information for the just-completed fiscal year.

The remaining statements are fund financial statements that focus on individual parts of the School District. Fund statements generally report operations in more detail than the School District wide statements.

The notes to the financial statements provide further detailed explanations of selected areas addressed in the statements. In addition, they provide disclosures, so statement users have a complete picture of the School District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School District's budget data for the year.

DISTRICT WIDE STATEMENTS

The district wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The two School District wide statements report the School District's net position and how they have changed. Net position (the difference between the School District's assets and liabilities) is one way to measure the School District's overall financial position.

Increases or decreases in the School District's net position are one indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall financial condition of the School District additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities should be considered.

In the School District wide financial statements, the School 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

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds and not on the School District as a whole. Funds are accounting devices that the School District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

Some funds are required by state law and by bond requirements.

The School District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

FUND FINANCIAL STATEMENTS (CONTINUED)

District Funds

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

The School District calculation of net position uses a historical cost of school buildings. This method may not accurately reflect their true value, especially as it relates to our older structures.

FUND FINANCIAL STATEMENTS (CONCLUDED)

Table 1 provides analysis of all governmental funds. Notable in this review are the following points:

- Total revenues (excluding other financing sources and uses) in all governmental funds were $63,335,631; $708,218 less than the previous year due to a reduction in spending from federal COVID relief funds.

Table 1
Governmental Funds
For the year ended June 30, 2023

	General Fund	All Other Funds	Total	%
REVENUES:				
Property taxes	$ 5,102,375	$ 3,300,914	$ 8,403,289	13.0%
Interest and investment earnings	637,787	249,988	887,775	1.4%
Other local revenue	136,194	1,234,183	1,370,377	2.1%
State assistance and reimbursements	40,734,658	1,370,378	42,105,036	65.2%
Title programs and other federal revenues	-	9,322,002	9,322,002	14.4%
Student body activity	-	1,247,152	1,247,152	1.9%
Other financing sources - subscription liability	-	45,687	45,687	0.1%
Transfer in	783,200	444,240	1,227,440	1.9%
Total revenues	47,394,214	17,214,544	64,608,758	100.0%
EXPENDITURES:				
Instructional services	27,902,413	6,015,355	33,917,768	52.5%
Support services	18,172,218	1,711,206	19,883,424	30.8%
Non-instructional services	-	3,894,102	3,894,102	6.0%
Capital outlay	1,007,658	1,368,423	2,376,081	3.7%
Principal retirement	-	1,455,000	1,455,000	2.3%
Interest	-	1,339,473	1,339,473	2.1%
Transfers out	444,240	783,200	1,227,440	1.9%
Total expenditures	47,526,529	16,566,759	64,093,288	99.2%
Net change in fund balance	$ (132,315)	$ 647,785	$ 515,470	0.8%

FINANCIAL ANALYSIS

The School District as a Whole

Net Position. Table 2, below, provides a summary of the District's net position for the years ended June 30, 2023 and 2022.

Table 2
Statement of Net Position
June 30, 2023 and 2022

	2023	2022
ASSETS:		
Cash and cash equivalents	$ 23,048,792	$ 21,431,908
Receivables	5,419,875	6,093,226
Net OPEB asset - PERSI	1,267,972	2,418,791
Net pension asset	-	599,293
Capital and intangible assets, net of accumulated depreciation and amortization	58,778,491	58,630,671
Total assets	88,515,130	89,173,889
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred OPEB outflows - District	450,009	450,009
Deferred OPEB outflows - PERSI	1,081,915	629,215
Deferred pension outflows	19,874,307	11,485,988
Total deferred outflows of resources	21,406,231	12,565,212
LIABILITIES:		
Accounts payable	555,225	732,661
Accrued payroll and related costs	6,519,106	5,895,191
Interest payable	380,805	398,321
Long-term liabilities:		
Due within one year	1,567,405	1,456,859
Due in more than one year	32,114,119	33,587,155
Net pension liability	31,484,043	-
Total OPEB liability - District	1,690,883	1,582,650
Total liabilities	74,311,586	43,652,837
DEFERRED INFLOWS OF RESOURCES:		
Deferred OPEB inflows - District	1,471,650	1,457,321
Deferred OPEB inflows - PERSI	569,569	1,104,821
Deferred pension inflows	-	19,179,172
Total deferred inflows of resources	2,041,219	21,741,314
NET POSITION:		
Net investment in capital and intangible assets	25,240,935	23,704,440
Restricted for:		
Debt service	5,885,911	5,127,340
School Lunch	1,885,247	1,718,258
Capital Projects	989,475	1,001,563
Plant Facility	407,112	430,617
Federal and state title programs	709,227	782,696
Unrestricted	(1,549,351)	3,580,036
Total net position	$ 33,568,556	$ 36,344,950

FINANCIAL ANALYSIS (CONCLUDED)

Changes in Net Position. Table 3 shows the changes in net position for fiscal years 2023 and 2022.

Table 3
Changes in Net Position from Operating Results
Government Activities 2023 and 2022

	2023	2022
REVENUES:		
Program revenues:		
Charges for services	$ 2,187,800	$ 1,484,045
Operating grants and contributions	8,982,595	14,015,888
General revenues:		
Property taxes, levied for general purposes	5,083,959	5,156,473
Property taxes, levied for debt services	3,300,914	3,055,217
State revenues	41,458,994	38,911,381
Grants and contributions not restricted to specific purposes:		
Gain (Loss) on disposal of capital assets	(450)	(23,508)
Federal Forest	31,832	33,313
Interest and investment earnings	887,775	41,236
Student body activity	1,247,152	1,230,812
Miscellaneous	136,194	156,602
Total general revenues and special items	63,316,765	64,061,459
EXPENSES:		
Instructional services:		
Elementary programs	16,597,711	16,865,064
Secondary programs	13,009,181	13,046,850
Alternative school programs	944,024	796,351
Exceptional child programs	4,950,651	4,577,500
Vocational and technical programs	6,501	6,501
Activity programs	604,782	569,877
Other programs	30,879	53,250
Support services:		
Guidance and health programs	1,935,757	1,854,924
Special services	2,085,768	1,666,783
Improvement and media	531,582	553,450
Admin technology	692,880	138,517
Summer school	21,184	15,010
District administration	525,283	368,398
School administration	3,416,220	2,885,768
Business administration	1,777,683	1,608,553
Maintenance	5,640,367	5,305,399
Transportation	3,131,782	2,793,358
Security	615,167	223,218
Other support services	49,113	121,482
Child nutrition program	16,548	(4,784)
Non-instructional services:		
Child nutrition program	2,615,694	2,850,625
Student body activity	1,278,408	1,064,454
Interest and amortization	1,280,517	1,351,902
Change in OPEB Obligation	285,429	(9,294)
Unallocated actual PERSI expense	(3,763,667)	(3,791,945)
Change in net pension liability	8,279,512	(373,896)
Total expenses	66,558,956	54,537,315
Change in net position	$ (3,242,191)	$ 9,524,144

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District adopts an original budget in June for the subsequent year. In 2022-23, state revenues were driven through the measurement of enrollment for the best 28 weeks of the school year. The formula also generated salary and benefits support from the state. However, the School District still provides significant funding beyond the formula allowance.

CAPITAL AND INTANGIBLE ASSET AND DEBT ADMINISTRATION

Capital and Intangible Assets

As of the end of fiscal year 2022-23, the School District has invested approximately $100,998,189 in a broad range of capital and intangible assets, including buildings, sites, library books, transportation equipment, and other equipment. The total accumulated depreciation and amortization on these assets amounts to $42,219,698. Asset acquisitions for governmental activities include construction remodel projects, as well as funds to purchase land, school buses, computers and other instructional and support equipment.

Long-term Debt

At year end the District had $28,570,000 in general obligation bonds and other long-term debt outstanding. The District retired just over $1.4M of outstanding debt in the 2022-23 fiscal year. The debt of the District is secured by an annual tax levy authorized by the patrons of the School District by a two-thirds majority vote in 2015 for $19.5 million and in 2019 for $19 million.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Current known circumstances that will impact the School District's financial status in the future are:

- **State Funding –** The legislature approved a 2023-24 appropriations budget with substantial increases to certain K-12 public education funding formula factors. However, the formula reverted to Average Daily Attendance (ADA) calculations driving the overall formula. Changing the calculation from enrollment-driven to attendance-driven greatly diminished the impact of the substantial increases to the funding formula factors. The net impact of the funding changes was expected to be an additional $2M in state revenues if enrollment stayed the same. As of October 2023, enrollment is down roughly 135 students, which will equate to an additional decrease in revenues of 2.24%.
- **Enrollment** – As mentioned above, preliminary data shows a decrease in enrollment for the 2023-24 school year. Summer enrollment projections correctly forecasted this drop, and roughly 10 teaching vacancies were eliminated to offset the loss in revenues. The decrease in projected revenues, and the elimination of the 10 teaching positions are expected to net to zero, effectively leading to the same financial outcome in the 2023-24 fiscal year.
- **Supplemental Levy** – In March 2023, a $5,958,551 supplemental levy was approved by the School District's voters for a 2-year period. This levy replaced our recently expired supplemental levy and expires June 30, 2025. The supplemental levy pays for operational costs where state funding falls short and includes an increase of just over $1M per year for district wide security upgrades.
- **District Facilities Fund** – In August 2023, the District received $2.25M in property tax relief revenues generated from HB 292. These revenues will reduce the amount levied for the District's bond payments and supplemental levy. Although no new revenue is available for new costs, the change results in property tax relief to the Post Falls taxpayers.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Katie Ebner, Chief Financial Officer, Post Falls School District No. 273, 206 W. Mullan Ave., Post Falls, Idaho, 83814, (208) 773-1658.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

