



LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho



Audited Financial Statements
For the Year Ended
June 30, 2026

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Lakeland Joint School District No. 272's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of June 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

The District has recorded a restatement for a correction of an error related to capital assets, as further described in Note 16. Our opinion is not modified with respect to this matter.

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 Lakeland Joint School District No. 272's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lakeland Joint School District No. 272's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 13, the budgetary comparison information on pages 46 through 47, the net pension (asset) liability related schedules on page 48, the other post-employment benefits liability schedule on page 49, and the net OPEB asset – sick leave plan related schedules on page 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lakeland Joint School District No. 272's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2026 on our consideration of Lakeland Joint School District No. 272's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Lakeland Joint School District No. 272's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
October 19, 2026



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Lakeland Joint School District No. 272's basic financial statements, and have issued our report thereon dated October 19, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lakeland Joint School District No. 272's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control. Accordingly, we do not express an opinion on the effectiveness of Lakeland Joint School District No. 272's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control



that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lakeland Joint School District No. 272's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
October 19, 2026

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Lakeland, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2026

The purpose of management's discussion and analysis (MD&A) is to help District residents and other readers understand what the financial statements and notes in this financial report say about the District's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the District's finances.

If you have questions about this report or require further information, contact the Superintendent, Jake Massey, Lakeland Joint School District No. 272, 15506 N. Washington St, Rathdrum, ID 83858.

Overview of the Financial Statements

The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. Page 14 and 15 —the government-wide financial statements—cover the District's governmental activities.

- Governmental activities comprise the District's most basic functions, such as instruction, support services, student activity, community services, and child nutrition programs. Governmental activities primarily are financed by taxes paid by District residents and businesses and grants from the State of Idaho and the federal government.

The remaining basic financial statements present the District's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The District reports one category of funds:

- Governmental fund financial statements report all of the governmental activities except those that involve providing services to District departments. In addition to the District's main operating fund—the general fund—those financial statements report a special revenue fund to track the use of a portion of the District's restricted state funding for school modernization, and other governmental funds that track restricted funding for various services.

The next section of this financial report contains notes to financial statements, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is as important to understanding the District's finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

All of the District's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- Assets—resources the District controls, from short-term assets like cash to long-term assets like buildings and equipment
- Liabilities—amounts the District owes, from short-term liabilities such as salaries payable to long term liabilities such as outstanding debt and net amounts owed to employees for pensions
- Deferred outflows of resources and deferred inflows of resources—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related
- Revenues and expenses—inflows and outflows of economic resources, respectively, related to the current year

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing of long term-debts or selling equipment, as well as principal and interest payments on long-term debt and spending on the capital assets of a District.

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies, beginning on page 20.

Analysis of the District's Finances
Table A-1
Lakeland Joint School District No. 272's Net Position

	Governmental Activities			Percentage Change
	2026	2025	Change	2026-2025
Assets				
Current Assets	38,719,346	40,802,129	(2,082,783)	-5.1%
Capital Assets	31,932,512	27,497,537	4,434,975	16.1%
Noncurrent Assets	1,414,971	1,402,468	12,503	0.9%
Total Assets	72,066,829	69,702,134	2,364,695	3.4%
Deferred Outflows of Resources	8,856,990	10,933,851	(2,076,861)	-19.0%
Liabilities				
Current Liabilities	11,273,998	6,928,747	4,345,251	62.7%
Noncurrent Liabilities	18,778,529	28,678,396	(9,899,867)	-34.5%
Total Liabilities	30,052,527	35,607,143	(5,554,616)	-15.6%
Deferred Inflows of Resources	13,100,254	5,845,020	7,255,234	124.1%
Net Position				
Net Investment in Capital Assets	31,804,532	27,497,537	4,306,995	15.7%
Restricted	21,692,704	27,450,071	(5,757,367)	-21.0%
Unrestricted	(15,726,198)	(15,763,786)	37,588	0.2%
Total Net Position	\$ 37,771,038	\$ 39,183,822	\$ (1,412,784)	-3.6%

Table A-1 shows that as of June 30, 2026, the District's total net position—assets and deferred outflows minus liabilities and deferred inflows—was \$37,771,038, a decrease of \$1,412,784 or 3.6% compared with FY2025. This decrease is primarily due to an increase in net investment in capital assets and decrease in restricted net position. The following sections of MD&A analyze the finances of the governmental activities.

