

POTLATCH SCHOOL DISTRICT NO. 285

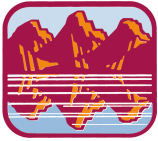
FINANCIAL STATEMENTS

Year Ended June 30, 2024

POTLATCH SCHOOL DISTRICT NO. 285

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Potlatch School District No. 285
Potlatch, Idaho

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Potlatch School District No. 285, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Potlatch School District No. 285's basic financial statements as listed in the table of contents.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Potlatch School District No. 285, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Potlatch School District No. 285, as of June 30, 2024, 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 Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Potlatch School District No. 285 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to Qualified Opinion on the Governmental Activities

Management has not recorded a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, which would increase the liabilities, decrease the net position in the statement of net position, and increase expenses in the statement of activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Potlatch School District No. 285's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Potlatch School District No. 285's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Potlatch School District No. 285's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules of pension and OPEB funding and budgetary comparison information on pages 7 through 14 and 41 through 43, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Potlatch School District No. 285's basic financial statements. The supplementary information, as listed in the table of contents 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 supplementary information, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Summarized Comparative Information

We have previously audited the Potlatch School District No. 285's 2023 financial statements, and we expressed qualified audit opinions on the financial statements of each major fund and the aggregate remaining fund information in our reports dated September 13, 2023 and October 12, 2022. We qualified our opinions on the financial statements of the governmental activities for the omission of a liability for the implicit rate subsidy of the retiree healthcare. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the Potlatch School District No. 285's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Potlatch School District No. 285'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 Potlatch School District No. 285's internal control over financial reporting and compliance.

Presnell Gage, PLLC

October 9, 2024

POTLATCH SCHOOL DISTRICT NO. 285

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024.

USING THIS ANNUAL REPORT

This annual report consists of four distinct series of financial statements: The District-wide financial statements; the fund financial statements; the fiduciary financial statements; and supplementary information.

- The statement of net position and the statement of activities (on pages 15 and 16) provide information about the activities of the District as a whole and present a long-term view of the District's finances.
- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (on pages 17 to 20) also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.
- The remaining statements and schedules provide information about individual funds within the District and the results of their operations compared to budget.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that may help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position—the difference between assets and the liabilities—as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and student enrollment to assess the overall health of the District.

Financial Highlights

- The District's assets and deferred outflows of resources decreased to \$8,538,963 from \$8,569,141 in 2023 and increased from \$7,666,869 in 2022. This includes \$3,624,911 in capital assets.
- The District's net position decreased by \$74,891, to a total of \$4,370,061, as a result of this year's operations after decreasing by \$213,926 in 2023 and increasing by \$651,536 in 2022.

POTLATCH SCHOOL DISTRICT NO. 285

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights (Continued)

- The total cost of District operations increased to \$8,014,786 from \$7,931,932 in 2023 and increased from \$6,075,942 in 2022.
- Total revenues were \$7,939,895 in 2024, vs. \$7,718,006 in 2023 – an increase of \$221,889 or 2.9 percent.

TABLE 1 – TOTAL REVENUE

The following table compares 2024 revenue to the 2023 and 2022 revenue.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024 vs. 2023</u>
Total Revenue				
Program revenue				
Charges for services	\$ 72,710	\$ 71,718	\$ 3,461	\$ 992
Federal and state funds	1,464,320	1,135,927	1,348,659	328,393
Total program revenue	<u>1,537,030</u>	<u>1,207,645</u>	<u>1,352,120</u>	<u>329,385</u>
General revenue				
Property taxes	1,467,703	1,740,914	1,676,167	(273,211)
Federal funds	77,090	943,709	265,842	(866,619)
State funds	4,691,884	3,697,813	3,423,598	994,071
Other revenue	166,188	127,925	13,907	38,263
Total general revenue	<u>6,402,865</u>	<u>6,510,361</u>	<u>5,379,514</u>	<u>(107,496)</u>
Total revenue	<u>\$ 7,939,895</u>	<u>\$ 7,718,006</u>	<u>\$ 6,731,634</u>	<u>\$ 221,889</u>

TABLE 2 – FOUNDATION PROGRAM REVENUE

Foundation program revenue from the State of Idaho was as follows:

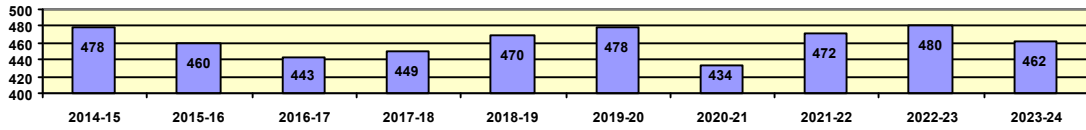
	<u>2024</u>	<u>2023</u>	<u>2024 vs. 2023</u>
<u>State Foundation Program</u>			
State salary apportionment	\$ 2,792,584	\$ 2,513,010	\$ 279,574
State transportation funding	287,331	267,483	19,848
Entitlement	1,137,839	1,059,040	78,799
Total State Foundation Program	<u>\$ 4,217,754</u>	<u>\$ 3,839,533</u>	<u>\$ 378,221</u>

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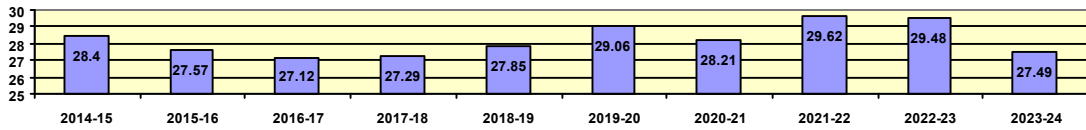
MANAGEMENT'S DISCUSSION AND ANALYSIS

The funding formula for the State Foundation Program revenue is largely dependent on daily student counts. The following tables illustrate the change in enrollment and classroom units for the past ten years.

Fall Enrollment



Classroom Units funded by the State of Idaho



POTLATCH SCHOOL DISTRICT NO. 285

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 3 – FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2023 expenses.

	2024	2023	2024 vs. 2023
Program expenses			
<u>Instruction</u>			
Regular programs	\$ 3,441,922	\$ 3,540,184	\$ (98,262)
Special programs	587,467	543,213	44,254
Interscholastic and school activity	173,311	149,931	23,380
Total instruction	<u>4,202,700</u>	<u>4,233,328</u>	<u>(30,628)</u>
<u>Support services</u>			
Pupil support	336,460	477,698	(141,238)
Staff support	238,337	220,952	17,385
General administration	507,192	530,638	(23,446)
School administration	336,370	319,649	16,721
Maintenance and operations	905,956	741,642	164,314
Transportation	429,037	484,281	(55,244)
Total support services	<u>2,753,352</u>	<u>2,774,860</u>	<u>(21,508)</u>
Food services	263,325	272,994	(9,669)
Student Activity	216,247	213,159	3,088
PERSI retirement actuarial changes	<u>466,262</u>	<u>437,591</u>	<u>28,671</u>
Total governmental activities	<u>\$ 8,014,786</u>	<u>\$ 7,931,932</u>	<u>\$ 82,854</u>

Net Pension Asset. The District recognized a net pension liability of \$3,338,148 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 83.09 percent of the pension obligation. The District recognized deferred outflows of \$1,670,914 for payments made towards the net pension liability and deferred inflows of \$7,514 for the District's share of earnings in excess of the minimum expectation by PERSI.

Net OPEB Asset. The District recognized a net OPEB asset of \$176,578 for its share of PERSI's net OPEB asset for the sick leave plan. PERSI is one of the strongest retirement systems in the nation, with funding at 127 percent of the OPEB obligation.

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 17 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

POTLATCH SCHOOL DISTRICT NO. 285

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds—All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Financial Highlights

- The District's fund balance increased by \$414,331 vs. a decrease of \$291,303 in 2023 and an decrease of \$114,986 in 2022.
- Capital additions decreased by \$539,098 to \$195,003 from \$734,101.
- The District approved a local supplemental property tax levy of \$1,600,000 for 2024 vs. \$1,650,000 for 2023 and \$1,650,000 for 2022.
- Revenues increased by \$205,253 or 2.7 percent to \$7,939,607 from \$7,730,855.
- Expenditures decreased by \$496,882 or 6.2 percent to \$7,525,276 from \$8,022,158.