Post Falls School District No. 273

STATEMENT OF NET POSITION
June 30, 2023

ASSETS		
Cash and cash equivalents	$	23,048,792
Receivables		5,419,875
Net OPEB asset - PERSI		1,267,972
Land		2,762,065
Construction in progress		415,112
Capital and intangible assets, net of accumulated depreciation and amortization		55,601,314
Total assets		88,515,130
DEFERRED OUTFLOWS OF RESOURCES		
Deferred OPEB outflows - District		450,009
Deferred OPEB outflows - PERSI		1,081,915
Deferred pension outflows		19,874,307
Total deferred outflows of resources		21,406,231
LIABILITIES		
Accounts payable		555,225
Accrued payroll and related costs		6,519,106
Interest payable		380,805
Long-term liabilities:		
Due within one year:		
Lease liability		1,957
Subscription IT liabilities		50,448
Long-term debt		1,515,000
Due in more than one year:		
Lease liability		1,884
Subscription IT liabilities		61,032
Compensated absences		143,968
Long-term debt		31,907,235
Net pension liability		31,484,043
Net OPEB obligation - District		1,690,883
Total liabilities		74,311,586
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB inflows - District		1,471,650
Deferred OPEB inflows - PERSI		569,569
Total deferred inflows of resources		2,041,219
NET POSITION		
Net investment in capital and intangible assets		25,240,935
Restricted for:		
School lunch		1,885,247
Debt service		5,885,911
Capital projects		989,475
Plant facility		407,112
Federal and state title programs		709,227
Unrestricted		(1,549,351)
Total net position	$	33,568,556

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Post Falls School District No. 273

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental activities:					
Instructional services:					
Elementary programs	$ 16,597,711	$ 884,926	$ 2,433,862	$ -	$ (13,278,923)
Secondary programs	13,009,181	438,664	1,165,456	-	(11,405,062)
Alternative school programs	944,024	-	146,656	-	(797,368)
Exceptional child programs	4,950,651	-	1,588,286	-	(3,362,365)
Vocational and technical programs	6,501	-	-	-	(6,501)
Activity programs	604,782	-	-	-	(604,782)
Other programs	30,879	-	-	-	(30,879)
Support services:					
Guidance and health programs	1,935,757	-	146,485	-	(1,789,272)
Special services	2,085,768	-	143,689	-	(1,942,079)
Improvement and media	531,582	-	34,225	-	(497,357)
Admin technology	692,880	-	644,261	-	(48,619)
Summer school	21,184	-	30,370	-	9,186
District administration	525,283	-	7,707	-	(517,576)
School administration	3,416,220	-	106,230	-	(3,309,990)
Business administration	1,777,683	-	27,374	-	(1,750,309)
Maintenance	5,640,367	-	297,405	-	(5,342,962)
Transportation	3,131,782	-	120,516	-	(3,011,266)
Security	615,167	-	95,141	-	(520,026)
Other support services	49,113	-	23,724	-	(25,389)
Child nutrition program	16,548	-	70,410	-	53,862
Non-instructional services:					
Child nutrition program	2,615,694	864,210	1,900,800	-	149,316
Student body activity	1,278,408	-	-	-	(1,278,408)
Interest and amortization	1,280,517	-	-	-	(1,280,517)
Change in OPEB obligation	285,429	-	-	-	(285,429)
Unallocated actual PERSI expense	(3,763,667)	-	-	-	3,763,667
Change in net pension liability	8,279,512	-	-	-	(8,279,512)
Total governmental activities	$ 66,558,956	$ 2,187,800	$ 8,982,595	$ -	(55,388,561)
General revenues:					
Property taxes, levied for general purposes					5,083,959
Property taxes, levied for debt services					3,300,914
State revenue					41,458,994
Grants and contributions not restricted to specific purposes:					
Federal Forest					31,832
Interest and investment earnings					887,775
Student body activity					1,247,152
Gain (Loss) on disposal of assets					(450)
Miscellaneous					136,194
Total general revenues					52,146,370
Change in net position					(3,242,191)
Net position beginning					36,344,950
Prior period adjustment					465,797
Net position ending					$ 33,568,556

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Post Falls School District No. 273

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

	General	Child Nutrition	Debt Service
ASSETS			
Cash and cash equivalents	$ 10,595,367	$ 2,017,051	$ 4,701,833
Accounts receivable:			
Kootenai County	2,032,405	-	1,266,600
State of Idaho	702,134	46,257	-
Interest receivable	67,454	-	18,606
Other receivable	-	-	-
Interfund receivable	613,164	-	-
Total assets	$ 14,010,524	$ 2,063,308	$ 5,987,039
LIABILITIES			
Accounts payable	$ 461,246	$ 10,478	$ -
Accrued payroll and related costs	5,650,173	167,583	-
Interfund payable	-	-	-
Total liabilities	6,111,419	178,061	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	167,099	-	101,128
Total deferred inflows of resources	167,099	-	101,128
FUND BALANCES			
Restricted to:			
School lunch, debt service and capital projects, respectively	-	1,885,247	5,885,911
State and federal title programs	-	-	-
Assigned to:			
Kaiser insurance premium refund	-	-	-
State and federal non title funding	-	-	-
Committed to:			
Contingency reserve	2,330,551	-	-
Unassigned	5,401,455	-	-
Total fund balances	7,732,006	1,885,247	5,885,911
Total liabilities, deferred inflows of resources, and fund balances	$ 14,010,524	$ 2,063,308	$ 5,987,039

The accompanying "Notes to Financial Statements"
are an integral part of this statement.

Capital Construction Project	Other Governmental	Total
$ 985,101	$ 4,749,440	$ 23,048,792
-	-	3,299,005
-	1,257,734	2,006,125
4,374	6,626	97,060
-	17,685	17,685
-	-	613,164
$ 989,475	$ 6,031,485	$ 29,081,831
$ -	$ 83,501	$ 555,225
-	701,350	6,519,106
-	613,164	613,164
-	1,398,015	7,687,495
-	-	268,227
-	-	268,227
989,475	407,112	9,167,745
-	709,227	709,227
-	1,272,726	1,272,726
-	2,244,405	2,244,405
-	-	2,330,551
-	-	5,401,455
989,475	4,633,470	21,126,109
$ 989,475	$ 6,031,485	$ 29,081,831

Post Falls School District No. 273

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances at June 30, 2023 - Governmental funds		$ 21,126,109
Cost of capital and intangible assets at fiscal year end	$ 100,998,189	
Less: Accumulated depreciation and amortization as of fiscal year end		
Subscription IT assets	(261,223)	
Right-of-use lease assets	(7,425)	
Buildings and portables	(36,254,260)	
Buses and other transportation	(2,416,170)	
Equipment and library books	(3,280,620)	58,778,491
Elimination of deferred revenue		268,227
Subscription IT liabilities, due within one year		(50,448)
Pension liabilities and deferred outflows of resources and deferred inflows of resources related to pensions:		
District's proportionate share of the net pension liability		(31,484,043)
Proportionate share of collective deferred outflows of resources		19,874,307
OPEB liabilities and deferred outflows of resources and deferred inflows of resources related to OPEB:		
District's proportionate share of the net OPEB asset		1,267,972
Total OPEB liability - District		(1,690,883)
Deferred outflows of OPEB resources		1,531,924
Deferred inflows of OPEB resources		(2,041,219)
Long-term liabilities at fiscal year end		
Bonds payable	$ (28,570,000)	
Lease payable	(3,841)	
Subscription IT liabilities, due beyond one year	(61,032)	
Premium on bonds payable, net of accumulated amortization of $514,217	(4,852,235)	
Compensated absences	(143,968)	
Accrued interest payable	(380,805)	(34,011,881)
Net position at June 30, 2023		$ 33,568,556

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Post Falls School District No. 273

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

	General	Child Nutrition	Debt Service
REVENUES			
Property taxes	$ 5,102,375	$ -	$ 3,300,914
Other local revenue	136,194	864,210	-
State assistance and reimbursements	40,734,658	-	94,970
Title programs and other federal revenues	-	1,900,800	-
Interest and investment earnings	637,787	-	157,160
Student body activity	-	-	-
Total revenues	46,611,014	2,765,010	3,553,044
EXPENDITURES			
Instructional services:			
Elementary programs	12,408,342	-	-
Secondary programs	10,618,019	-	-
Alternative school programs	823,934	-	-
Exceptional child programs	3,409,956	-	-
Vocational and technical programs	6,501	-	-
Activity programs	604,782	-	-
Other programs	30,879	-	-
Total instructional services	27,902,413	-	-
Support services:			
Guidance and health programs	1,821,672	-	-
Special services	1,943,697	-	-
Improvement and media	504,831	-	-
Admin technology	-	-	-
Summer school	-	-	-
District administration	519,907	-	-
School administration	3,341,737	-	-
Business administration	1,714,427	-	-
Maintenance	5,205,130	-	-
Transportation	2,675,352	-	-
Security	445,465	-	-
Child nutrition program	-	-	-
Other support services	-	-	-
Total support services	18,172,218	-	-
Non-instructional services:			
Food services	-	2,615,694	-
Student body activity	-	-	-
Total non-instructional services	-	2,615,694	-
Capital outlay	1,007,658	44,402	-
Debt service:			
Principal retirement	-	-	1,455,000
Interest	-	-	1,339,473
Total debt service	-	-	2,794,473
Total expenditures	47,082,289	2,660,096	2,794,473
Excess (deficiency) of revenues over expenditures	(471,275)	104,914	758,571
OTHER FINANCING SOURCES (USES)			
Subscription liability	-	-	-
Transfers in	783,200	62,075	-
Transfers (out)	(444,240)	-	-
Total other financing sources (uses)	338,960	62,075	-
Net change in fund balance	(132,315)	166,989	758,571
Fund balance - beginning	7,864,321	1,718,258	5,127,340
Fund balance - ending	$ 7,732,006	$ 1,885,247	$ 5,885,911

The accompanying "Notes to Financial Statements"
are an integral part of this statement.