Governmental Activities

Table A-2 shows that expenses exceeded revenues in the current year, resulting in a decrease in net position. The total net position of the District's governmental activities decreased \$1,298,660 in FY2026 as compared to a net increase of \$16,907,312 in FY2025. Various events contributed to this decrease in net position; however, the primary factors affecting the change in net position are as follows:

- (1) Decrease in intergovernmental revenues, particularly related to other federal and state revenue.

Table A-2
Changes in Lakeland Joint School District No. 272's Net Position

	Governmental Activities			Percentage Change
	2026	2025	Change	2026-2025
Revenues				
Program Revenues:				
Charges for Services	608,122	633,692	(25,570)	-4.0%
Operating Grants and Contributions	3,169,556	3,295,294	(125,738)	-3.8%
General revenues:				
Property Taxes	3,994,968	8,653,996	(4,659,028)	-53.8%
Federal and State Revenues	43,622,725	60,303,142	(16,680,417)	-27.7%
Local Revenues	4,021,965	4,033,717	(11,752)	-0.3%
Total Revenues	55,417,336	76,919,841	(21,502,505)	-28.0%
Expenses				
Program Expenses:				
Instruction	32,654,344	34,222,804	(1,568,460)	-4.6%
Support Services:				
Pupil Support	3,515,563	3,661,052	(145,489)	-4.0%
Staff Support	1,528,976	1,212,820	316,156	26.1%
General Administration	1,417,223	1,449,068	(31,845)	-2.2%
School/Business Administration	4,382,660	5,067,825	(685,165)	-13.5%
Maintenance/custodial	5,314,998	6,347,453	(1,032,455)	-16.3%
Transportation	2,482,723	2,835,148	(352,425)	-12.4%
Other services	213,871	224,227	(10,356)	-4.6%
Child Nutrition	1,691,254	1,704,869	(13,615)	-0.8%
Student Activity	1,518,657	1,493,432	25,225	1.7%
Capital Outlay	-	11,029	(11,029)	-100.0%
Amortization, unallocated	29,899	-	29,899	100.0%
Depreciation, unallocated	1,965,828	1,782,802	183,026	10.3%
Total Expenses	56,715,996	60,012,529	(3,296,533)	-5.5%
Change in Net Position	(1,298,660)	16,907,312	(18,205,972)	-107.7%
Net Position – Beginning	39,183,822	22,502,869	16,680,953	74.1%
Accounting changes	(114,124)	(226,359)	112,235	-49.6%
Net Position – Ending	\$ 37,771,038	\$ 39,183,822	\$ (1,412,784)	-3.6%

Decrease in Intergovernmental Revenues

There were notable decreases in FY2026 in federal and state revenues. Federal and state revenues, which account for 79% of overall revenues for governmental activities, decreased by \$16,680,417 from FY2025. Most of that decreased is due to the one time school modernization funds in FY2025 of \$19,814,230.

Governmental Funds

The District reports two major funds individually in the governmental fund financial statements. Those funds are the general fund and the school modernization fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes to all of the major funds. Those two major funds are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	<u>General Fund</u>		<u>School Modernization Fund</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Revenues	<u>47,311,732</u>	<u>46,806,310</u>	<u>814,353</u>	<u>20,228,223</u>
Expenditures	<u>47,995,335</u>	<u>46,566,815</u>	<u>4,794,255</u>	<u>32,425</u>
Excess (deficiency) of revenues over expenditures	(683,603)	239,495	(3,979,902)	20,195,798
Other Financing Sources (Uses)	<u>319,294</u>	<u>(428,752)</u>	<u>(650,000)</u>	<u>-</u>
Net change in fund balances	<u>(364,309)</u>	<u>(189,257)</u>	<u>(4,629,902)</u>	<u>20,195,798</u>
Fund balances – beginning	4,295,595	4,711,211	20,195,798	-
Accounting changes	-	(226,359)	-	-
Fund balances – ending	<u>\$ 3,931,286</u>	<u>\$ 4,295,595</u>	<u>\$ 15,565,896</u>	<u>\$ 20,195,798</u>

Fund balance represents the financial standing of a governmental fund as of the end of the fiscal year from a short-term perspective.

General Fund

The fund balance of the District’s general fund decreased by 8.5%. This decrease in fund balance is attributable to (1) 1.1% increase in revenues and (2) 3.1% increase in expenditures.