THE DISTRICT'S FUNDS AND BUDGETARY COMPARISON SCHEDULES

The District works to be conservative on budgeted expenditures. Personnel expenses still make up the majority of these expenses. While the State has converted to a statewide "career ladder," our certified salaries are still tied to the statewide salary index. In 2021, the District reduced the experience steps on the salary schedule from 16 years to 13 years. In addition, during the 23-24 school year the State increased the minimum salary for starting teachers from \$40,742 to \$41,118. During the 23-24 school year, certificated teaching contracts were for 190 contract days, and the academic calendar included 175 student contact days.

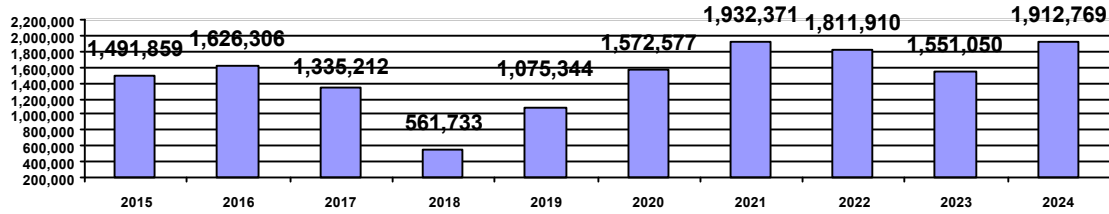
General Fund. The general fund accounts for all the financial resources of the District that are not required to be included in another fund. In 2024, the fund received \$633,926 more than expended. In 2023-2024, fall enrollment increased from the prior year, which lead to an increase in state support.

The general fund has a carryover fund balance of \$1,912,769, at June 30, 2024, compared to \$1,551,050 in 2023 and \$1,811,910 in 2022, which amounts to 4 months' worth of actual expenditures. The District receives approximately 63 percent of its general fund revenue from the State Foundation program, which is generally received on a 2-month cycle and 22 percent of general fund revenue from property taxes, which is generally received every 6 months. In order to respond to the District's taxpayers and stay within the current economic trends of the community, the District continues to reevaluate the levels of reserves needed in the general fund for cash flow needs, capital improvements planned, and District financial stability. The District is sensitive to the changing needs of the community and understands that growth is important. The District is working hard to be fiscally responsible to the stakeholders, as well as provide a quality education for their students.

POTLATCH SCHOOL DISTRICT NO. 285

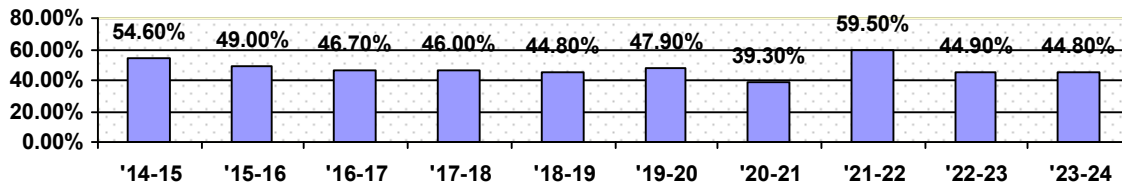
MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund (Continued). The following chart reflects the District's historical general fund balance:

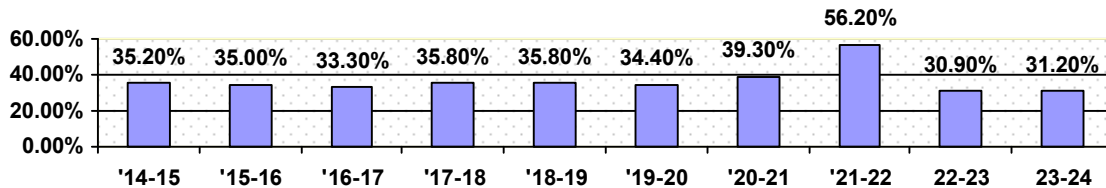


School Lunch. The District's school lunch program served approximately 61,500 meals in 2024 vs. 63,670 in 2023, and 95,500, in 2022. The fund had a fund balance of \$2,369 in 2024 vs. \$48,616 in 2023. Approximately 44.8 percent of students participated in the school lunch program on an average day and 31.2 percent participated in the breakfast program in 2024.

School Lunch Participation



Breakfast Participation



School Plant Facility and School Bus Reserve. The School Plant Facility Reserve and School Bus Reserve is used to fund the purchase of major capital improvements and buses, respectively, within the District. The School Plant Facility Reserve fund has \$73 available at June 30, 2024, compared to \$43 in 2023, and \$26 in 2022. The School Bus Reserve fund has \$73,422 available at June 30, 2024, compared to \$0 in 2023, and \$0 in 2022.

POTLATCH SCHOOL DISTRICT NO. 285

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At the end of 2024, capital assets decreased by \$(24,254). The District purchased \$195,003 in capital assets, compared to depreciation of \$219,257.

The District has had major repairs and improvements the last couple of years that consisted of gym lighting, electrical updates, installation of the baseball scoreboard, and other miscellaneous projects. The District also purchased one vehicle, two copiers, presentation screens, and various shop equipment items.

Debt. At year-end, the District had no long-term debt obligations.

The District has not financed any assets in 2024. The District does not plan to issue debt to finance any projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2024-2025 budget, tax rates, and fees that will be charged to students. Because the State of Idaho reverted back to Average Daily Attendance to determine school funding, the District's funding units dropped from 29.48 in school year 22-23 to 27.29 in school year 23-24. These funding units are expected to decrease further in the 2024-2025 school year. Because of this the District did choose to increase the Supplemental Levy from \$1,600,000 to 1,750,000.

The District enrollment dropped from 480 students in the 2022-2023 school year to 462 in the 2023-2024 school year. Due to a smaller than normal kindergarten class, we anticipate enrollment for the 2024-2025 school year to drop once again. Due to forecasted adverse budgetary impact of the USDA subsidized breakfast program, we had to discontinue this program. In addition lunch prices did increase once again at the direction of the Idaho State Department of Education Child Nutrition Program. We encourage all families to take the time to fill out the USDA Free and Reduced Lunch program forms. We were awarded a number of grants in the 2023-2024 school year which allow us to make improvements to existing programs without impacting the general fund. The District will continue to seek out grant opportunities for improvements to programs in order to prevent another increase to our supplemental levy amount.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 208-875-0327 in Potlatch, Idaho.

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POTLATCH SCHOOL DISTRICT NO. 285

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Prior Year 2023	Prior Year 2022
ASSETS			
Current assets			
Cash	\$ 97,102	\$ 37,381	\$ 151,862
Investments	1,971,770	1,670,560	2,009,200
Property taxes receivable	512,715	571,321	526,756
Accounts receivable	360,445	200,015	74,193
Total current assets	2,942,032	2,479,277	2,762,011
Noncurrent assets			
Net OPEB asset	176,578	185,242	353,369
Net pension asset			66,058
Capital assets	10,149,118	9,954,115	9,220,014
Less accumulated depreciation	(6,524,207)	(6,304,950)	(6,087,592)
Total noncurrent assets	3,801,489	3,834,407	3,551,849
Total assets	6,743,521	6,313,684	6,313,860
DEFERRED OUTFLOWS OF RESOURCES			
OPEB plan	128,027	163,476	51,077
Defined benefit pension	1,670,914	2,091,981	1,301,932
Total deferred outflows of resources	1,798,941	2,255,457	1,353,009
LIABILITIES			
Current liabilities			
Accounts payable	10,469	7,275	16,713
Payroll and taxes payable	718,005	674,336	602,006
Accrued expenses	9,348	9,081	61,629
Total current liabilities	737,822	690,692	680,348
Noncurrent liabilities			
Net pension liability	3,338,148	3,304,620	
Total noncurrent liabilities	3,338,148	3,304,620	0
Total liabilities	4,075,970	3,995,312	680,348
DEFERRED INFLOWS OF RESOURCES			
OPEB plan	88,917	98,728	12,260
Defined benefit pension	7,514	30,149	2,315,383
Total deferred inflows of resources	96,431	128,877	2,327,643
NET POSITION			
Invested in capital assets, net of related debt	3,624,911	3,649,165	3,132,422
Restricted for:			
Capital projects	73,495	90,288	90,025
Unrestricted	671,655	705,499	1,436,431
Total net position	\$ 4,370,061	\$ 4,444,952	\$ 4,658,878