Capital Construction Project	Other Governmental	Total
$ -	$ -	$ 8,403,289
-	369,973	1,370,377
-	1,275,408	42,105,036
-	7,421,202	9,322,002
36,912	55,916	887,775
-	1,247,152	1,247,152
36,912	10,369,651	63,335,631
-	3,043,190	15,451,532
26	1,311,354	11,929,399
-	120,090	944,024
-	1,540,695	4,950,651
-	-	6,501
-	-	604,782
-	-	30,879
26	6,015,329	33,917,768
-	114,085	1,935,757
-	142,071	2,085,768
-	26,751	531,582
-	590,596	590,596
-	21,184	21,184
-	5,376	525,283
-	74,483	3,416,220
-	22,694	1,737,121
9,387	385,152	5,599,669
-	84,064	2,759,416
-	169,702	615,167
-	49,113	49,113
-	16,548	16,548
9,387	1,701,819	19,883,424
-	-	2,615,694
-	1,278,408	1,278,408
-	1,278,408	3,894,102
39,587	1,284,434	2,376,081
-	-	1,455,000
-	-	1,339,473
-	-	2,794,473
49,000	10,279,990	62,865,848
(12,088)	89,661	469,783
-	45,687	45,687
-	382,165	1,227,440
-	(783,200)	(1,227,440)
-	(355,348)	45,687
(12,088)	(265,687)	515,470
1,001,563	4,899,157	20,610,639
$ 989,475	$ 4,633,470	$ 21,126,109

Post Falls School District No. 273

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Total net changes in fund balances for year ended June 30, 2023	$ 515,470
Add: Capital outlay which is considered expenditures	2,376,081
Less: Depreciation and amortization expense	(2,813,848)
Less: Loss on disposal of assets	(450)
Add: Amortization expense on bond	43,296
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	1,227,440
Less: Interfund transfers in	(1,227,440)
Add: Debt principal retirement considered as an expenditure	1,455,000
Add: Lease liability principal retirement considered as an expenditure	1,859
Add: Subscription payments considered as an expenditure	54,447
Less: Subscription IT financing sources	(45,687)
Less: Change in compensated absences	(26,185)
Less: Change in OPEB obligation	(285,429)
Add: Difference between interest on long-term debt on modified accrual basis and interest on long-term debt on accrual basis	17,516
Less: Difference between revenue earned on property taxes on modified accrual basis and revenue on property taxes on accrual basis	(18,416)
Add: Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date	3,763,667
Less: Change in net pension liability	(8,279,512)
Change in net position for year ended June 30, 2023	$ (3,242,191)

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Post Falls School District No. 273 (the "School District") operates under a locally elected five-member Board form of government and provides educational and supportive services as mandated by the State of Idaho and/or federal agencies. This Board of Trustees controls the School District's instructional and support facilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, school lunch, debt service and student and supportive service activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Recently Issued Accounting Standards – In 2020, the Governmental Accounting Standards Board (GASB) issued Summary of Statement Number 96 Subscription-Based Information Technology Arrangements (SBITA's) (GASB 96), which is required to be adopted for entities with fiscal years beginning after June 15, 2022. The objective of GASB 96 is to improve reporting by establishing a definition for SBITAs and requiring a government to report a subscription asset and liability, and to disclose essential information about the arrangement. The District has considered the effect that GASB 96 will have on the financial statements and has adopted and implemented the requirements of GASB 96 for the year ended June 30, 2023. See further discussion of GASB 96 at note 8.

In 2020, the Governmental Accounting Standards Board (GASB) issued Summary of Statement Number 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94), which is required to be adopted for entities with fiscal years beginning after June 15, 2022. The objective of GASB 94 is to improve reporting by requiring governments to report assets and liabilities related to these arrangements consistently, and to disclose important information regarding transactions. The District has considered the effect that GASB 94 will have on the financial statements and has adopted and implemented the requirements of GASB 94 for the year ended June 30, 2023. The District has noted no agreements applicable to GASB 94.

The most significant of the School District's accounting policies are described below:

B. Basis of Presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – fund financial statements

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are categorized as governmental.

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to the laws of the State of Idaho.

Child Nutrition Fund – Child nutrition is a program that provides nourishing meals to students in all grades. This program is supplemented by federal funds that are based on reimbursement and participation.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for and the payment of general long-term obligation bonds including principal, interest, and related costs.

Capital Construction Project Fund – The Capital Construction Project fund is used to account for the accumulation of resources for and payment of costs that are legally restricted for major capital improvements currently related to the proceeds of the 2019 general obligation bonds.

The School District reports the following non-major governmental fund types:

Special Revenue Funds – The special revenue funds account for other resources for and the payment of costs in which the use is restricted or assigned to a particular purpose.

Capital Projects – The plant facilities fund accounts for tax revenue sources that are legally restricted for capital improvements.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation – fund financial statements (concluded)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School District.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

In the following funds, cash received by the School District is pooled for investment purposes and is presented as "Cash and Cash Equivalents" on the financial statements: General fund, child nutrition fund, debt service fund, capital projects, and other governmental. Interest earned in the pooled accounts is allocated to the participating funds in proportion to the average daily balances in each fund.

During the fiscal year ended June 30, 2023, investments were limited to the Idaho State Investment Pool.

The District invests in one 2a-7-like pools, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The Idaho State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

Following GASB 72, ¶69 and ¶B62 the balance that the District has in the Idaho State Investment Pool is carried at cost, which materially approximates fair market value.

The District considers funds held in the Idaho State Investment Pool to be cash equivalents, as the District is able to liquidate their account at any time.

For presentation on the financial statements, investments in the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Capital and Intangible Assets

General capital and intangible assets typically result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital and intangible assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of four thousand dollars. The School District does not possess any infrastructure. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital and Intangible Assets (Concluded)

Land and construction in progress are not depreciated. The other property, equipment, vehicles, and infrastructure of the School District are depreciated and amortized using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Buildings and improvements	40 years
Modulars	15 years
Furniture and equipment	5 - 20 years
Library books	10 years
Buses	10 years
Other vehicles	5 years
Subscription IT assets	5 years
Right-of-use assets	5 years

G. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums and bond discounts. Bond issuance costs are reported as expenses in the year incurred. In the fund financial statements, governmental funds recognize bond premiums, bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, and premiums received on debt issuances are reported as other financing sources.

H. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability. The benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered, and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees who qualify.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences (Concluded)

Sick leave benefits are not accrued as a liability, since sick leave benefits are only paid when used and not upon termination.

The entire compensated absence liability is reported on the government-wide financial statements.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The district has two items that qualify for reporting in this category. They are the deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, Accounting and Financial Reporting for Pensions, and in accordance with GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The District has one type of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources from one source: accounting for the net pension obligation, in accordance with GASB 68, Accounting and Financial Reporting for Pensions.

J. Fund Balance Classifications

The School District has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (required implementation date of June 2011). This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balance Classifications (Concluded)

Application of the Statement requires the School District to classify, and report amounts in the appropriate fund balance classifications. The School District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of nonspendable, restricted, committed, assigned, or unassigned.

The School District reports the following classifications:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form—such as inventory or prepaid insurance, or (b) legally or contractually required to be maintained intact—such as a trust that must be retained in perpetuity.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds – such as the School District's federal award revenue, which must be used to fund federally defined title programs. Legal enforceability means that the School District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Trustees. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board of Trustees. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Director of Finance, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Trustees have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the School District itself.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance Flow Assumptions

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider whether restricted fund balances have been depleted before using any of the components of unrestricted fund balances. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

L. Net Position Flow Assumptions

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital and intangible assets, leases, and subscriptions, net of related debt consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restrict bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restrict – net position to have been depleted before unrestricted – net position is applied.

M. Property Taxes

Property taxes levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June. Property taxes become a lien on the property when it is levied.

N. Extraordinary and Special Items

Extraordinary items are transactions that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Trustees and that are either unusual in nature or infrequent in occurrence.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows 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 the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Other Post-Employment Benefits (OPEB)

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

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

a) The School District publishes a proposed budget for public review.

b) Public hearings are set to obtain taxpayer comments.

c) Prior to July 1, the budget is adopted by resolution of the Board of Trustees and published.

d) The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the fund level.

During the fiscal year ended June 30, 2023, the budget was amended.

Lapsing of Appropriations – At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

(Continued)

NOTE 3: CASH AND CASH EQUIVALENTS

State statutes authorize the School District's investments and deposits. The School District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the School District's deposits and investments may not be returned to it. As of June 30, 2023, the School District's deposits and investments were not exposed to custodial credit risk. The School District's deposits and investments are insured and collateralized as follows:

Deposits without exposure to custodial credit risk:	
Deposits:	
Amount insured by FDIC or other agencies	$ 4,491,834
Amount collateralized with securities held in trust, but not in the District's name	19,145,399
Total deposits without exposure to custodial credit risk	23,637,233
Deposits with exposure to custodial credit risk:	
Deposits:	
Amount uninsured / uncollateralized	365,102
Total deposits with exposure to custodial credit risk	365,102
Total deposits	$ 24,002,335
The carrying amount of deposits is displayed in the statements as follows:	
Cash and cash equivalents	$ 23,048,792
Total carrying value of cash and cash equivalents	$ 23,048,792

Credit Risk:

The Idaho State Investment Pool does not have an established credit rating but invests in entities with a minimum credit rating of "A" as stipulated by Idaho code. Financial information on the investment pool can be obtained by contacting the Idaho State Treasurer.