School Modernization Fund

The fund balance of the District’s school modernization fund decreased by 22.9%. This fund was new in FY2025 when the District received a one-time payment from the state to establish the fund. During FY2026, the District received \$809,194 of interest earnings and transferred out \$650,000 to the general fund and had \$4,794,255 of expenditures.

Significant Capital Asset and Long-Term Financing Activity

The discussion thus far has only touched upon certain significant transactions and events during FY2026 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original cost minus accumulated depreciation—increased 16.1% over FY2025.

The District’s acquired major capital assets during the year. Additions includes concrete work at the schools, modernization renovations projects, Timberlake High School Fieldhouse, playground equipment, four new buses, and other various equipment and building improvements.

Currently Known Facts, Decisions, or Conditions

The District is aware of five developments that will affect its finances and were incorporated into the FY2027 budget: (1) Student Enrollment and State Funding; (2) General Fund Budget and Fund Balance, including the ISBT Funding Shortfall; (3) Federal and Grant Funding; (4) Capital Assets and Facility Funding; and (5) Legislative Outlook.

Student Enrollment and State Funding

The FY2027 budget was built on an anticipated enrollment decline of approximately 88 students (1.9%), from 4,658 in FY2026 to a projected 4,570 in FY2027. The projection is based on a direct roll-up of current classrooms to the next grade band. The largest projected decreases are in kindergarten (285 to 259) and Mountain View Alternative (187 to 150). Pre-K is projected to grow from 64 to 90 as the District anticipates fully filling its preschool slots. Because Idaho funds districts on support units, midterm support units are estimated to decline from 220.33 to 218.00.

Total state foundation funding is estimated to increase by only \$320,158 (0.9%), from \$36,406,467 to \$36,726,625. Discretionary funding increases \$377,117 and salary apportionment increases \$114,670, while transportation reimbursement decreases \$197,833 (9.4%). The state's 10.3% increase in the health insurance portion of discretionary funding was its only new funding for the year. The District is using it to raise its monthly employer benefit contribution from \$860 to \$875. Management will continue to monitor enrollment trends because state funding is directly tied to attendance and support units.

General Fund Budget and Fund Balance

The FY2027 General Fund budget projects revenues of \$46,897,404 (up 3.2%) and expenditures of \$47,119,823 (up 3.6%), resulting in a planned deficit of \$222,419, compared with \$36,455 in the FY2026 budget. Increases in elementary salaries and benefits were the largest drivers, partly offset by reduced secondary salaries.

On July 14, 2026, the District was notified that the Idaho Schools Benefit Trust (ISBT), the District's medical insurance provider, has a funding shortfall that member districts are responsible for covering. On August 20, 2026, the District was notified that it must select a payment option and that its share of the shortfall is \$644,677. On September 2, 2026, the Board elected to pay the full amount as a lump sum under protest. Because ISBT's fiscal year ended August 31, 2026, ten of the twelve months of the shortfall, or \$537,231, were accrued in FY2026. The remaining \$107,446 will be expensed in FY2027.

The ISBT decision came after the FY2027 budget was finalized, so it was not reflected in the budget. State funding received in FY2026 exceeded the amount initially budgeted, which partially offset the ISBT accrual. The General Fund's ending fund balance at June 30, 2026 was \$3,931,286, which is \$364,309 less than the \$4,295,595 beginning balance in the FY2027 budget. If the budgeted deficit materializes and the remaining ISBT expense is added, the FY2027 ending fund balance would be approximately \$3,601,421, or 7.6% of expenditures. That compares with 8.6% in the proposed budget, 9.5% in the FY2026 budget, and 9.9% in FY2026 actuals. Management anticipates continued pressure on fund balance from the ISBT assessment and from rising benefit and operating costs.

Federal and Grant Funding

The FY2027 Title I budget of \$698,736 is 26% below the FY2026 budget of \$947,712 and includes transfers from Title IV. The allocation is not final and will need to be amended. No Federal Forest

revenue is budgeted because no allocation has been indicated. FY2027 is the final year of the three-year State of Idaho SRO grant, so the District will need to plan for that cost in future years. Medicaid reimbursement is budgeted at \$475,000, down from \$515,000, and IDEA funding is budgeted at a small increase to \$917,299.

Capital Assets and Facility Funding

The District's School District Modernization Fund (Fund 436, created by House Bill 521) began FY2027 at an estimated \$19,468,758. The budget includes \$15,000,000 in capital expenditures from this fund for planned renovations at John Brown Elementary, Lakeland Middle School, and Lakeland High School, leaving an estimated ending balance of \$4,668,758. Renovations at Athol Elementary, also funded from Fund 436, are planned to be completed in summer 2027. The Timberlake High School Fieldhouse broke ground in June 2026 and is funded entirely by donations held in the Facility Funds, which budget \$950,000 in capital expenditures for FY2027. Budgeted FY2027 capital outlay across all non-General funds totals \$16,894,167.