See accompanying notes

POTLATCH SCHOOL DISTRICT NO. 285

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

16
See accompanying notes

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position	Prior Year 2023	Prior year 2022
		Charges for Services	Operating Grants and Contributions				
Instruction							
Regular programs	\$ 3,441,922		\$ 568,865	\$ (2,873,057)	\$ (3,006,248)	\$ (2,609,166)	
Special programs	587,467		128,857	(458,610)	(424,928)	(442,887)	
Interscholastic and school activity	173,311	\$ 18		(173,293)	(149,913)	(143,218)	
Support services							
Pupil support	336,460		16,365	(320,095)	(372,504)	(423,049)	
Staff support	238,337			(239,343)	(212,750)	(174,163)	
General administration	507,192			(507,192)	(530,570)	(384,808)	
School administration	336,370			(336,370)	(319,649)	(298,401)	
Maintenance and operations	905,956		90,486	(815,470)	(741,642)	(604,297)	
Transportation	429,037		287,331	(141,706)	(466,621)	(189,378)	
Other support services	0			0	0	0	
Food services	263,325	72,692	125,838	(64,795)	(44,792)	53,258	
Student Activity	216,247		247,584	31,337	(17,079)	19,423	
Capital outlay	112,900			(112,900)	0	0	
PERSI retirement actuarial charges	466,262			(466,262)	(437,591)	468,708	
Total governmental activities	<u>\$ 8,014,786</u>	<u>\$ 72,710</u>	<u>\$ 1,464,320</u>	<u>(6,477,756)</u>	<u>(6,724,287)</u>	<u>(4,727,978)</u>	
General revenues:							
Property taxes, levied for general purposes				1,467,703	1,740,914	1,676,167	
State base support				3,988,355	3,647,307	3,375,636	
In lieu revenue				50,506	50,506	47,962	
Other state and federal funding not restricted to specific programs				730,113	943,709	265,842	
Interest and investment earnings				148,227	81,319	6,090	
Other general revenues				17,961	46,606	7,817	
				<u>6,402,865</u>	<u>6,510,361</u>	<u>5,379,514</u>	
Change in net position				(74,891)	(213,926)	651,536	
Net position, beginning				<u>4,444,952</u>	<u>4,658,878</u>	<u>4,007,342</u>	
Net position, ending				<u>\$ 4,370,061</u>	<u>\$ 4,444,952</u>	<u>\$ 4,658,878</u>	

POTLATCH SCHOOL DISTRICT NO. 285

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	School Lunch	School Plant Facility Reserve	School Bus Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2023	Prior year 2022
ASSETS								
Cash		\$ 8,199			\$ 88,903	\$ 97,102	\$ 37,381	\$ 151,862
Investments	\$ 1,906,181		\$ 589		65,000	1,971,770	1,670,560	2,009,200
Property taxes receivable	512,715					512,715	571,321	526,756
Accounts receivable	258,391	2,548			99,506	360,445	200,015	74,193
Due from other funds		10,916		\$ 73,422	267	84,605	97,031	0
Total assets	<u>\$ 2,677,287</u>	<u>\$ 21,663</u>	<u>\$ 589</u>	<u>\$ 73,422</u>	<u>\$ 253,676</u>	<u>\$ 3,026,637</u>	<u>\$ 2,576,308</u>	<u>\$ 2,762,011</u>
LIABILITIES								
Accounts payable	\$ 10,469					\$ 10,469	\$ 7,275	\$ 16,713
Payroll and taxes payable	664,895	\$ 19,294			\$ 33,816	718,005	674,336	602,006
Due to other funds	18,399		\$ 516		65,690	84,605	97,031	0
Unearned revenue					9,348	9,348	9,081	61,629
Total liabilities	<u>693,763</u>	<u>19,294</u>	<u>516</u>	<u>\$ 0</u>	<u>108,854</u>	<u>822,427</u>	<u>787,723</u>	<u>680,348</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	70,755					70,755	69,461	71,236
Total deferred inflows of resources	<u>70,755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>70,755</u>	<u>69,461</u>	<u>71,236</u>
FUND BALANCES								
Restricted for capital improvements			73			73,495	43	26
Assigned					144,822	147,191	168,031	198,491
Unassigned	1,912,769					1,912,769	1,551,050	1,811,910
Total fund balances	<u>1,912,769</u>	<u>2,369</u>	<u>73</u>	<u>73,422</u>	<u>144,822</u>	<u>2,133,455</u>	<u>1,719,124</u>	<u>2,010,427</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,677,287</u>	<u>\$ 21,663</u>	<u>\$ 589</u>	<u>\$ 73,422</u>	<u>\$ 253,676</u>	<u>\$ 3,026,637</u>	<u>\$ 2,576,308</u>	<u>\$ 2,762,011</u>

See accompanying notes
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POTLATCH SCHOOL DISTRICT NO. 285

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	Total Governmental Funds	Prior Year 2023	Prior Year 2022
Total fund balances - Governmental Funds	\$ 2,133,455	\$ 1,719,124	\$ 2,010,427
Amounts reported for governmental activities in the statement of net position are different because:			
Excess funding of long-term liabilities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Net OPEB asset	176,578	185,242	210,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	10,149,118	9,954,115	9,363,383
Accumulated depreciation	(6,524,207)	(6,304,950)	(6,087,592)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Deferred outflows	1,798,941	2,255,457	1,353,009
Deferred inflows	(96,431)	(128,877)	(2,327,643)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension asset (liability)	(3,338,148)	(3,304,620)	66,058
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.			
	70,755	69,461	71,236
Total net position - Governmental Activities	\$ 4,370,061	\$ 4,444,952	\$ 4,658,878

See accompanying notes

POTLATCH SCHOOL DISTRICT NO. 285

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

	General	School Lunch	School Plant Facility Reserve	School Bus Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2023	Prior Year 2022
REVENUES								
General property taxes	\$ 1,466,409					\$ 1,466,409	\$ 1,742,689	\$ 1,672,858
State foundation program	4,217,754					4,217,754	3,867,073	3,572,427
Other state revenue	761,461	\$ 135			\$ 341,426	1,103,022	594,316	341,358
Federal revenue	73,591	125,703			466,646	665,940	1,131,054	943,454
Charges for services	18	72,692			247,584	320,294	267,798	159,165
Earnings on investments	145,999		\$ 30			146,029	80,219	5,190
Other revenues	20,159					20,159	47,706	29,717
Total revenues	<u>6,685,391</u>	<u>198,530</u>	<u>30</u>	<u>\$ 0</u>	<u>1,055,656</u>	<u>7,939,607</u>	<u>7,730,855</u>	<u>6,724,169</u>
EXPENDITURES								
Instruction								
Regular programs	2,812,135				574,869	3,387,004	3,433,625	2,828,279
Special programs	455,111				132,356	587,467	543,213	581,906
Interscholastic and school activity	173,311					173,311	149,931	143,236
Support services								
Pupil support	291,637				16,365	308,002	466,734	450,380
Staff support	267,801					267,801	242,990	206,483
General administration	507,192					507,192	530,638	387,776
School administration	336,370					336,370	319,649	307,903
Maintenance and operations	592,854				283,003	875,857	724,472	775,063
Transportation	420,844					420,844	621,404	573,797
Student Activity					216,247	216,247	213,159	136,281
Food services	18,548	244,777				263,325	272,994	327,893
Capital outlay	175,662				6,194	181,856	503,349	120,158
Total expenditures	<u>6,051,465</u>	<u>244,777</u>	<u>0</u>	<u>0</u>	<u>1,229,034</u>	<u>7,525,276</u>	<u>8,022,158</u>	<u>6,839,155</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>633,926</u>	<u>(46,247)</u>	<u>30</u>	<u>0</u>	<u>(173,378)</u>	<u>414,331</u>	<u>(291,303)</u>	<u>(114,986)</u>
OTHER FINANCING SOURCES (USES)								
Transfers from other funds				73,422	198,785	272,207	453,680	391,207
Transfers to other funds	<u>(272,207)</u>					<u>(272,207)</u>	<u>(453,680)</u>	<u>(391,207)</u>
Total other financing sources (uses)	<u>(272,207)</u>	<u>0</u>	<u>0</u>	<u>73,422</u>	<u>198,785</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	361,719	(46,247)	30	73,422	25,407	414,331	(291,303)	(114,986)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,551,050</u>	<u>48,616</u>	<u>43</u>	<u>0</u>	<u>119,415</u>	<u>1,719,124</u>	<u>2,010,427</u>	<u>2,125,413</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,912,769</u>	<u>\$ 2,369</u>	<u>\$ 73</u>	<u>\$ 73,422</u>	<u>\$ 144,822</u>	<u>\$ 2,133,455</u>	<u>\$ 1,719,124</u>	<u>\$ 2,010,427</u>