NOTE 4: RECEIVABLES

The receivables as of June 30, 2023 consist of the following:

Taxes receivable	$ 3,299,005
State of Idaho	2,006,125
Interest receivable	97,060
Other receivable	17,685
	$ 5,419,875

(Continued)

NOTE 5: CAPITAL AND INTANGIBLE ASSETS

Following is a recap of capital and intangible assets for the fiscal year ended June 30, 2023:

Governmental activities:	Beginning Balance	Adjustments	Additions	Deletions	Transfers	Ending Balance
Nondepreciable capital assets:						
Land	$ 2,762,065	$ -	$ -	$ -	$ -	$ 2,762,065
Construction-in-progress	59,182	-	405,183	-	(49,253)	415,112
Total nondepreciable capital assets	2,821,247	-	405,183	-	(49,253)	3,177,177
Depreciable and intangible capital assets:						
Subscription IT assets	-	690,645	503,174	-	-	1,193,819
Right-of-use leased equipment	9,282	-	-	-	-	9,282
Buildings and sites	86,813,657	-	334,739	-	49,253	87,197,649
Portable classrooms	582,943	-	-	-	-	582,943
Buses	3,434,461	-	912,833	442,657	-	3,904,637
Other vehicles	570,083	-	17,783	-	(41,185)	546,681
Equipment	4,173,865	-	202,369	31,418	41,185	4,386,001
Total depreciable and intangible capital assets	95,584,291	690,645	1,970,898	474,075	49,253	97,821,012
Less accumulated depreciation and amortization for:						
Subscription IT assets	-	104,608	156,615	-	-	261,223
Right-of-use leased equipment	5,569	-	1,856	-	-	7,425
Buildings and sites	33,617,987	-	2,053,330	-	-	35,671,317
Portable classrooms	582,943	-	-	-	-	582,943
Buses	2,245,890	-	293,491	442,657	-	2,096,724
Other vehicles	263,654	-	65,992	-	(10,200)	319,446
Equipment	3,058,824	-	242,564	30,968	10,200	3,280,620
Total accumulated depreciation and amortization	39,774,867	104,608	2,813,848	473,625	-	42,219,698
Total depreciable and intangible capital assets, net	55,809,424	586,037	(842,950)	450	49,253	55,601,314
Total capital and intangible assets, net	$ 58,630,671	$ 586,037	$ (437,767)	$ 450	$ -	$ 58,778,491

Depreciation and amortization expense of $2,813,848 for the year ended June 30, 2023 was charged to the following governmental functions:

Elementary	$ 1,241,664
Secondary	1,087,407
Business administration	71,384
Maintenance	41,027
Transportation	372,366
Total depreciation and amortization expense	$ 2,813,848

Following is a recap of the June 30, 2023 balances by generic location:

	Elementary	Secondary	Administration	Total
Land	$ 527,702	$ 1,025,534	$ 1,208,829	$ 2,762,065
Construction-in-progress	148,354	72,211	194,547	415,112
Subscription IT assets	477,423	457,487	258,909	1,193,819
Right-of-use leased equipment	-	-	9,282	9,282
Buildings and portables	45,109,294	41,142,780	1,528,518	87,780,592
Buses	-	-	3,904,637	3,904,637
Other vehicles	-	-	546,681	546,681
Equipment	1,565,904	2,123,713	696,384	4,386,001
	$ 47,828,677	$ 44,821,725	$ 8,347,787	$ 100,998,189

(Continued)

NOTE 6: ACCRUED PAYROLL AND VACATION BENEFITS

Accrued payroll includes amounts due to contracted teachers and other employees at June 30, 2023, which were not paid until July and August 2023, in conformity with contractual stipulations.

NOTE 7: LEASE OBLIGATIONS

The District entered into an operating lease agreement during fiscal year 2020 to lease a mail machine. The terms of the lease are monthly payments of $175.67 for 60 months beginning June 1, 2020. The right-of-use lease asset, was recorded at the present value of future minimum lease payments of $9,282 as of the inception date with accumulated amortization of $7,425 at June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year ending June 30,	Principal	Interest	Total
2024	$ 1,957	$ 151	$ 2,108
2025	1,884	49	1,933
	$ 3,841	$ 200	$ 4,041

NOTE 8: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District entered into a subscription-based information technology arrangement during fiscal year 2020 to lease Cisco (networking, cloud, cybersecurity). The terms of the arrangement are annual payments of $23,764 for five years beginning June 2020. The subscription IT asset has been recorded at the present value of minimum payments of $104,633 as of the inception date with accumulated amortization of $64,524 at June 30, 2023.

The District entered into a subscription-based information technology arrangement during fiscal year 2019 to lease MIBS contract (network management). The terms of the arrangement are annual payments of $18,232 for five years beginning February 2019. The subscription IT asset has been recorded at the present value of minimum payments of $80,276 as of the inception date with accumulated amortization of $70,911 at June 30, 2023.

The District entered into a subscription-based information technology arrangement during fiscal year 2022 to lease Finalsite (website hosting). The terms of the arrangement are annual payments of $0 for year one (10-month), $9,910 for year two, $10,406 for year three, and $10,926 for year four beginning September 2021. The subscription IT asset has been recorded at the present value of minimum payments of $28,313 as of the inception date with accumulated amortization of $13,541 at June 30, 2023.

(Continued)

NOTE 8: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONCLUDED)

The District entered into a subscription-based information technology arrangement during fiscal year 2022 to lease Curriculum (i-Ready). The terms of the arrangement are for five years; however the District prepaid the arrangement during fiscal year 2023. The subscription IT asset has been recorded at the cost of $477,423, with accumulated amortization of $95,485 at June 30, 2023.

The District entered into a subscription-based information technology arrangement during fiscal year 2023 to lease Ameresco (asset planning software). The terms of the arrangement are annual payments of $9,772 for year one, $10,065 for year two, $10,367 for year three, $10,678 for year four, and $10,998 for year five beginning July 2022. The subscription IT asset has been recorded at the present value of minimum payments of $45,687 as of the inception date with accumulated amortization of $9,137 at June 30, 2023.

The District entered into a subscription-based information technology arrangement during fiscal year 2023 to lease Curriculum (literature). The terms of the arrangement are for five years; however the District prepaid the arrangement during fiscal year 2023. The subscription IT asset has been recorded at the cost of $457,487, with accumulated amortization of $7,625 at June 30, 2023.

The subscription IT assets and accumulated amortization are further detailed at Note 5.

The future minimum obligations and the net present value of these minimum payments as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 50,448	$ 4,422	$ 54,870
2025	40,317	2,127	42,444
2026	9,846	832	10,678
2027	10,869	308	11,177
	$ 111,480	$ 7,689	$ 119,169

(Continued)

NOTE 9: BONDS PAYABLE

GENERAL OBLIGATION BONDS, 2019

On March 12, 2019, School District 273 voters approved $15,935,000 of General Obligation Bonds, Series 2019, with interest ranging from 4% to 5%. Pursuant to this authority, the sale of bonds followed on May 15, 2019, with net proceeds of $19,163,607 (including principal of $15,935,000, premiums of $3,228,607 less issuance costs of $163,607) and repayment that began in the fiscal year ending June 30, 2020. The bond sale proceeds were for the construction of a new elementary school in the amount of $12,500,000 and $6,500,000 to be used to update and enhance numerous schools. Bond funds would also be used to purchase land for future school sites.

SERIES 2019

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	4.00%	$ 590,000	$ 674,550	$ 1,264,550
2025	4.00%	615,000	650,450	1,265,450
2026	4.00%	640,000	625,350	1,265,350
2027	4.00%	665,000	599,250	1,264,250
2028	4.00%	690,000	572,150	1,262,150
2029	4.00%	715,000	544,050	1,259,050
2030	5.00%	745,000	511,125	1,256,125
2031	5.00%	785,000	472,875	1,257,875
2032	5.00%	825,000	432,625	1,257,625
2033	5.00%	865,000	390,375	1,255,375
2034	5.00%	905,000	346,125	1,251,125
2035	5.00%	950,000	299,750	1,249,750
2036	5.00%	1,000,000	251,000	1,251,000
2037	5.00%	1,050,000	199,750	1,249,750
2038	5.00%	1,100,000	146,000	1,246,000
2039	5.00%	1,155,000	89,625	1,244,625
2040	5.00%	1,215,000	30,375	1,245,375
		$ 14,510,000	$ 6,835,425	$ 21,345,425

(Continued)

NOTE 9: BONDS PAYABLE (CONCLUDED)

GENERAL OBLIGATION REFUNDING BONDS, 2015B

SERIES 2015B

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	4.00%	$ 925,000	$ 609,150	$ 1,534,150
2025	4.00%	960,000	571,450	1,531,450
2026	4.00%	1,000,000	532,250	1,532,250
2027	4.00%	1,040,000	491,450	1,531,450
2028	4.00%	1,080,000	449,050	1,529,050
2029	5.00%	1,125,000	399,325	1,524,325
2030	5.00%	1,180,000	341,700	1,521,700
2031	4.00%	1,240,000	287,400	1,527,400
2032	4.00%	1,290,000	236,800	1,526,800
2033	5.00%	1,340,000	177,500	1,517,500
2034	5.00%	1,405,000	108,875	1,513,875
2035	5.00%	1,475,000	36,875	1,511,875
		$ 14,060,000	$ 4,241,825	$ 18,301,825

NOTE 10: CHANGES IN LONG-TERM DEBT AND LEASE OBLIGATIONS AND CURRENT MATURITIES

	Total General Obligation Bonds Payable
Balance, beginning of year	$ 34,920,531
Payment of principal - 2015B Bonds	(890,000)
Payment of principal - 2019 GO Bonds	(565,000)
Amortization of 2019 GO bond premiums	(43,296)
Balance, end of year	$ 33,422,235
Current portion	$ 1,515,000
Long-term portion, net of premium	31,907,235
	$ 33,422,235

(Continued)

NOTE 10: CHANGES IN LONG-TERM DEBT AND LEASE OBLIGATIONS AND CURRENT MATURITIES (CONCLUDED)

The following is a summary of long-term debt and lease obligation transactions this past year and amounts due within the next year:

	Bonds Payable	Compensated Absences	Lease Liability	Subscription IT Liabilities	Total
Balance, July 1, 2022	$ 34,920,531	$ 117,783	$ 5,700	$ -	$ 35,044,014
Adjustments	-	-	-	120,240	120,240
Additions	-	26,185	-	45,687	71,872
Amortization	(43,296)	-	-	-	(43,296)
Retirements/payments	(1,455,000)	-	(1,859)	(54,447)	(1,511,306)
Balance, June 30, 2023	33,422,235	143,968	3,841	111,480	33,681,524
Current portion	1,515,000	-	1,957	50,448	1,567,405
Long-term portion, net of premium	$ 31,907,235	$ 143,968	$ 1,884	$ 61,032	$ 32,114,119

NOTE 11: DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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.