The District's Plant Facility Levy did not pass in May 2025 and expired June 30, 2025. The levy provided \$1,143,695 in FY2025, and no levy is in place for the foreseeable future. The District budgeted \$550,000 in FY2027 from the remaining Plant Facility fund balance, leaving an estimated \$127,000. The Board Facility Projects fund is fully spent by the end of FY2027. Future capital needs will depend on Modernization Fund resources, the Bus Depreciation Fund, and other available fund balances.

The District's only new lease is a right-of-use lease for copiers. The District has no other significant long-term obligations, such as other leases or subscription-based information technology arrangement (SBITA) liabilities that are expected to materially affect future financial statements.

Legislative Outlook

Management is not aware of any new legislation or appropriations that will materially increase funding for FY2027 beyond the health insurance increase noted above. The District will continue to monitor enrollment, funding, and expenditure trends to maintain financial stability.

FINANCIAL STATEMENTS

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

STATEMENT OF NET POSITION
June 30, 2026

ASSETS

Current assets:

Cash	2,396,256
Investments	29,704,258
Taxes receivable	209,431
Unbilled taxes receivable	3,268,374
Other receivables:	
Due from other governments	2,818,984
Other	250,797
Inventory	71,246
Total current assets	<u>38,719,346</u>

Noncurrent assets:

Non-depreciated capital assets	6,795,228
Depreciated capital assets	63,145,178
Less: accumulated depreciation	(38,141,079)
Right-of-use lease:	
Equipment	163,084
Less: accumulated amortization	(29,899)
Net OPEB asset - sick leave	1,414,971
Total noncurrent assets	<u>33,347,483</u>

Total assets 72,066,829

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	7,359,030
Net OPEB - sick leave related items	491,774
OPEB related items	1,006,186

Total deferred outflows of resources 8,856,990

LIABILITIES

Current liabilities:

Accounts payable and other current liabilities	10,339,408
ISBT liability	537,231
Accrued compensated absences	200,058
Current portion of right-of-use lease liability	30,221
Current portion of OPEB liability	167,080
Total current liabilities	<u>11,273,998</u>

Noncurrent liabilities:

Noncurrent portion of right-of-use lease liability	97,759
Net pension liability	16,463,957
OPEB liability	2,216,813
Total noncurrent liabilities	<u>18,778,529</u>

Total liabilities 30,052,527

DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	3,268,374
OPEB related items	1,207,804
Net OPEB - sick leave related items	667,381
Pension related items	7,956,695

Total deferred inflows of resources 13,100,254

NET POSITION

Net investment in capital assets	31,804,532
Restricted for:	
Net OPEB asset - sick leave	1,414,971
Capital projects	17,108,793
Specific programs	3,168,940
Unrestricted	<u>(15,726,198)</u>

Total net position \$ 37,771,038

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction	32,654,344	-	2,081,836	-	(30,572,508)
Support Services:					
Pupil support	3,515,563	-	28,298	-	(3,487,265)
Staff support	1,528,976	-	111,716	-	(1,417,260)
General administration	1,417,223	-	-	-	(1,417,223)
School/business administration	4,382,660	-	-	-	(4,382,660)
Maintenance/custodial	5,314,998	-	-	-	(5,314,998)
Transportation	2,482,723	-	-	-	(2,482,723)
Other services	213,871	-	-	-	(213,871)
Child nutrition	1,691,254	608,122	947,706	-	(135,426)
Student activity	1,518,657	-	-	-	(1,518,657)
Amortization, unallocated	29,899	-	-	-	(29,899)
Depreciation, unallocated	1,965,828	-	-	-	(1,965,828)
Total School District	<u>\$ 56,715,996</u>	<u>\$ 608,122</u>	<u>\$ 3,169,556</u>	<u>\$ -</u>	<u>(52,938,318)</u>
General revenues					
Taxes					
Property taxes levied for general purposes					3,863,677
Property taxes levied for liability insurance					107,720
Property taxes levied for debt service					3,283
Property taxes levied for capital projects					20,288
Federal and State aid not restricted to specific purposes					43,622,725
Gain on sale of capital asset					6,359
Other					2,527,776
Interest and investment earnings					<u>1,487,830</u>
Total general revenues					<u>51,639,658</u>
Change in net position					<u>(1,298,660)</u>
Net position - beginning, as previously stated					39,183,822
Error correction (See note 16)					(114,124)
Net position - beginning, as restated					<u>39,069,698</u>
Net position - ending					<u>\$ 37,771,038</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2026