19 See accompanying notes

POTLATCH SCHOOL DISTRICT NO. 285

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

	Total Governmental Funds	Prior Year 2023	Prior Year 2022
Net change in fund balances - Total Governmental Funds	\$ 414,331	\$ (291,303)	\$ (114,986)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>			
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:</p>			
Current year capital outlay	195,003	734,101	491,689
Current year depreciation	(219,257)	(217,358)	(197,184)
<p>Net pension liability, net OPEB asset, and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year:</p>			
Current year net pension liability, deferred outflows and deferred inflows	(432,899)	(414,610)	448,642
Current year net OPEB asset	(33,363)	(22,981)	20,066
<p>Some property taxes will not be collected for several months after the fiscal year-ends and they are not considered available revenues in the governmental funds. Instead, they are counted as unavailable tax revenues. They are, however, recorded as revenues in the statement of activities:</p>			
Current year taxes receivable	70,755	69,461	71,236
Prior year taxes receivable	(69,461)	(71,236)	(67,927)
Change in net position - Governmental Activities	\$ (74,891)	\$ (213,926)	\$ 651,536

See accompanying notes
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POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Potlatch School District No. 285 is based in Potlatch, Idaho, and located entirely within Latah County. The District operates two school facilities: an elementary school for grades Kindergarten through 6th grade and a junior/senior high school for grades 7 through 12. Total District enrollment is approximately 462 students.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of that entity.

The District's reporting entity includes the District government and all the student activity funds for which the District exercises oversight responsibility. The District does not exercise oversight responsibilities for any booster organizations or related groups such as Parent-Teacher Organizations.

Measurement Focus and Basis of Accounting. The accounting policies of Potlatch School District No. 285 conform to United States generally accepted accounting principles 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. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered to be susceptible to accrual.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued)

The District reports unearned revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of restricted net position/fund balances when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable - Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted - Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed - Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned - Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned - Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

District-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements reflect only governmental activities of the District since there are no “business-type activities” within the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Program Revenue

The statement of activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. In addition, a substantial portion of the State Foundation Program is restricted based upon salaries paid and related payroll benefits and has been treated as program revenue. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net positions are available.

Fund Financial Statements. The fund financial statements provide information about the District's fund categories. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund Financial Statements (Continued).

Governmental Funds (Continued)

- School Plant Facility Reserve. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons.
- School Bus Reserve. The District transfers State foundation funds paid for depreciation of school buses to the school bus reserve fund in order to purchase school buses.

Use of Estimates. Management of the District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

Basis of Presentation.

Deposits and Investments

Cash and cash equivalents include the amounts of cash on hand, demand deposits, and highly liquid short-term investments with an original maturity of three months or less.

The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool (LGIP) and Latah Credit Union. Investments are stated at fair value, except for certificates of deposits, which are carried at amortized cost.

Deposits in the LGIP represent an interest in the pool rather than ownership of specific securities. The State Treasurer is the custodian of the LGIP and no other regulatory oversight for the pool is established. The State Treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

- Local Certificates of Deposit
- Repurchase Agreements
- Corporate Bond/s Notes
- U.S. Government Securities
- Money Market Funds

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (Continued).

Deposits and Investments (Continued)

The participating entities' interest in the pool is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to increase the overall rate of return and reduce the risk of default.

The District's policy allows for investment of idle funds consistent with *Idaho Code* 67-1210 and 67-1210A.

Prepaid Supplies

The District does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased. Supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid expenses at June 30.

Capital Assets

Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Assets acquired prior to 2001 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

The District capitalizes equipment with an original unit cost of \$3,000 or more and an expected life of more than 3 years. The District capitalizes property improvements with an original cost of \$10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between \$100 and \$3,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings – 25-50 years; vehicles - 8 years; buses – 10-12 years; machinery and equipment - 10 years; computer equipment - 5 years. Buses are depreciated by the double declining balance method. The District records bus depreciation as calculated by the State of Idaho.

Property Taxes

The District's property tax is levied by Latah County in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

Deferred Outflows/Inflows of Resources

The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 7 – Defined Benefit Pension Plan and in Note 8 – OPEB Sick Leave Plan. No deferred outflows of resources affect the fund financial statements in the current year.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (Continued).

Deferred Outflows/Inflows of Resources (Continued)

The District reports increases in net assets that relate to future periods as deferred inflows in a separate section of the District-wide statement of net position and the District governmental fund balance sheet. Deferred inflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 7 – Defined Benefit Pension Plan. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this year's governmental funds balance sheet as *unavailable revenue*. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Budgets

Annual non-appropriated budgets are adopted for the governmental funds. Expenditures may not exceed the budget at the individual fund level.

Pensions

For purposes of measuring the net pension asset and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. 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.

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

Encumbrances

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 governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Compensated Absences

District employees are granted vacation and sick leave days in varying amounts under the terms of District policy. The District does not compensate employees for unused sick leave. The estimated amount of compensation for future absences is immaterial to these financial statements and, accordingly, no liability has been recorded.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (Continued).

Reclassifications

Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

2. **LEGAL COMPLIANCE – BUDGETS**

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

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers' comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption.

	<u>Budget</u>	<u>Expenditures</u>
Forest Reserve	\$ 5,500	\$ 6,081
Vocational Education	61,244	70,311
Securing our Future Grant	40,000	40,074
Rural Ed Initiative	63,245	64,198
Title II-A Improving Teacher Quality	15,772	16,249

The additional expenditures were incurred due to the availability of additional grants and carryovers in the funds. The general fund transferred funds as planned to grant funds to cover excess expenditures.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Deficit Fund Balance in Individual Funds. No fund had a deficit fund balance at June 30, 2024.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2024, the carrying amount of the District's deposits was \$97,102 in Governmental Activities. The entire balance was considered covered by Federal Depository Insurance.

Investments. At June 30, 2024, all District investments were held in the Idaho State Treasurer's Local Government Investment Pool. The fair value in the Idaho State Treasurer's Local Government Investment Pool was \$1,906,770 at June 30, 2024. The student activity fund holds certificates of deposit totaling \$65,000 with Latah Federal Credit Union, and all funds are considered covered by Federal Depository Insurance.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk

Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian.

Credit Risk

Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District's investment in the Idaho State Treasurer's Local Government Investment Pool has not been issued an external credit quality rating.

Concentration of Credit Risk

The District has no policy on the amount they may invest in any one issuer.

Fair Value

Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investment in the Idaho State Treasurer's Local Government Investment Pool, is measured with Level 2 inputs, which is the same inputs as the pool uses for its underlying investments.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2024, are as follows:

State of Idaho - Foundation program	\$ 122,359
State of Idaho - State grant funds	122,959
State of Idaho - Federal grant funds	<u>115,128</u>
	<u><u>\$ 360,445</u></u>

5. PROPERTY TAXES

The District's property tax levies for calendar years 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Certified Budget Request		
Supplemental levy	\$ 1,423,058	\$ 1,649,304
Tort levy	<u>3,108</u>	<u>1,754</u>
	<u><u>\$ 1,426,166</u></u>	<u><u>\$ 1,651,058</u></u>

District assessed market value and tax levies:

	<u>Actual</u> <u>Tax Charge</u>	<u>Total Market</u> <u>Valuation</u>	<u>Levy</u>
2023	\$ 1,434,215	\$ 478,649,405	0.2979437%
2022	1,677,922	392,123,926	0.4210551%
2021	1,663,012	314,943,634	0.5243602%
2020	1,760,418	309,177,671	0.5647704%
2019	1,760,782	284,158,523	0.6138081%
2018	1,751,709	268,533,345	0.6489157%
2017	1,897,511	252,044,985	0.7502796%
2016	1,383,430	244,230,750	0.5649084%
2015	1,382,930	230,951,277	0.5967796%
2014	1,378,746	227,931,724	0.6029681%