(Continued)

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percentage of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. Post Falls School District's contributions were $4,027,613 for the year ended June 30, 2023.

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

At June 30, 2023, Post Falls School District reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset 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, 2022, the District's proportion was 0.7993393 percent.

For the year ended June 30, 2023, the District recognized pension expense of $8,279,512. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,244,106	$ -
Changes of assumptions	5,132,843	-
Net difference between projected and actual earnings on pension plan investments	3,462,095	140,524
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	311,353	(140,524)
Post Falls School District contributions subsequent to the measurement date	3,723,910	-
Total	$ 19,874,307	$ -

(Continued)

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

$3,723,910 reported as deferred outflows 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 in the year ending June 30, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020, the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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:

Year ended June 30:	
2023	$ (3,754,090)
2024	$ (4,075,422)
2025	$ (1,884,878)
2026	$ (5,984,129)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assume exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

(Continued)

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Concluded)

Contributing Members, Service Retirement Members, and Beneficiaries

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

Assumptions used to calculate the enclosed figures are described in the 2021 Experience Study. The Total Pension Liability as of June 30, 2021, is based on the results of an actuarial valuation date July 1, 2021.

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.

(Continued)

NOTE 11: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension 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 Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate	1% Increase (7.35%)
Employer's net pension liability (asset) - Employer	$ 55,566,252	$ 31,484,043	$ 11,773,377

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.

Payables to the Pension Plan

At June 30, 2023, the District reported payables to the defined benefit pension plan of $636,207 for legally required employer contributions and $405,639 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12: CONTINGENT LIABILITIES

The School District participates in a number of state and federally assisted grant programs including the National Child Nutrition Program, Title I, IDEA-B, and Carl Perkins grants. These programs are subject to further review and audit by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

(Continued)

NOTE 13: RISK MANAGEMENT

Post Falls School District No. 273 is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District contracts with an insurance company for property insurance and general liability insurance.

General and professional liability is protected by an outside insurance company with a $2,000,000 single occurrence limit, $5,000,000 aggregate limit, and a deductible of $2,500. Vehicles are also covered by the same insurance company and have a $1,000 deductible for comprehensive and collision. Automobile liability has a $3,000,000 combined single limit of liability.

The School District pays the State Workers' Compensation System a premium based on a predetermined rate. This rate is calculated based on accident history and administrative costs.

Post Falls School District No. 273 provides medical and dental insurance to most employees.

NOTE 14: POST EMPLOYMENT HEALTHCARE PLAN

Plan Description

Post Falls School District No. 273 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.

Responsibility for administration of the Sick Leave 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.

(Continued)

NOTE 14: POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Employer Contributions

The contribution rate for employers is set by statute at .065% of covered compensation for state members. Covered school members' contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were $0 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, 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, 2022, the District's proportion was 1.6655995 percent.

For the year ended June 30, 2023 the District recognized OPEB expense (expense offset) of $162,867. $1,081,915 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2024.

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 total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.05%
Investment rate of return	5.45%, net of investment expenses

The long-term expected rate of return on OPEB 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 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. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

(Continued)

NOTE 14: POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial Assumptions (Concluded)

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 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.

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad U.S. Equity	39.3%	8.53%
Global EX U.S. Equity	10.7%	9.09%
Fixed Income	50.0%	2.80%
Cash Equivalents	0.0%	2.25%

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 OPEB plan'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 OPEB plan 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 Employer's proportionate share of the net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the Employer'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:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Total June 30, 2022 OPEB asset	$ 894,618	$ 1,267,972	$ 1,609,346

(Continued)

NOTE 14: POST EMPLOYMENT HEALTHCARE PLAN (CONCLUDED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB 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.

Payables to the OPEB Plan

At June 30, 2023, the District reported payables to the defined benefit OPEB plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 15: OTHER POST EMPLOYMENT BENEFITS

Plan Description and OPEB Benefits

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.

Total OPEB Liability

The District's total OPEB liability of $1,690,883 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary increases	3.75%
Discount rate	4.11%
Retirees' share of benefit-related costs	100% of projected health premiums for retirees

(Continued)

NOTE 15: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs (Concluded)

Healthcare cost trend rates:

Fiscal year ending	Medical	Prescription Drugs	Dental
2022	7.1%	7.1%	-0.1%
2023	7.4%	7.4%	2.9%
2024	6.5%	6.5%	3.0%
2025	6.0%	6.0%	2.5%
2026	5.9%	5.9%	2.0%
2027	5.7%	5.7%	2.0%
2028	5.6%	5.6%	2.0%
2029	5.5%	5.5%	2.0%
2030	5.3%	5.3%	2.0%
2031-2047	5.2%	5.2%	2.0%
2048	5.1%	5.1%	2.0%
2049-2050	5.0%	5.0%	2.0%
2051-2053	4.9%	4.9%	2.0%
2054-2057	4.8%	4.8%	2.0%
2058-2062	4.7%	4.7%	2.0%
2063-2069	4.6%	4.6%	2.0%
2070	4.5%	4.5%	2.0%
2071	4.4%	4.4%	2.0%
2072	4.3%	4.3%	2.0%
2073-2074	4.2%	4.2%	2.0%
2075	4.1%	4.1%	2.0%
2076-2077	4.0%	4.0%	2.0%
2078	3.9%	3.9%	2.0%
2079+	3.8%	3.8%	2.0%

*Trends based on actual renewal rates.

The discount rate used to measure the OPEB liability was 4.11%. The discount rate was based on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years. Mortality rates were based on the RP-2000 Mortality Table with generational mortality adjustments.

The actuarial assumptions used were based on the results of a 2022 PERSI Experience Study.

(Continued)

NOTE 15: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2021	$ 1,582,650
Changes for the year:	
Service cost	156,412
Interest on total OPEB liability	67,886
Effect of assumptions changes or inputs	(14,329)
Expected benefit payments	(101,736)
Balance as of June 30, 2022	$ 1,690,883

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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 discount rate:

	1% Decrease (3.11%)	Current Discount Rate (4.11%)	1% Increase (5.11%)
Total June 30, 2022 OPEB liability	$ 1,814,356	$ 1,690,883	$ 1,574,393

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total June 30, 2022 OPEB liability	$ 1,505,616	$ 1,690,883	$ 1,908,397

(Continued)

NOTE 15: OTHER POST EMPLOYMENT BENEFITS (CONCLUDED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense (offset) of $122,562. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 37,766	$ 647,792
Changes in assumptions and other inputs	412,243	823,858
Total	$ 450,009	$ 1,471,650

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Measurement period ending June 30:	
2023	$ (69,271)
2024	(70,276)
2025	(70,276)
2026	(70,276)
2027	(70,276)
Thereafter	(564,513)

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables, which are due to the pooling of cash:

	Receivable	Payable
General fund	$ 613,164	$ -
Title I Disadvantaged	-	37,412
Medicaid	-	160,331
Vocational program	-	2,616
ARP ESSER III	-	76,168
ARP IDEA PART B	-	183
Carl Perkins	-	91,293
IDEA-B School Age	-	146,776
Title IV-A Student Support	-	72,743
Improving Teacher Quality	-	25,642
	$ 613,164	$ 613,164

(Continued)

NOTE 17: INTERFUND TRANSFERS

Interfund transfers occur for many reasons and may occur either one time or be annually reoccurring. Some of these reasons include covering operations expenses and charging allowable indirect costs to federal title programs. The following is a summary of current year transfers:

	Transfer In	Transfer Out
General fund	$ 783,200	$ 444,240
Child Nutrition	62,075	-
Capital projects, non-major	286,115	-
Special revenue funds, non-major	96,050	783,200
	$ 1,227,440	$ 1,227,440

NOTE 18: EXCESS ACTUAL EXPENDITURES OVER BUDGET

The following is a schedule of an excess of functional expenditures over appropriations for the year ended June 30, 2023. Also included are the actual revenues realized in each of those funds.

Funds	Final Budgeted Expenditures	Actual Expenditures	Excess of Budgeted Expenditures	Actual Revenues
Child Nutrition	$ 2,425,800	$ 2,660,096	$ 234,296	$ 2,765,010
	$ 2,425,800	$ 2,660,096	$ 234,296	$ 2,765,010

NOTE 19: PRIOR PERIOD ADJUSTMENT

During the fiscal year ending June 30, 2023, the District restated beginning net position in the Government Wide Statement of Activities to record the effects of GASB 96. The District added subscription assets of $690,645, subscription liabilities of $120,240, and accumulated amortization of $104,608. Beginning net position was increased by $465,797.