	<u>General</u>	<u>School Modernization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash	2,134,742	-	261,514	2,396,256
Investments	8,960,990	18,883,225	1,860,043	29,704,258
Due from other funds	-	442,097	2,831,209	3,273,306
Taxes receivable	194,706	-	14,725	209,431
Unbilled taxes receivable	3,268,374	-	-	3,268,374
Other receivables:				
Due from other governments	2,335,941	-	483,043	2,818,984
Other	185,799	59,351	5,647	250,797
Inventory	-	-	71,246	71,246
Total assets	<u>17,080,552</u>	<u>19,384,673</u>	<u>5,527,427</u>	<u>41,992,652</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 17,080,552</u></u>	<u><u>\$ 19,384,673</u></u>	<u><u>\$ 5,527,427</u></u>	<u><u>\$ 41,992,652</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Due to other funds	3,125,948	-	147,358	3,273,306
Accounts payable	348,035	3,818,777	301,791	4,468,603
ISBT liability	537,231	-	-	537,231
Accrued compensated absences	200,058	-	-	200,058
Accrued payroll and benefits	5,504,364	-	366,441	5,870,805
Total liabilities	<u>9,715,636</u>	<u>3,818,777</u>	<u>815,590</u>	<u>14,350,003</u>
Deferred inflows of resources:				
Deferred tax revenue	165,256	-	12,498	177,754
Unavailable property tax revenue	3,268,374	-	-	3,268,374
Total deferred inflows of resources	<u>3,433,630</u>	<u>-</u>	<u>12,498</u>	<u>3,446,128</u>
Fund balances:				
Nonspendable	-	-	71,246	71,246
Assigned	222,419	-	-	222,419
Restricted	-	15,565,896	4,628,093	20,193,989
Unassigned	3,708,867	-	-	3,708,867
Total fund balances	<u>3,931,286</u>	<u>15,565,896</u>	<u>4,699,339</u>	<u>24,196,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 17,080,552</u></u>	<u><u>\$ 19,384,673</u></u>	<u><u>\$ 5,527,427</u></u>	<u><u>\$ 41,992,652</u></u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES**

June 30, 2026

Total fund balances - governmental funds	24,196,521
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds:	
Cost of capital assets	69,940,406
Accumulated depreciation	(38,141,079)
Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds:	
Cost of right-of-use lease assets	163,084
Accumulated amortization	(29,899)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
	177,754
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	7,359,030
Deferred inflow of resources	(7,956,695)
Certain OPEB related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	1,006,186
Deferred inflow of resources	(1,207,804)
Certain OPEB-sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	491,774
Deferred inflow of resources	(667,381)
Total Net OPEB asset for PERSI-sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds.	
	1,414,971
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities consisted of the following:	
Right-of-use lease liability	(127,980)
OPEB liability	(2,383,893)
Net pension liability	(16,463,957)
Total net position - governmental activities	<u>\$ 37,771,038</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2026**

	<u>General</u>	<u>Debt Service</u>	<u>School Modernization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	4,808,259		809,194	2,928,152	8,545,605
State	42,359,235		5,159	786,646	43,151,040
Federal	144,238		-	3,497,003	3,641,241
Total revenues	<u>47,311,732</u>		<u>814,353</u>	<u>7,211,801</u>	<u>55,337,886</u>
EXPENDITURES					
Instruction	30,543,441		-	2,449,940	32,993,381
Support	17,451,894		-	1,934,903	19,386,797
Non-instruction	-		-	3,209,911	3,209,911
Capital asset program	-		4,794,255	1,220,542	6,014,797
Total expenditures	<u>47,995,335</u>		<u>4,794,255</u>	<u>8,815,296</u>	<u>61,604,886</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(683,603)</u>		<u>(3,979,902)</u>	<u>(1,603,495)</u>	<u>(6,267,000)</u>
Other financing sources (uses)					
Proceeds from sale of capital asset	-		-	6,359	6,359
Transfer in	650,000		-	662,756	1,312,756
Transfer out	(458,686)		(650,000)	(204,070)	(1,312,756)
Lease financing	127,980		-	-	127,980
Total other financing sources (uses)	<u>319,294</u>		<u>(650,000)</u>	<u>465,045</u>	<u>134,339</u>
Net change in fund balance	<u>(364,309)</u>		<u>(4,629,902)</u>	<u>(1,138,450)</u>	<u>(6,132,661)</u>
Fund balance -beginning of year, as previously stated	4,295,595	534	20,195,798	5,837,255	30,329,182
Change in reporting entity (See note 16)	-	(534)		534	-
Fund balance -beginning of year, as restated	<u>4,295,595</u>	-	<u>20,195,798</u>	<u>5,837,789</u>	<u>30,329,182</u>
Fund balance-end of year	<u>\$ 3,931,286</u>	<u>\$ -</u>	<u>\$ 15,565,896</u>	<u>\$ 4,699,339</u>	<u>\$ 24,196,521</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Net change in fund balances - total governmental funds (6,132,661)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