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>6/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2024</u>
Capital assets				
Construction in Progress	\$ 71,684			\$ 71,684
Equipment				
Elementary	426,531	\$ 13,694		440,225
Secondary	345,725	115,640		461,365
Other	276,678			276,678
Buildings				
Elementary	2,326,435			2,326,435
Secondary	4,800,877	55,150		4,856,027
Bus Shop	64,338			64,338
Other	39,353			39,353
Buses	1,567,094			1,567,094
Vehicles	35,400	10,520		45,920
	<u>\$ 9,954,115</u>	<u>\$ 195,004</u>	<u>\$ 0</u>	<u>10,149,119</u>
Accumulated depreciation				
Equipment				
Elementary	\$ 258,662	\$ 22,099		\$ 280,761
Secondary	234,815	25,784		260,599
Other	89,148	18,776		107,924
Buildings				
Elementary	1,855,886	18,713		1,874,599
Secondary	2,714,219	56,148		2,770,367
Bus Shop	64,338			64,338
Other	39,353			39,353
Buses	1,025,129	73,422		1,098,551
Vehicles	23,400	4,315		27,715
	<u>\$ 6,304,950</u>	<u>\$ 219,257</u>	<u>\$ 0</u>	<u>6,524,207</u>
Capital assets, net				<u>\$ 3,624,912</u>

Depreciation of \$219,257 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 141,520
Support services, transportation	77,737

7. DEFINED BENEFIT PENSION PLAN

The District contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (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 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.

The Base Plan provides for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 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 classifications. The annual service retirement allowance for each month of credited service is 2.0 percent 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 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees. As of June 30, 2024, it was 6.71 percent for general employees and 7.62 for school employees. The employer contribution rate, as a percentage of covered payroll, is set by the Retirement Board and was 11.18 percent for general employees and 12.69 for school employees. The District's contributions required and paid were \$451,930, \$424,667, and \$395,042, for the three years ended June 30, 2024, 2023, and 2022, respectively.

At June 30, 2024, the District reported an liability of \$3,338,148 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of that date.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employees. At June 30, 2023, the District's proportion was 0.08364881 percent.

For the year ended June 30, 2024, the District recognized pension expense offset of \$(432,899). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District's contributions made subsequent to the measurement date of June 30, 2023	\$451,930	
Differences between expected and actual experience	\$ 572,184	
Change in proportionate share	\$2,961	\$7,514
Changes in assumptions or other inputs	\$330,502	
Net difference between projected and actual earnings on pension plan investments	\$ 313,334	

The District had \$451,930 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERSI (active and inactive employees) determined at July 1, 2023, the beginning of the measurement period ended June 30, 2024, is 4.6 for the measurement period June 30, 2023.

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

2025	\$ 430,790
2026	201,582
2027	631,602
2028	(52,464)

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year’s earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under Section 59-1322, *Idaho Code*, is 25 years. The total pension liability in the June 30, 2024, 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	6.30%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

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

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 General Tables, increased 12%
Teachers – Female	Pub-2010 General Tables, increased 21%

An experience study was performed for 2015-2020 and 2011-2017 for use with economic and demographic assumptions, respectively. The total pension liability as of June 30, 2024, is based on the results of an actuarial valuation date of July 1, 2024.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach, which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System’s asset allocation. The assumptions and the System’s formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System’s assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued).

CAPITAL MARKET ASSUMPTIONS

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

Discount Rate. The discount rate used to measure the total pension asset was 6.35 percent. 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 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the District's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 6.35 percent, as well as what the District's proportionate share of the net pension asset 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 (6.35%)	1% Increase (7.35%)
District's proportionate share of the net pension liability (asset)	\$ 6,003,797	\$ 3,338,148	\$ 1,159,480

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.

8. OTHER POST-EMPLOYMENT BENEFIT PLANS

Insurance Extension. Retired employees can remain on the District's insurance policy after retirement if the retired employee pays the monthly cost. This arrangement is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. The estimated amount of this implicit subsidy is considered material to these financial statements; however, the District has no plans to currently fund this liability and has not recorded the liability in the government-wide financial statements. The "implicit subsidy" for retired employees is paid each year on a pay-as-you-go basis.

Sick Leave Plan. The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan), which is a cost-sharing, multiple-employer, defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI. The Sick Leave Insurance Retirement Fund is made up of two trust funds, one for school district employee benefits and one for state employee benefits. 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 PERSI Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the PERSI Base Plan except by reason of having served on the Board.

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. The amount available for benefit is limited to one-half of the employee's eligible sick leave balance and rate of compensation at retirement. The benefit terms are established and may be amended by the Idaho Senate.

The contribution rates for school members are set by statute based on the number of sick days offered by the District to certified teachers. The contribution rate of 1.16 percent for members with nine or ten sick days and 1.26 percent for members with 11-14 sick days. If a 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 school districts are responsible for any unfunded obligations through contribution rate adjustments. Effective in January 2020, the PERSI Retirement Board approved a sick leave rate holiday due to excess funds. This rate holiday has been approved through June 30, 2022, and does not require the District to pay the sick leave portion during that time frame. Given that fact, the District's contributions were \$0 for the year ended June 30, 2024.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Sick Leave Plan (Continued).

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At June 30, 2024, the District reported an asset of \$176,578 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2022, and rolled forward to June 30, 2023. The District's proportion of the net OPEB asset was based on the District's share of contributions in the OPEB plan relative to the total contributions of all participating employers. At June 30, 2023, the District's proportion was 0.2433328 percent.

For the year ended June 30, 2024, the District recognized an OPEB expense offset of \$46,380. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$35,601	\$2,267
Change in proportionate share	\$4,000	\$13,644
Changes in assumptions or other inputs	\$43,626	\$73,006
Net difference between projected and actual earnings on pension plan investments	\$44,800	

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB (Continued). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense (revenues) as follows:

2025	\$ 15,272
2026	3,501
2027	22,994
2028	(5,561)
2029	(903)
Thereafter	5,237

Actuarial Assumptions. The assumptions used by the actuary to measure the OPEB plan liability are the same assumptions used to measure the defined benefit pension plan liability. 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. These assumptions can be found in Note 7.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

8. OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.45 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%)
District's proportionate share of the net OPEB liability (asset)	\$ (118,847)	\$ (176,578)	\$ (229,378)

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.

9. RISK MANAGEMENT

The District purchases commercial insurance to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2024, is as follows:

- Property - \$5,000,000 in newly acquired property. Replacement cost coverage with a \$5,000 deductible.
- Earthquake and Flood - \$62,500,000 limit for earthquake coverage with a \$50,000 deductible; \$62,500,000 limit for flood with a \$50,000 deductible.
- Machinery Water Damage- \$2,500,000 limit per occurrence with a \$5,000 deductible.
- Off Premise Property Damage - \$500,000 limit per occurrence with a \$2,500 deductible.
- General Liability - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost limit and a \$0 deductible per occurrence.
- Abuse and Molestation - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost limit and a \$0 deductible per covered claim.
- Educator's Legal Liability - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost
- Automobiles
 - Liability - \$3,000,000 per occurrence and for an uninsured motorist, \$100,000 for each person and \$300,000 each accident with \$0 deductible.
 - Comprehensive and Collision – \$1,000,000 coverage per item per occurrence. There is a \$2,500 deductible.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

10. TRANSFERS TO/FROM OTHER FUNDS

The State Department of Education requires that the District pay for the costs of school lunch personnel's Social Security and retirement expense from general fund revenues as a condition of participation in the National School Lunch Program. The amount paid from the general fund for the school lunch fund for the year ended June 30, 2024, amounted to \$18,548.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities fund. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of \$73,422 to the school bus reserve fund for the current year.

Idaho Code, Section 33-1019; requires that the school district deposit 2 percent of the estimated replacement value of student occupied buildings into the school building maintenance fund each year. Amounts spent for school building maintenance and repair may be transferred out of the fund or paid from the fund. The District has transferred \$198,711 into the school building maintenance fund.

The general fund transferred an additional \$272,207 to other funds to balance revenue and expenditures for the year.

11. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Position. Restricted net position on the District-wide statements represents amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position restricted for capital projects is restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. Net position restricted for building maintenance is restricted by *Idaho Code* for maintenance on student occupied buildings. These items are reflected as restricted since they are not available for general education expenditures.

Restricted Fund Balances. The fund balances of certain individual funds are restricted for particular purposes by the *Idaho Code* or by the granting agency. These fund balances are reflected as a restricted portion of fund balance in the fund financial statements since the funds are not available for general education expenditures.