(Concluded)

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

Post Falls School District

GASB 68 Required Supplementary Information
For the Year Ended June 30, 2023

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years *

	2023	2022
Employer's portion of the net pension liability (asset)	0.7993393%	0.7588098%
Employer's proportionate share of the net pension liability (asset)	$ 31,484,043	$ (599,293)
Employer's covered-employee payroll	$ 33,377,123	$ 31,251,488
Employer's proportional share of the net pension liability (asset) as a percentage of its covered employee payroll	94.33%	-1.92%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.09%	100.36%

* 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 years for which information is available.

Data reported is measured as of June 30, 2022 (measurement date).

Schedule of Employer Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	2023	2022
Statutorily required contribution	$ 4,027,613	$ 3,791,945
Contributions in relation to the statutorily required contribution	4,027,613	3,791,945
Contribution deficiency (excess)	$ -	$ -
Employer's covered-employee payroll of its covered employee payroll	$ 33,377,123	$ 31,251,488
Contributions as a percentage of covered-employee payroll	12.07%	12.13%

* 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 years for which information is available.

Data reported is measured as of June 30, 2023.

2021	2020	2019	2018	2017	2016	2015
0.7593490%	0.7645529%	0.7652822%	0.7490712%	0.7601928%	0.7614323%	0.7646000%
$ 17,633,088	$ 8,726,883	$ 11,288,046	$ 11,774,113	$ 15,410,276	$ 10,026,825	$ 5,628,300
$ 27,961,684	$ 27,109,783	$ 25,740,859	$ 24,618,453	$ 23,382,298	$ 22,248,569	$ 20,665,425
63.06%	32.19%	43.85%	47.83%	65.91%	45.07%	27.24%
88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

2021	2020	2019	2018	2017	2016	2015
$ 3,338,625	$ 3,202,999	$ 2,913,865	$ 2,786,809	$ 2,646,875	$ 2,518,538	$ 2,402,598
3,338,625	3,202,999	2,913,865	2,786,809	2,646,875	2,518,538	2,402,598
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 27,961,684	$ 27,109,783	$ 25,740,859	$ 24,618,453	$ 23,382,298	$ 22,248,569	$ 21,219,407
11.94%	11.81%	11.32%	11.32%	11.32%	11.32%	11.32%

Post Falls School District

GASB 75 Required Supplementary Information
For the Year Ended June 30, 2023

Schedule of Employer's Share of Net OPEB Asset
PERSI – OPEB Plan
Last 10 - Fiscal Years *

PERSI - OPEB PLAN	2023	2022
Employer's portion of net the OPEB asset	1.6655995%	1.6655995%
Employer's proportionate share of the net OPEB asset	$ 1,267,972	$ 2,418,791
Employer's covered-employee payroll	$ 22,938,556	$ 22,109,452
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	5.53%	10.94%
Plan fiduciary net position as a percentage of the total OPEB Asset	127.21%	152.61%

* 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 years for which information is available.

Data reported is measured as of June 30, 2022 (measurement date).

Schedule of Employer Contributions
PERSI – OPEB Plan
Last 10 - Fiscal Years *

	2023	2022
Statutorily required contribution	$ 149,343	$ -
Contributions in relation to the statutorily required contribution	149,343	-
Contribution (deficiency) excess	$ -	$ -
Employer's covered-employee payroll	$ 22,938,556	$ 22,109,452
Contributions as a percentage of covered-employee payroll	0.65%	0.00%

* 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 years for which information is available.

Data reported is measured as of June 30, 2023.

2021	2020	2019	2018
1.6655995%	1.8205737%	1.8312852%	1.8250891%
$ 2,050,862	$ 1,743,753	$ 1,518,959	$ 1,400,992
$ 23,232,609	$ 22,392,876	$ 25,740,859	$ 24,618,453
8.83%	7.79%	5.90%	5.69%
152.87%	138.51%	135.69%	136.78%

2021	2020	2019	2018
$ -	$ 149,665	$ 298,594	$ 285,574
-	149,665	298,594	285,574
$ -	$ -	$ -	$ -
$ 23,232,609	$ 22,392,876	$ 25,740,859	$ 24,618,453
0.00%	0.67%	1.16%	1.16%

Post Falls School District

GASB 75 Required Supplementary Information
For the Year Ended June 30, 2023

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Last 10 - Fiscal Years *

Total OPEB Liability	**2023**	**2022**
Service cost	$ 156,412	$ 167,687
Interest on total OPEB liability	67,886	39,094
Effect of differences in experience	-	37,766
Effect of assumption changes or inputs	(14,329)	(174,052)
Expected benefit payments	(101,736)	(84,288)
Net change in total OPEB liability	108,233	(13,793)
Total OPEB liability, beginning	1,582,650	1,596,443
Total OPEB liability, ending	$ 1,690,883	$ 1,582,650
Covered employee payroll	$ 22,938,556	$ 22,109,452
Total OPEB liability as a % of covered employee payroll	7.37%	7.16%

* 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 years for which information is available.

Data reported is measured as of June 30, 2022 (measurement date).

2021	2020	2019	2018
$ 170,845	$ 176,130	$ 175,526	$ 168,891
39,330	87,557	80,481	80,728
-	(448,301)	-	(199,491)
29,882	(604,024)	75,576	275,332
(113,258)	(156,048)	(129,690)	(115,386)
126,799	(944,686)	201,893	210,074
1,469,644	2,414,330	2,212,437	2,002,363
$ 1,596,443	$ 1,469,644	$ 2,414,330	$ 2,212,437
$ 23,232,609	$ 22,392,876	$ 25,740,859	$ 24,618,453
6.87%	6.56%	9.38%	8.99%

Post Falls School District No. 273

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 5,075,000	$ 5,151,060	$ 5,102,375	$ (48,685)
Interest and investment earnings	20,000	482,887	637,787	154,900
Other local revenue	5,000	42,000	136,194	94,194
State assistance and reimbursements	41,081,398	40,543,872	40,734,658	190,786
Total revenues	46,181,398	46,219,819	46,611,014	391,195
EXPENDITURES				
Instructional services:				
Elementary programs	13,116,200	12,372,153	12,408,342	(36,189)
Secondary programs	11,225,900	10,976,667	10,618,019	358,648
Alternative school programs	807,800	834,884	823,934	10,950
Exceptional child programs	3,754,800	3,390,021	3,409,956	(19,935)
Vocational and technical programs	6,500	6,500	6,501	(1)
Activity programs	570,400	593,090	604,782	(11,692)
Other programs	56,900	30,680	30,879	(199)
Total instructional services	29,538,500	28,203,995	27,902,413	301,582
Support services:				
Guidance and health programs	1,772,800	1,824,167	1,821,672	2,495
Special services	1,785,300	1,943,188	1,943,697	(509)
Improvement and media	508,500	499,203	504,831	(5,628)
District administration	388,500	520,388	519,907	481
School administration	2,826,700	3,336,931	3,341,737	(4,806)
Business administration	1,766,500	1,650,748	1,714,427	(63,679)
Maintenance	3,091,500	5,388,563	5,205,130	183,433
Transportation	2,489,200	2,681,820	2,675,352	6,468
Security	230,000	571,500	445,465	126,035
Total support services	14,859,000	18,416,508	18,172,218	244,290
Capital outlay	723,000	205,261	1,007,658	(802,397)
Contingency reserve	2,282,840	2,310,991	-	2,310,991
Total expenditures	47,403,340	49,136,755	47,082,289	2,054,466
Excess (deficiency) of revenues over expenditures	(1,221,942)	(2,916,936)	(471,275)	2,445,661
OTHER FINANCING SOURCES (USES)				
Transfers in	566,805	651,000	783,200	132,200
Transfers (out)	(536,300)	(636,300)	(444,240)	192,060
Total other financing sources (uses)	30,505	14,700	338,960	324,260
Net change in fund balances	(1,191,437)	(2,902,236)	(132,315)	2,769,921
Fund balances - beginning	5,000,000	7,864,321	7,864,321	-
Fund balances - ending	$ 3,808,563	$ 4,962,085	$ 7,732,006	$ 2,769,921

Post Falls School District No. 273

CHILD NUTRITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
REVENUES				
Other local revenue	$ -	$ -	$ 864,210	$ 864,210
Title programs and other federal revenues	2,120,000	2,120,000	1,900,800	(219,200)
Total revenues	2,120,000	2,120,000	2,765,010	645,010
EXPENDITURES				
Non-instructional services:				
Food services	2,368,500	2,379,500	2,615,694	(236,194)
Capital outlay	25,000	46,300	44,402	1,898
Total expenditures	2,393,500	2,425,800	2,660,096	(234,296)
Excess (deficiency) of revenues over expenditures	(273,500)	(305,800)	104,914	410,714
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	62,075	(37,925)
Transfers (out)	(60,000)	(60,000)	-	60,000
Total other financing sources (uses)	40,000	40,000	62,075	22,075
Net change in fund balances	(233,500)	(265,800)	166,989	432,789
Fund balances - beginning	800,000	1,718,258	1,718,258	-
Fund balances - ending	$ 566,500	$ 1,452,458	$ 1,885,247	$ 432,789

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

Post Falls School District No. 273

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - BY FUND TYPE
June 30, 2023