Capital outlays	6,381,742	
Depreciation expense	<u>(1,965,828)</u>	4,415,914

Capital outlays to lease right-of-use lease assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and allocated over their estimated useful lives as annual amortization expense in the statement of activities:

Capital outlays	163,084	
Amortization expense	<u>(29,899)</u>	133,185

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

73,091

Net pension (asset) liability adjustments:

Fiscal year 2025 employer PERSI contributions recognized as pension expense in the current year.	(4,191,281)	
Fiscal year 2026 employer PERSI contributions deferred to subsequent year	4,109,066	
Pension related amortization revenue (expense)	<u>520,768</u>	438,553

OPEB liability and related item adjustments (33,791)

Net OPEB asset - sick leave adjustment:

Fiscal year 2025 employer PERSI Sick Leave contributions recognized as OPEB expense in the current year	-	
Fiscal year 2026 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization revenue (expense)	<u>(64,971)</u>	(64,971)

Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position.

Lease financing proceeds		<u>(127,980)</u>
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Net change in net position - governmental activities \$ (1,298,660)

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2026

NOTE 1 Summary of Significant Accounting Policies

The financial statements of Lakeland Joint School District No. 272 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organization that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt, or levying of taxes. There are no organizations that meet the definition of a component unit. There are various organizations (Parent teacher associations, foundations, booster clubs, etc.) which provide donations and in-kind services for the benefit of the District; however, these organizations are not considered component units or reported as part of the reporting entity.

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.

NOTE 1 Summary of Significant Accounting Policies (Continued)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

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

The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- School Modernization Fund. This fund is used to account for the School Modernization funds to be used on capital projects identified in the District's 10-year Facilities Plan.

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

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Interest income is defined as non-operating revenue.

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

Inventory - The District does not follow the practice of capitalizing expendable supplies at year-end in the general fund. All supplies are recorded as expenditures in the period in which they were purchased. However, in the child nutrition fund, the District records inventory of food commodities at cost at year-end.

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

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

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

Compensated Absences - Employees of the District earn various types of paid time off, including vacation, sick leave, and other forms of leave, in accordance with the District's policies. The benefits are earned based on length of service and may be subject to accumulation limits depending on the type of benefit. The liability for compensated absences is recognized to the extent the benefit is attributable to services already rendered, the leave accumulates, and the leave benefit is more likely than not to be used in the future. In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a liability of the fund. The long-term portion of compensated absences is reported in the government-wide financial statements.

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

Leases - The District evaluates the lease agreement at the time of inception to determine the reporting requirements of each lease. Leases that met the definition of a right-of-use (ROU) lease are included as ROU lease assets and ROU lease liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease

NOTE 1 Summary of Significant Accounting Policies (Continued)

payments over the lease term. As most of the leases do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option(s) will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a maximum term of 12 months or less are excluded from the ROU asset and liability amounts.

Subscription-based Information Technology Arrangements (SBITA) - The District evaluates the IT contract at the time of inception to determine the reporting requirements of each IT contract. The District evaluates the term of the IT contract at inception. SBITAs that met the definition of a right-of-use (ROU) agreement are included as SBITA ROU assets and SBITA ROU liabilities on the government-wide financial statements.