Assigned Fund Balances. Fund balances for certain grants are restricted for the purposes of that grant. These fund balances are reflected as an assigned portion of fund balance since these funds can only be used for that grant purpose.

When expenditures are incurred that can be charged against multiple sources of funds, the amounts are considered to be first spent from the most restrictive category if it qualifies under multiple fund balance classifications.

POTLATCH SCHOOL DISTRICT NO. 285

NOTES TO FINANCIAL STATEMENTS

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

United States generally accepted accounting principles require disclosure, as part of the combined statement overview, of certain information concerning individual funds, including:

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2024, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General		\$ 18,399
ICRS Grant		32,000
Title I		16,544
Title VI-B		9,568
Medicaid		3,565
Title IV-A Drug Free Schools	267	
Restraint and Seclusion Training		3,499
Title II-A Improving Teacher Quality		514
School Lunch	10,916	
School Plant Facility Reserve		516
School Bus Reserve	73,422	

Individual Fund Interfund Receivable and Payable Balances (Continued). The District uses a pooled cash arrangement whereby all receipts are deposited to the general fund on the behalf of all District funds. Expenditures are paid out of this pooled account and charged to all District funds. The excess (deficiency) of receipts over expenditures is recorded as a short-term interfund receivable (payable).

13. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Title I, IDEA Part B, and the National School Lunch Program. These programs can be subject to financial and compliance audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

POTLATCH SCHOOL DISTRICT NO. 285

SCHEDULES OF PENSION AND OPEB FUNDING
Year Ended June 30, 2024

SCHEDULE OF PENSION FUNDING

Fiscal Year	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution	Share of PERSI Net Pension (Asset) Liability		Net Pension Liability as % of Covered Payroll	Plan Fiduciary Net Position as % of Total Pension Liability
					as a % of Covered Payroll	%	Amount		
2015	280,900	280,900	0	2,481,454	11.32%	0.0959202%	706,000	28%	95%
2016	296,509	296,509	0	2,619,341	11.32%	0.0885926%	1,167,000	45%	91%
2017	314,743	314,743	0	2,780,411	11.32%	0.0895593%	1,816,000	65%	87%
2018	315,340	315,340	0	2,786,216	11.32%	0.0895195%	1,407,000	50%	91%
2019	322,502	322,502	0	2,848,963	11.32%	0.0865994%	1,277,000	45%	92%
2020	358,140	358,140	0	3,011,128	11.89%	0.0838817%	957,000	32%	94%
2021	372,693	372,693	0	3,121,386	11.94%	0.0842347%	1,956,000	63%	88%
2022	395,042	395,042	0	3,308,555	11.94%	0.0836414%	(66,058)	-2%	100%
2023	424,667	424,667	0	3,556,675	11.94%	0.0839000%	3,304,620	93%	83%
2024	451,930	451,930	0	3,696,815	12.22%	0.0836488%	3,338,148	90%	84%

SCHEDULE OF OPEB FUNDING

Fiscal Year	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution	Share of PERSI Net OPEB Asset		Net OPEB Asset as % of Covered Payroll	Plan Fiduciary Net Position as % of Total OPEB Liability
					as a % of Covered Payroll	%	Amount		
2015	31,266	31,266	0	2,481,454	1.26%	(1)	(1)		
2016	33,004	33,004	0	2,619,341	1.26%	(1)	(1)		
2017	35,033	35,033	0	2,780,411	1.26%	(1)	\$ 154,000	5.54%	135%
2018	35,106	35,106	0	2,786,216	1.26%	0.2370958%	182,000	6.53%	137%
2019	35,897	35,897	0	2,848,963	1.26%	0.2241621%	186,000	6.53%	136%
2020	21,819	21,819	0	3,011,128	0.72%	0.2188384%	210,000	7.0%	139%
2021	0	0	0	0	0.00%	0.2433328%	299,617	0.0%	153%
2022	0	0	0	0	0.00%	0.2433328%	353,369	0.0%	153%
2023	0	0	0	0	0.00%	0.2433328%	185,242	0.0%	127%
2024	0	0	0	0	0.00%	0.2433328%	176,578	0.0%	124%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 75.

POTLATCH SCHOOL DISTRICT NO. 285

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended June 30, 2024

	Original and Final	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES			
General property taxes	\$ 1,619,700	\$ 1,466,409	\$ (153,291)
State foundation program	4,208,300	4,217,754	9,454
Other state revenue	359,500	761,461	401,961
Federal revenue	83,500	73,591	(9,909)
Charges for services		18	18
Earnings on investments	130,000	145,999	15,999
Other revenues	16,200	20,159	3,959
Total revenues	<u>6,417,200</u>	<u>6,685,391</u>	<u>268,191</u>
EXPENDITURES			
Payroll	3,601,370	3,479,024	122,346
Payroll burden and employee benefits	1,496,400	1,456,215	40,185
Purchased services	656,710	645,665	11,045
Supplies and materials	239,400	205,055	34,345
Capital outlay	242,400	200,067	42,333
Insurance	65,800	65,439	361
Total expenditures	<u>6,302,080</u>	<u>6,051,465</u>	<u>250,615</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>115,120</u>	<u>633,926</u>	<u>518,806</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	<u>(372,950)</u>	<u>(272,207)</u>	<u>100,743</u>
Total other financing sources (uses)	<u>(372,950)</u>	<u>(272,207)</u>	<u>100,743</u>
NET CHANGE IN FUND BALANCES	<u>\$ (257,830)</u>	361,719	619,549
FUND BALANCES AT BEGINNING OF YEAR		<u>1,551,050</u>	<u>1,551,050</u>
FUND BALANCES AT END OF YEAR		<u>\$ 1,912,769</u>	<u>\$ 2,170,599</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

POTLATCH SCHOOL DISTRICT NO. 285

BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH
Year Ended June 30, 2024

	Original and Final	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES			
Other state revenue	100	\$ 135	\$ 35
Federal revenue	\$ 109,600	125,703	16,103
Charges for services	63,700	72,692	8,992
Total revenues	<u>173,400</u>	<u>198,530</u>	<u>25,130</u>
EXPENDITURES			
Payroll	102,100	97,976	4,124
Payroll burden and employee benefits	33,100	31,339	1,761
Purchased services	8,800	5,965	2,835
Supplies and materials	112,000	109,497	2,503
Total expenditures	<u>256,000</u>	<u>244,777</u>	<u>11,223</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(82,600)</u>	<u>(46,247)</u>	<u>36,353</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	82,600		(82,600)
Total other financing sources (uses)	<u>82,600</u>	<u>0</u>	<u>(82,600)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 0</u>	(46,247)	(46,247)
FUND BALANCES AT BEGINNING OF YEAR		<u>48,616</u>	<u>48,616</u>
FUND BALANCES AT END OF YEAR		<u>\$ 2,369</u>	<u>\$ 2,369</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Board of Trustees
Potlatch School District No. 285
Potlatch, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Potlatch School District No. 285, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Potlatch School District No. 285'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (see finding #2024-001).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Potlatch School District No. 285's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Potlatch School District No. 285's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Potlatch School District No. 285's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Potlatch School District No. 285's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Presnell Gage, PLLC

October 9, 2024

POTLATCH SCHOOL DISTRICT NO. 285

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2024-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: Potlatch School District No. 285 has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired “segregation of duties.”

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Potlatch School District No. 285.

Response: The District’s management and Board of Trustees believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the District’s response.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GOVERNMENTAL FUNDS

General Fund – The General Fund is also often referred to as the M & O (Maintenance and Operations) Fund. The District uses this fund to account for the basic educational programs of the District. In general, these programs are operated with a great deal of local input and control.

The General Fund primarily receives funding from the State of Idaho through the Educational Foundation program and through local general property taxes. The District is authorized to levy a tax upon property within the District boundaries for liability insurance. The District is authorized to levy an additional amount if approved by a majority of voters in a supplemental levy election.

Other sources of funds that are restricted are accounted for in the Special Revenue and Capital Projects funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources, or to finance specific activities as required by law or administrative regulations. Although there is local input and control over the use of these proceeds, the party who provides the proceeds also has some type of external restriction on the use of the proceeds.