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and cash equivalents	$ 3,673,021	$ 1,076,419	$ 4,749,440
Accounts receivable:			
State of Idaho	1,257,734	-	1,257,734
Interest receivable	6,626	-	6,626
Other receivable	17,685	-	17,685
Total assets	$ 4,955,066	$ 1,076,419	$ 6,031,485
LIABILITIES			
Accounts payable	$ 12,338	$ 71,163	$ 83,501
Accrued payroll	701,350	-	701,350
Interfund payable	613,164	-	613,164
Total liabilities	1,326,852	71,163	1,398,015
FUND BALANCES			
Restricted	709,227	407,112	1,116,339
Assigned	2,918,987	598,144	3,517,131
Total fund balances	3,628,214	1,005,256	4,633,470
Total liabilities, deferred inflows of resources and fund balances	$ 4,955,066	$ 1,076,419	$ 6,031,485

Post Falls School District No. 273

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY FUND TYPE
For the Year Ended June 30, 2023

	Special Revenue	Capital Projects	Total
REVENUES			
Other local revenue	$ 369,973	$ -	$ 369,973
State assistance and reimbursements	646,042	629,366	1,275,408
Title programs and other federal revenues	7,421,202	-	7,421,202
Interest and investment earnings	55,916	-	55,916
Student body activity	1,247,152	-	1,247,152
Total revenues	9,740,285	629,366	10,369,651
EXPENDITURES			
Instructional services:			
Elementary programs	3,043,190	-	3,043,190
Secondary programs	1,311,354	-	1,311,354
Alternative school program	120,090	-	120,090
Exceptional child program	1,540,695	-	1,540,695
Support services:			
Guidance and health program	114,085	-	114,085
District administration	5,376	-	5,376
School administration	74,483	-	74,483
Business administration	22,694	-	22,694
Maintenance	203,016	182,136	385,152
Transportation	84,064	-	84,064
Special services	142,071	-	142,071
Improvement and media	26,751	-	26,751
Admin technology	590,596	-	590,596
Summer school	21,184	-	21,184
Security	169,702	-	169,702
Other support services	16,548	-	16,548
Child nutrition program	49,113	-	49,113
Student body activity	1,278,408	-	1,278,408
Capital outlay	831,377	453,057	1,284,434
Total expenditures	9,644,797	635,193	10,279,990
Excess (deficiency) of revenues over expenditures	95,488	(5,827)	89,661
OTHER FINANCING SOURCES (USES)			
Subscription liability	45,687	-	45,687
Transfers in	96,050	286,115	382,165
Transfers (out)	(783,200)	-	(783,200)
Total other financing sources (uses)	(641,463)	286,115	(355,348)
Net change in fund balances	(545,975)	280,288	(265,687)
Fund balance - beginning	4,174,189	724,968	4,899,157
Fund balances - ending	$ 3,628,214	$ 1,005,256	$ 4,633,470

Post Falls School District No. 273

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	Forest Reserve Fund	Medicaid	Before and After School Program	ASB Reimbursement Billing
ASSETS				
Cash and cash equivalents	$ -	$ 4,958	$ 777,479	$ (17,685)
Accounts receivable:				
State of Idaho	-	253,040	1,779	-
Interest receivable	-	-	-	-
Other receivable	-	-	-	17,685
Total assets	$ -	$ 257,998	$ 779,258	$ -
LIABILITIES				
Accounts payable	$ -	$ 1,040	$ -	$ -
Accrued payroll	-	96,627	57,201	-
Interfund payable	-	160,331	-	-
Total liabilities	-	257,998	57,201	-
FUND BALANCE				
Restricted	-	-	-	-
Assigned	-	-	722,057	-
Total fund balances	-	-	722,057	-
Total liabilities and fund balances	$ -	$ 257,998	$ 779,258	$ -

Kaiser Insurance Premium Refund	E-Rate	Student Activity Fund	ARP IDEA PART B
$ 1,266,100	$ 44,986	$ 924,204	$ -
-	-	-	183
6,626	-	-	-
-	-	-	-
$ 1,272,726	$ 44,986	$ 924,204	$ 183
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	183
-	-	-	183
-	44,986	-	-
1,272,726	-	924,204	-
1,272,726	44,986	924,204	-
$ 1,272,726	$ 44,986	$ 924,204	$ 183

Cares Act ESSERF	CRRSA Act ESSER II	ARP ESSER III	Coronavirus Relief Fund
$ -	$ -	$ -	$ -
-	-	215,843	-
-	-	-	-
-	-	-	-
$ -	$ -	$ 215,843	$ -
$ -	$ -	$ 11,829	$ -
-	-	127,846	-
-	-	76,168	-
-	-	215,843	-
-	-	-	-
-	-	-	-
-	-	-	-
$ -	$ -	$ 215,843	$ -

Vocational Program	Public School Technology	Drug Free State Money	Title 1 Disadvantaged
$ -	$ 665,591	$ -	$ -
2,616	48	-	236,375
-	-	-	-
-	-	-	-
$ 2,616	$ 665,639	$ -	$ 236,375
$ -	$ 1,398	$ -	$ -
-	-	-	198,963
2,616	-	-	37,412
2,616	1,398	-	236,375
-	664,241	-	-
-	-	-	-
-	664,241	-	-
$ 2,616	$ 665,639	$ -	$ 236,375

IDEA-B School Age	IDEA-B Preschool	Carl Perkins	Improving Teacher Quality
$ -	$ 7,388	$ -	$ -
358,605	3,371	91,293	21,838
-	-	-	-
-	-	-	-
$ 358,605	$ 10,759	$ 91,293	$ 21,838
$ 1,875	$ -	$ -	$ (3,804)
209,954	10,759	-	-
146,776	-	91,293	25,642
358,605	10,759	91,293	21,838
-	-	-	-
-	-	-	-
-	-	-	-
$ 358,605	$ 10,759	$ 91,293	$ 21,838

ARP Library	Title IV-A Student Support	Total
$ -	$ -	$ 3,673,021
-	72,743	1,257,734
-	-	6,626
	-	17,685
$ -	$ 72,743	$ 4,955,066
$ -	$ -	$ 12,338
-	-	701,350
-	72,743	613,164
-	72,743	1,326,852
-	-	709,227
-	-	2,918,987
-	-	3,628,214
$ -	$ 72,743	$ 4,955,066

Post Falls School District No. 273

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

	Forest Reserve Fund	Medicaid	Before and After School Program	ASB Reimbursement Billing
REVENUES				
Other local revenue	$ -	$ -	$ 369,973	$ -
State assistance and reimbursements	-	-	27,877	-
Title programs and other federal revenues	31,832	953,617	223,760	-
Interest and investment earnings	-	-	-	-
Student body activity	-	-	-	-
Total revenues	31,832	953,617	621,610	-
EXPENDITURES				
Instructional services:				
Elementary programs	-	544,520	421,331	-
Secondary programs	-	398,409	-	-
Alternative school program	-	-	-	-
Exceptional child program	-	-	-	-
Support services:				
Guidance and health program	-	-	-	-
District administration	-	-	-	-
School administration	-	-	-	-
Business administration	-	3,600	-	-
Maintenance	-	-	-	-
Transportation	-	-	-	-
Special services	-	-	-	-
Improvement and media	-	-	-	-
Admin technology	-	-	-	-
Summer school	-	-	-	-
Security	-	-	-	-
Other support services	-	-	-	-
Child nutrition program	-	-	-	-
Student body activity	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	946,529	421,331	-
Excess (deficiency) of revenues over expenditures	31,832	7,088	200,279	-
OTHER FINANCING SOURCES (USES)				
Subscription liability	-	-	-	-
Transfers in	-	4,958	-	-
Transfers (out)	(149,673)	(191,650)	-	-
Total other financing sources (uses)	(149,673)	(186,692)	-	-
Net change in fund balances	(117,841)	(179,604)	200,279	-
Fund balances - beginning	117,841	179,604	521,778	-
Fund balances - ending	$ -	$ -	$ 722,057	$ -

Kaiser Insurance Premium Refund	E-rate	Student Activity Fund	ARP IDEA PART B
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	134,406
55,916	-	-	-
-	-	1,247,152	-
55,916	-	1,247,152	134,406
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	126,131
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	24,298
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,278,408	-
-	-	-	-
-	-	1,278,408	150,429
55,916	-	(31,256)	(16,023)
-	-	-	-
-	-	-	16,023
(400,000)	-	-	-
(400,000)	-	-	16,023
(344,084)	-	(31,256)	-
1,616,810	44,986	955,460	-
$ 1,272,726	$ 44,986	$ 924,204	$ -

Cares Act ESSERF	CRRSA Act ESSER II	ARP ESSER III	Coronavirus Relief Fund
$ -	$ -	$ -	$ -
-	-	-	-
244	8,140	2,544,388	639,929
-	-	-	-
-	-	-	-
244	8,140	2,544,388	639,929
244	(100)	390,470	271,992
-	-	439,502	212,287
-	-	68,536	12,532
-	-	79,757	66,071
-	-	74,719	39,366
-	-	5,376	-
-	-	74,099	-
-	-	19,094	-
-	1,618	201,398	-
-	-	84,064	-
-	-	4,778	32,325
-	-	20,137	5,356
-	-	209,319	-
-	-	21,184	-
-	-	16,702	-
-	-	16,548	-
-	-	49,113	-
-	-	-	-
-	6,622	815,279	-
244	8,140	2,590,075	639,929
-	-	(45,687)	-
-	-	45,687	-
-	-	-	-
-	-	-	-
-	-	45,687	-
-	-	-	-
-	-	-	-
$ -	$ -	$ -	$ -