ROU assets represent the District's right to use an underlying IT asset for the IT contract term and ROU liabilities represent the obligation to make payments arising from the contract. SBITA ROU assets and liabilities are recognized at commencement date based on the present value of contract payments over the IT contract term. As most of the contracts do not provide an implicit rate, the District's incremental borrowing rate, based on the information available at commencement date, is used to determine the present value of contract payments. The IT contract terms may include options to extend or terminate the contract when it is reasonably certain that the option(s) will be exercised. SBITA expense for contract payments is recognized on a straight-line basis over the contract term. IT contracts with a maximum term of 12 months or less are excluded from the SBITA ROU asset and liability amounts.

Deferred Compensation - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day. The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement.

Encumbrances - The District does not utilize an encumbrance system.

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

Restricted balances are as follows:

- **Capital Projects** – The capital projects accounts for the acquisition, construction, or major repair of school property, the purchase of buses, specific board designated projects, and land acquisitions.
- **Specific Programs** – Special revenue funds restricted for amounts that can only be spent for specific purposes.

Assigned balances, as approved by the Board of Trustees, are as follows:

- **FY2027** – The Board of Trustees has assigned \$222,419 of the FY2026 fund balance to fiscal year 2027 expenditures.

Nonspendable balances are as follows:

- **Inventory** – transportation parts, food, and custodial supplies

Deferred Revenue - Deferred revenue in the general and capital projects fund represent property taxes recorded but not estimated to be collected within sixty days of the end of the accounting period.

Unavailable Property Tax Revenue - Unavailable property tax revenue in the general fund represent the property taxes levied for 2026 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the government-wide financial statements.

Pensions - For purposes of measuring the Net Pension (Asset) Liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District and additions to/deductions from District's fiduciary net position have been determined on the same basis as they are reported by District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Each governmental fund of the District is used to liquidate the total OPEB liability during the year based on a proportion of salaries in each fund compared to total salaries of the District.

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

Subsequent Events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Other than the item discussed in Note 15, management has concluded that no material subsequent events have occurred.

NOTE 2 Recently Adopted Accounting Guidance

For the year ended June 30, 2026, there were two new GASB statements that became effective. The adoption of these statements has the following effect for the District:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosures of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

NOTE 3 Property Tax

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2026, the District has recognized the 2025 levy as revenue and the tax year 2026 levy as an asset.

Tax Year 2025 Levy (FY2026 Revenue)

The market value upon which the 2025 levy was based was \$9,920,386,571. The property tax was levied in October 2025 and was due in two equal installments on December 20th and June 20th.

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

	Percentage	Amount
Supplemental	3.54744	\$3,517,895
Tort	0.10873	\$107,825
Total	3.65617	\$3,625,720

Tax Year 2026 Levy (FY2026 Asset)

The property tax levy for 2026 has been recorded as an asset in the general fund in the amount of \$3,268,374. This levy is for the FY2027 operations and has been presented as unbilled taxes receivable.

Deferred Revenue

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

	General Fund	School Plant Facility	Total
Total taxes receivable at June 30, 2026	194,706	14,725	209,431
Less: Taxes to be collected by the County Treasurer by August 31, 2026	(29,450)	(2,227)	(31,677)
Deferred revenue	<u>\$ 165,256</u>	<u>\$ 12,498</u>	<u>\$ 177,754</u>

NOTE 4 Cash and Investments

Deposits

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash		
Checking and Savings Accounts	<u>\$ 2,396,256</u>	<u>\$ 3,355,797</u>

Deposits were with Wells Fargo of which \$250,000 of interest-bearing accounts and non-interest-bearing accounts were covered by Federal Deposit Insurance. The remaining balance of \$3,105,797 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

Investments

Detail of investments at June 30, 2026 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Facilities</u>	<u>School Modernization</u>	<u>Student Activity</u>	<u>Total</u>
State Treasurer's Pool	Variable	8,960,990	1,090,285	18,883,225	769,758	29,704,258
Total		<u>\$8,960,990</u>	<u>\$ 1,090,285</u>	<u>\$ 18,883,225</u>	<u>\$769,758</u>	<u>\$29,704,258</u>

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

Investment Maturities:

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State InvestmentPool	<u>\$29,704,258</u>	<u>\$29,704,258</u>	<u>\$ 29,704,258</u>	<u>\$ -</u>

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

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

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

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to

NOTE 4 Cash and Investments (Continued)

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

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

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 129 days. The District does not have a policy regarding interest rate risk.