LOCAL SPECIAL PROJECTS

Forest Reserve – The U.S. Government pays an amount under the *Secure Rural Schools and Community Self-Determination Act (SRSCA)* to states and counties containing national forest service lands. In the State of Idaho, 30 percent of this amount is allocated to the public schools based upon their average daily attendance. These proceeds are restricted for the purchase of school sites, construction, or remodeling of school buildings. When within the discretion of the trustees of the District, the proceeds are not needed for the foregoing items; they may be expended for current expenses. These proceeds may be accumulated for future projects.

Local Grants – The District receives certain grants on a limited basis from private entities. These grants are generally designated for specific projects and are accounted for in a fund for local grants. The general fund of the District pays expenditures in excess of the grants.

Student Activity – This fund accounts for all activities conducted by student governed clubs and organizations.

School Building Maintenance – The State of Idaho requires that the District set aside 2 percent of the estimated replacement cost of Student Occupied Buildings annually into a fund to be used for building maintenance. The estimated replacement cost is \$81.45 per square foot for 2023-2024. The funds can be withdrawn as the qualified maintenance expenditures are paid.

Idaho Career Ready Students (ICRS) Grant – This program from the State of Idaho increases the capacity of Career Technical Education in Idaho middle and high schools by incentivizing districts to create programs that prepare students to meet local and regional industry and workforce needs. ICRS funds are separate from the Division of Career Technical Education and reduce the reliance on federal funds for CTE programming and the requirements attached to these federal funds.

Vocational Education – The State of Idaho will reimburse the District for expenses incurred in operating certain vocational education programs. The State establishes a maximum reimbursement at the beginning of each school year based upon courses offered and the numbers of students involved. The general fund of the District pays expenditures in excess of the above proceeds.

Securing our Future (SOF) Grant – This program is a school safety partnership initiative between the Governor's Office, the Idaho Legislature, and the Idaho State Board of Education. The goal of the SOF grants are to fund meaningful, durable, and demonstrated effective security improvements in Idaho k-12 Schools.

Substance Abuse – The State of Idaho taxes the sale of tobacco products and uses a portion of the proceeds to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis based upon average daily attendance. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

FEDERALLY FUNDED PROJECTS

Title I – The federal government provides Title I grants to improve the education of children who are at risk of not meeting academic standards and who reside in areas with high concentrations of children from low income families. The program is administered by the State of Idaho, and funds are allocated to the District based upon average daily attendance and modified based upon student counts from low-income families. The District uses the grant primarily to provide additional classroom aides. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

ESSER Grants– The Elementary and Secondary School Emergency Relief Fund (ESSER) provides emergency relief funds to address the impact that COVID-19 has had on elementary and secondary schools across the country. These funds will be used to facilitate new instructional delivery methods focusing on investment in the technology infrastructure and professional development and training that will help all students continue to learn through some form of remote learning.

Title IV-A – The federal government provides Title IV-A grants to provide students with a well-rounded education, support safe and healthy students, and support the effective use of technology. The program is administered by the State of Idaho, and funds are allocated by the same formula as Title 1. If a District receives more than \$30,000, it must conduct a needs assessment and must spend 20 percent of its grant on safe and healthy school activities and 20 percent on well-rounded education programs. The remaining 60 percent can be spent on all three priorities, including technology. There is a 15 percent cap on spending for devices, equipment, software, and digital content. If a District receives less than \$30,000, there is no law requiring the District to set aside a percent to be used towards one of the three priorities; however, the 15 percent cap still applies.

IDEA Part B and IDEA Part B ARPA – The federal government provides IDEA grants to provide special education to school-age children with disabilities. The program is administered by the State of Idaho, and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet nonsupplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

IDEA Part B Preschool – The federal government provides Title VI-B IDEA Preschool grants to provide special education to children with disabilities between the ages of three and five. The program is administered by the State of Idaho, and funds are allocated to the District based upon a child count of eligible students as of December 1 of the prior year. Supplemental awards are also available. The District must meet nonsupplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The general fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Medicaid – The Idaho Department of Health and Welfare administers federal funds that assist in special education with reimbursements that are received from Medicaid eligible students. The District pays matching funds up front for the program and then receives reimbursements for services provided. The General Fund of the District is responsible for expenses in excess of the grant.

Rural Ed Initiative – Districts with an average daily attendance less than 600 students are eligible for grants under the Rural and Low-Income School Program. The federal government awards grants on a noncompetitive formula basis. The District may use program funds for: teacher recruitment and retention; teacher professional development; educational technology; parental involvement activities; activities authorized under Safe and Drug-Free Schools and Communities; activities authorized under Title I; and activities authorized under Language Instruction for Limited English Proficient and Immigrant Students. The general fund of the District pays expenses in excess of the grant.

Restraint and Seclusion Training – The Federal government provides funds to the district to train teachers and staff on the proper use of restraint and seclusion to protect the safety of students.

Title II-A Improving Teacher Quality – The federal government provides Title II-A ESEA grants to provide assistance to classroom teachers. The District uses the funds generally for the following purposes:

The District provides additional professional education for teachers in the core academic subjects by paying the costs for teachers to attend specific workshops designed to enhance their skills in teaching math and science classes. The program is administered through the State of Idaho, and funds are allocated based upon student enrollment. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

The District can also use the grant to pay for an additional teaching position in the elementary grades. The goal of the program is to reduce the student-to-teacher ratio to 18 students per class. The program is administered through the State of Idaho, and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

School Lunch – The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges students for lunch and breakfast. Lunch and breakfast are served free or at a reduced price to children from households with income below certain levels. Meals must meet certain dietary and nutrition requirements. The general fund pays Social Security taxes and retirement benefits as a "matching contribution" to the program. The general fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year.

CAPITAL PROJECTS

School Plant Facility Reserve Fund – The District has established a School Plant Facility Reserve Fund. The fund may be used to acquire, purchase, and improve school sites, and build school buildings.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized general fund tax levies.

- The plant facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The plant facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The plant facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

School Bus Reserve Fund – The District has established a School Bus Reserve Fund. *Idaho Code*, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited into a plant facilities fund. Accordingly, the School District transfers State foundation funds paid for depreciation of school buses to the school bus reserve fund in order to purchase school busses.

POTLATCH SCHOOL DISTRICT NO. 285

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2024

	General	Forest Reserve	Student Activity	School Building Maintenance	ICRS Grant	Vocational Education	Securing our Future Grant	Substance Abuse
ASSETS								
Cash		\$ 886	\$ 70,602					\$ 8,334
Investments	\$ 1,906,181		65,000					
Property taxes receivable	512,715							
Accounts receivable	258,391				\$ 32,000			
Due from other funds								
Total assets	\$ 2,677,287	\$ 886	\$ 135,602	\$ 0	\$ 32,000	\$ 0	\$ 0	\$ 8,334
LIABILITIES								
Checks issued in excess of deposits								
Accounts payable	\$ 10,469							
Payroll and taxes payable	664,895							
Due to other funds	18,399				\$ 32,000			
Unearned revenue								
Total liabilities	693,763	\$ 0	\$ 0	\$ 0	32,000	\$ 0	\$ 0	\$ 0
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes	70,755							
Total deferred inflows of resources	70,755	0	0	0	0	0	0	0
FUND BALANCES								
Restricted for capital improvements								
Assigned		886	135,602					8,334
Unassigned	1,912,769							
Total fund balances	1,912,769	886	135,602	0	0	0	0	8,334
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,677,287	\$ 886	\$ 135,602	\$ 0	\$ 32,000	\$ 0	\$ 0	\$ 8,334

POTLATCH SCHOOL DISTRICT NO. 285

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2024

	Title I	Esser Grant #2	Esser Grant #3	IDEA Part B	IDEA Part B Preschool	Medicaid
ASSETS						
Cash		\$ 300				
Investments						
Property taxes receivable						
Accounts receivable	\$ 30,235			\$ 29,346		\$ 3,565
Due from other funds						
Total assets	\$ 30,235	\$ 300	\$ 0	\$ 29,346	\$ 0	\$ 3,565
LIABILITIES						
Accounts payable						
Payroll and taxes payable	\$ 13,691			\$ 19,778		
Due to other funds	16,544			9,568		\$ 3,565
Unearned revenue		\$ 300				
Total liabilities	30,235	300	\$ 0	29,346	\$ 0	3,565
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes						
Total deferred inflows of resources	0	0	0	0	0	0
FUND BALANCES						
Restricted for capital improvements						
Assigned						
Unassigned						
Total fund balances	0	0	0	0	0	0
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,235	\$ 300	\$ 0	\$ 29,346	\$ 0	\$ 3,565