Vocational Program	Public School Technology	Drug Free State Money	Title 1 Disadvantaged
$ -	$ -	$ -	$ -
41,479	502,144	74,542	-
-	-	-	1,095,926
-	-	-	-
-	-	-	-
41,479	502,144	74,542	1,095,926
-	26,802	-	1,162,382
42,268	115,294	-	-
-	32,899	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	384
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	381,277	-	-
-	-	-	-
-	-	82,360	-
-	-	-	-
-	-	-	-
-	-	-	-
-	9,476	-	-
42,268	565,748	82,360	1,162,766
(789)	(63,604)	(7,818)	(66,840)
-	-	-	-
789	-	-	66,840
-	-	-	-
789	-	-	66,840
-	(63,604)	(7,818)	-
-	727,845	7,818	-
$ -	$ 664,241	$ -	$ -

IDEA-B School Age	IDEA-B Preschool	Carl Perkins	Improving Teacher Quality
$ -	$ -	$ -	$ -
-	-	-	-
1,327,889	35,285	91,293	213,423
-	-	-	-
-	-	-	-
1,327,889	35,285	91,293	213,423
-	-	-	188,189
-	-	92,082	5,512
-	-	-	-
1,226,304	42,432	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
65,936	293	-	14,441
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,292,240	42,725	92,082	208,142
35,649	(7,440)	(789)	5,281
-	-	-	-
-	7,440	-	-
(35,649)	-	-	(5,281)
(35,649)	7,440	-	(5,281)
-	-	(789)	-
-	-	789	-
$ -	$ -	$ -	$ -

ARP Library	Title IV-A Student Support	Total
$ -	$ -	$ 369,973
-	-	646,042
-	121,070	7,421,202
-	-	55,916
-	-	1,247,152
-	121,070	9,740,285
-	37,360	3,043,190
-	6,000	1,311,354
-	6,123	120,090
-	-	1,540,695
-	-	114,085
-	-	5,376
-	-	74,483
-	-	22,694
-	-	203,016
-	-	84,064
-	-	142,071
1,258	-	26,751
-	-	590,596
-	-	21,184
-	70,640	169,702
-	-	16,548
-	-	49,113
-	-	1,278,408
-	-	831,377
1,258	120,123	9,644,797
(1,258)	947	95,488
-	-	45,687
	-	96,050
-	(947)	(783,200)
-	(947)	(641,463)
(1,258)	-	(545,975)
1,258	-	4,174,189
$ -	$ -	$ 3,628,214

Post Falls School District No. 273

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2023

	Lottery Fund	Plant Facility Fund	Bus Depreciation Fund	Total
ASSETS				
Cash and cash equivalents	$ 669,307	$ 73,631	$ 333,481	$ 1,076,419
Total assets	$ 669,307	$ 73,631	$ 333,481	$ 1,076,419
LIABILITIES				
Accounts payable	$ 71,163	$ -	$ -	$ 71,163
Total liabilities	71,163	-	-	71,163
FUND BALANCES				
Restricted	-	73,631	333,481	407,112
Assigned	598,144	-	-	598,144
Total fund balances	598,144	73,631	333,481	1,005,256
Total liabilities, deferred inflows of resources and fund balances	$ 669,307	$ 73,631	$ 333,481	$ 1,076,419

Post Falls School District No. 273

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

	Lottery Fund	Plant Facility Fund	Bus Depreciation Fund	Total
REVENUES				
State assistance and reimbursements	$ 629,366	$ -	$ -	$ 629,366
Total revenues	629,366	-	-	629,366
EXPENDITURES				
Support services:				
Maintenance	182,136	-	-	182,136
Capital outlay	143,437	-	309,620	453,057
Total expenditures	325,573	-	309,620	635,193
Excess (deficiency) of revenues over expenditures	303,793	-	(309,620)	(5,827)
OTHER FINANCING SOURCES				
Transfers in	-	-	286,115	286,115
Total other financing sources	-	-	286,115	286,115
Net change in fund balances	303,793	-	(23,505)	280,288
Fund balances - beginning	294,351	73,631	356,986	724,968
Fund balances - ending	$ 598,144	$ 73,631	$ 333,481	$ 1,005,256

Post Falls School District No. 273

SCHEDULE OF CHANGES IN DEPOSIT BALANCES OF INDIVIDUAL SCHOOLS For the Year Ended June 30, 2023

School	Cash June 30, 2022	Receipts	Disbursements	Cash June 30, 2023
West Ridge Elementary	$ 36,958	$ 46,270	$ 48,830	$ 34,398
Prairie View Elementary	67,171	20,401	38,326	49,246
Ponderosa Elementary	65,693	49,221	84,813	30,101
Seltice Elementary	37,621	28,454	28,255	37,820
Mullan Trail Elementary	40,917	25,057	23,306	42,668
Post Falls Middle School	77,777	92,014	73,421	96,370
River City Middle School	43,887	52,148	63,607	32,428
Post Falls High School	469,122	830,986	807,860	492,248
New Vision High School	33,962	15,826	13,378	36,410
Greensferry Elementary	56,343	43,077	43,897	55,523
Treaty Rock Elementary	26,009	43,698	52,715	16,992
	$ 955,460	$ 1,247,152	$ 1,278,408	$ 924,204

SINGLE AUDIT SECTION

MAGNUSON • McHUGH • DOUGHERTY
CERTIFIED PUBLIC ACCOUNTANTS

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Post Falls School District No. 273
Post Falls, ID 83854

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273 as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Post Falls School District No. 273's basic financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Post Falls School District No. 273's internal control over financial reporting (internal control) as a basis for designing 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 Post Falls School District No. 273's internal control. Accordingly, we do not express an opinion on the effectiveness of Post Falls School District No. 273'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 a 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 were not identified.

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814
www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONCLUDED)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Post Falls School District No. 273'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Magnuson, McHugh, Dougherty CPAs

Magnuson, McHugh, Dougherty CPAs

October 31, 2023

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814

www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Post Falls School District No. 273
Post Falls, ID 83854

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Post Falls School District No. 273'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 Post Falls School District No. 273's major federal programs for the year ended June 30, 2023. Post Falls School District No. 273'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, Post Falls School District No. 273 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Post Falls School District No. 273 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 Post Falls School District No. 273'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 Post Falls School District No. 273's federal programs.

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814
www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

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 Post Falls School District No. 273'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 GAAS, *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 Post Falls School District No. 273's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Post Falls School District No. 273'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 Post Falls School District No. 273'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 Post Falls School District No. 273'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.

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814
www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE (CONCLUDED)

Report on Internal Control Over Compliance (Concluded)

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.

Magnuson, McHugh, Dougherty CPAs

Magnuson, McHugh, Dougherty CPAs

October 31, 2023

2100 Northwest Blvd., Ste 400
Coeur d'Alene, ID 83814

www.MMD.cpa
Office: 208-765-9500 • Fax: 208-667-9174

Post Falls School District No. 273

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Program Title	Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through State of Idaho Department of Education:			
Special Education Cluster:			
Special Education Grants to States (IDEA, Part B)	84.027	H027A220088	$ 1,466,532
Special Education Preschool Grant (IDEA Preschool)	84.173	H173A220030	54,511
Total Special Education Cluster:			1,521,043
Title I Grants to Local Educational Agencies	84.010	S010A220012	1,162,766
Improving Teacher Quality State Grants (Title II-A)	84.367	S367A220011	213,423
Vocational Education Basic Grants to States (Carl Perkins)	84.048A	V048A210012	92,082
Title IV-A Student Support and Academic Enrichment Program	84.424	S424A220013	121,070
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425	S425U210043	2,552,772
Total Department of Education			5,663,156
U.S. Department of Agriculture			
Passed through State of Idaho Department of Education:			
Nutrition Cluster:			
School Breakfast Program	10.553	202323N119947	235,397
National School Lunch Program	10.555	202323N119947	1,404,358
National School Lunch Program - Commodities	10.555	202323N119947	161,142
Summer Food Service Program	10.559	202222N119947	99,903
Total Nutrition Cluster:			1,900,800
Passed through State of Idaho:			
Forest Service Schools and Roads Cluster:			
School and Roads - Grants to States	10.665	826000813	149,673
Total Forest Service Schools and Roads Cluster:			149,673
Total Department of Agriculture			2,050,473
U.S. Department of Treasury			
Passed through State of Idaho Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP0142	639,929
Total Department of Treasury			639,929
National Endowment for the Humanities			
Passed through State of Idaho Department of Education:			
Institute of Museum and Library Services	45.310	826000813	1,258
Total National Endowment for the Humanities			1,258
U.S. Department of Health and Human Services			
Passed through State of Idaho Department of Labor:			
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	2101IDCSC6	223,760
Total Child Care and Development Fund Cluster:			223,760
Total Department of Health and Human Services			223,760
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 8,578,576

See accompanying notes to the schedule of expenditures of federal awards.

Post Falls School District No. 273

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Post Falls School District No. 273 under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Post Falls School District No. 273, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Post Falls School District No. 273.

NOTE B: 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Post Falls School District No. 273 has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(2) Pass-through identifying numbers are presented where available.

NOTE C: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the School District had received food commodities totaling $161,142.

Post Falls School District No. 273

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ____ Yes __X__ None reported

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

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

Identification of major programs:

Assistance Listing Number(s):	*Name of Federal Program or Cluster*
	Special Education Cluster:
84.027	Special Education Grants to States (IDEA, Part B)
84.173	Special Education Preschool Grant (IDEA Preschool)
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Post Falls School District No. 273

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section II. – Findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards

We noted no findings relating to the financial statement which are required to be reported in accordance with generally accepted government auditing standards.

Section III. – Findings and questioned costs for Federal Awards

We noted no findings relating to the financial statement which are required in accordance with generally accepted government auditing standards.

Section IV. – Summary of Prior Year Audit Findings Relating to Federal Awards

There were no findings relating to prior year audit findings relating to federal awards in accordance with generally accepted government auditing standards.