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POTLATCH SCHOOL DISTRICT NO. 285

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2024

	Title IV-A	Rural Ed Initiative	Restraint & Seclusion Training	Title II-A Improving Teacher Quality	School Lunch	School Plant Facility Reserve	School Bus Reserve	Combined
ASSETS								
Cash		\$ 8,781			\$ 8,199			\$ 97,102
Investments						\$ 589		1,971,770
Property taxes receivable								512,715
Accounts receivable			\$3,499	\$ 861	2,548			360,445
Due from other funds	\$ 267				10,916		\$ 73,422	84,605
Total assets	\$ 267	\$ 8,781	\$ 3,499	\$ 861	\$ 21,663	\$ 589	\$ 73,422	\$ 3,026,637
LIABILITIES								
Accounts payable								\$ 10,469
Payroll and taxes payable				\$ 347	\$ 19,294			718,005
Due to other funds			\$3,499	514		\$ 516		84,605
Unearned revenue	\$ 267	\$ 8,781						9,348
Total liabilities	\$ 267	\$ 8,781	\$ 3,499	\$ 861	\$ 19,294	\$ 516	\$ 0	\$ 822,427
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-property taxes								70,755
Total deferred inflows of resources	0	0	0	0	0	0	0	70,755
FUND BALANCES								
Restricted for capital improvements						73	73,422	73,495
Assigned					2,369			147,191
Unassigned								1,912,769
Total fund balances	0	0	0	0	2,369	73	73,422	2,133,455
Total liabilities, deferred inflows of resources, and fund balances	\$ 267	\$ 8,781	\$ 3,499	\$ 861	\$ 21,663	\$ 589	\$ 73,422	\$ 3,026,637

POTLATCH SCHOOL DISTRICT NO. 285

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Forest Reserve	Student Activity	School Building Maintenance	ICRS Grant	Vocational Education	Securing our Future Grant	Substance Abuse
REVENUES								
General property taxes	\$ 1,466,409							
State foundation program	4,217,754							
Other state revenue	761,461				\$ 232,260	\$ 61,244	\$ 40,000	\$ 7,922
Federal revenue	73,591	\$ 5,240						
Charges for services	18		\$ 247,584					
Earnings on investments	145,999							
Other revenues	20,159							
Total revenues	6,685,391	5,240	247,584	\$ 0	232,260	61,244	40,000	7,922
EXPENDITURES								
Instruction								
Regular programs	2,812,135	6,081			232,260	70,311	40,074	3,944
Special programs	455,111							
Interscholastic and school activity	173,311							
Support services								
Pupil support	291,637							
Staff support	267,801							
General administration	507,192							
School administration	336,370							
Maintenance and operations	592,854			192,517				
Transportation	420,844							
Student Activity			216,247					
Food services	18,548							
Capital outlay	175,662			6,194				
Total expenditures	6,051,465	6,081	216,247	198,711	232,260	70,311	40,074	3,944
EXCESS OF REVENUES OVER EXPENDITURES	633,926	(841)	31,337	(198,711)	0	(9,067)	(74)	3,978
OTHER FINANCING SOURCES (USES)								
Transfers from other funds				198,711			74	
Transfers to other funds	(272,207)							
Total other financing sources (uses)	(272,207)	0	0	198,711	0	0	74	0
NET CHANGE IN FUND BALANCES	361,719	(841)	31,337			(9,067)		3,978
FUND BALANCES AT BEGINNING OF YEAR	1,551,050	1,727	104,265	0	0	9,067	0	4,356
FUND BALANCES AT END OF YEAR	\$ 1,912,769	\$ 886	\$ 135,602	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,334

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POTLATCH SCHOOL DISTRICT NO. 285

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	<u>Title I</u>	<u>Esser Grant #2</u>	<u>Esser Grant #3</u>	<u>IDEA Part B</u>	<u>IDEA Part B Preschool</u>	<u>Medicaid</u>
REVENUES						
General property taxes						
State foundation program						
Other state revenue						
Federal revenue	\$ 82,006	\$ 121,459	\$ 22,888	\$ 111,711	\$ 7,159	\$ 28,327
Charges for services						
Earnings on investments						
Other revenues						
Total revenues	<u>82,006</u>	<u>121,459</u>	<u>22,888</u>	<u>111,711</u>	<u>7,159</u>	<u>28,327</u>
EXPENDITURES						
Instruction						
Regular programs	82,006	30,973	22,888			1,975
Special programs				111,711	7,159	9,987
Interscholastic and school activity						
Support services						
Pupil support						16,365
Staff support						
General administration						
School administration						
Maintenance and operations		90,486				
Transportation						
Student Activity						
Food services						
Capital outlay						
Total expenditures	<u>82,006</u>	<u>121,459</u>	<u>22,888</u>	<u>111,711</u>	<u>7,159</u>	<u>28,327</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds						
Transfers to other funds						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES						
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

POTLATCH SCHOOL DISTRICT NO. 285

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Title IV-A	Rural Ed Initiative	Restraint & Seclusion Training	Title II-A Improving Teacher Quality	School Lunch	School Plant Facility Reserve	School Bus Reserve	Combined
REVENUES								
General property taxes								\$ 1,466,409
State foundation program								4,217,754
Other state revenue					\$ 135			1,103,022
Federal revenue	\$ 3,910	\$ 64,198	\$ 3,499	\$ 16,249	125,703			665,940
Charges for services					72,692			320,294
Earnings on investments						\$ 30		146,029
Other revenues								20,159
Total revenues	<u>3,910</u>	<u>64,198</u>	<u>\$ 3,499</u>	<u>16,249</u>	<u>198,530</u>	<u>30</u>	<u>\$ 0</u>	<u>7,939,607</u>
EXPENDITURES								
Instruction								
Regular programs	3,910	64,198		16,249				3,387,004
Special programs			3,499					587,467
Interscholastic and school activity								173,311
Support services								
Pupil support								308,002
Staff support								267,801
General administration								507,192
School administration								336,370
Maintenance and operations								875,857
Transportation								420,844
Student Activity								216,247
Food services					244,777			263,325
Capital outlay								181,856
Total expenditures	<u>3,910</u>	<u>64,198</u>	<u>3,499</u>	<u>16,249</u>	<u>244,777</u>	<u>0</u>	<u>0</u>	<u>7,525,276</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(46,247)</u>	<u>30</u>	<u>0</u>	<u>414,331</u>
OTHER FINANCING SOURCES (USES)								
Transfers from other funds							73,422	272,207
Transfers to other funds								(272,207)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,422</u>	<u>0</u>
NET CHANGE IN FUND BALANCES					(46,247)	30	73,422	414,331
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,616</u>	<u>43</u>	<u>0</u>	<u>1,719,124</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,369</u>	<u>\$ 73</u>	<u>\$ 73,422</u>	<u>\$ 2,133,455</u>

POTLATCH SCHOOL DISTRICT NO. 285

COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL FUNDS
Years Ended June 30, 2024 and 2023

	General Fund		All Other Funds	
	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024
BEGINNING BALANCES	<u>\$ 1,811,910</u>	<u>\$ 1,551,050</u>	<u>\$ 198,517</u>	<u>\$ 168,074</u>
REVENUES				
General property taxes	1,742,689	1,466,409	267,780	320,276
Other local revenue	127,926	166,176	17	30
Intergovernmental revenue				
State of Idaho	4,222,377	4,979,215	239,012	341,561
Federal	8,096	73,591	1,111,884	592,349
Transfers			453,680	272,207
Total revenues	<u>6,101,088</u>	<u>6,685,391</u>	<u>2,072,373</u>	<u>1,526,423</u>
EXPENDITURES				
Salaries	3,367,266	3,479,024	445,464	426,440
Benefits	1,371,943	1,456,215	114,319	159,576
Purchased services	623,515	645,665	454,017	593,429
Supplies and materials	344,043	205,055	284,979	149,350
Capital outlay	146,885	200,067	804,037	145,016
Insurance	54,616	65,439		
Transfers	453,680	272,207		
Total expenditures	<u>6,361,948</u>	<u>6,323,672</u>	<u>2,102,816</u>	<u>1,473,811</u>
ENDING BALANCES	<u>\$ 1,551,050</u>	<u>\$ 1,912,769</u>	<u>\$ 168,074</u>	<u>\$ 220,686</u>