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

NOTE 5 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2026 was as follows:

	Beginning Balance	Error Correction	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated						
Land	1,333,484	-	-	-	-	1,333,484
Construction in progress	270,664	-	5,191,080	-	-	5,461,744
Total capital assets not being depreciated	1,604,148	-	5,191,080	-	-	6,795,228
Capital assets being depreciated						
Buildings	54,291,685	(6,313)	348,555	-	-	54,633,927
Equipment	3,874,475	-	233,960	-	-	4,108,435
Transportation	3,794,669	-	608,147	-	-	4,402,816
ROU - Equipment	-	-	163,084	-	-	163,084
Total depreciated assets	61,960,829	(6,313)	1,353,746	-	-	63,308,262
Less: Accumulated Depreciation/Amortization						
Buildings	(30,803,062)	(107,811)	(1,447,038)	-	-	(32,357,911)
Equipment	(2,649,216)	-	(244,134)	-	-	(2,893,350)
Transportation	(2,615,162)	-	(274,656)	-	-	(2,889,818)
ROU - Equipment	-	-	(29,899)	-	-	(29,899)
Total accumulated depreciation/amortization	(36,067,440)	(107,811)	(1,995,727)	-	-	(38,170,978)
Total capital assets, net	\$ 27,497,537	\$ (114,124)	\$4,549,099	\$ -	\$ -	\$31,932,512

NOTE 6 Right-of-use Lease Asset/Liability

The District entered into a lease agreement to lease equipment on August 4, 2025 for 60 months ending July 31, 2030 with a discount rate of 3.75% based on the estimated incremental borrowing rate determined by the District. The lease requires annual payments of \$35,104.

During the year ended June 30, 2026, the following changes occurred in right-of-use lease assets:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year
Right-to-Use Lease Assets					
Equipment	-	163,084	-	-	163,084
Less: Accumulated Amortization					
Equipment	-	(29,899)	-	-	(29,899)
Total Right-to-Use Lease Assets, net	<u>\$ -</u>	<u>\$ 133,185</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,185</u>

The lease expense for the year ended June 30, 2026 is as follow:

Lease expense

Amortization expense by class of underlying asset

Equipment	29,899
Total amortization expense	29,899
Interest on lease liabilities	4,469
Total amortization expense	<u>\$ 34,368</u>

During the year ended June 30, 2026, the following changes occurred in the right-of-use lease liability:

	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
Right-to-Use Lease Liabilities						
Equipment	<u>\$ -</u>	<u>\$ 127,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,980</u>	<u>\$ 30,221</u>

Future minimum annual payments as of June 30, 2026 are as follows:

FY Ending June 30,	Principal	Interest	Total Payments
2027	30,221	4,883	35,104
2028	31,374	3,730	35,104
2028	32,571	2,533	35,104
2029	33,814	1,290	35,104
Total Future Payments	<u>\$ 127,980</u>	<u>\$ 12,436</u>	<u>\$ 140,416</u>

NOTE 7 Compensated Absences

Employees of the District earn various types of paid time off, including vacation, sick leave, and other forms of leave, in accordance with the District's policies. The benefits are earned based on length of service and may be subject to accumulation limits depending on the type of benefit. The liability for compensated absences is recognized to the extent the benefit is attributable to services already rendered, the leave accumulates, and the leave benefit is more

NOTE 7 **Compensated Absences (Continued)**

likely than not to be used in the future. In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a liability of the fund. The long-term portion of compensated absences is reported in the government-wide financial statements.

During the year ended June 30, 2026, the following changes occurred to accrued compensated absences:

<u>Beginning Balance</u>	<u>Net Additions/Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
<u>\$ 225,681</u>	<u>\$ (25,623)</u>	<u>\$ 200,058</u>	<u>\$ 200,058</u>

NOTE 8 **Pension Plan**

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2025. All amounts are as of June 30, 2025 unless otherwise noted.

Plan Description

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

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

Pension Benefits

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

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per

NOTE 8 Pension Plan (Continued)

year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2026 it was 7.18% for general employees and 8.08% for school members. The employer contribution rate is set by the Retirement Board and was 11.96% of covered compensation for general employees and 13.48% for school members. The District's employer contributions required and paid were \$4,109,066 for the year ended June 30, 2026.

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

At June 30, 2026, the District reported a liability of \$16,463,957 for its proportionate share of the Net Pension (Asset) Liability as of June 30, 2025. The Net Pension (Asset) Liability was measured as of June 30, 2025, and the total pension (asset) liability used to calculate the Net Pension (Asset) Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension (Asset) Liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the District's proportion was 0.68084576%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2026 has not been completed at the time of issuance. The pension expense (revenue) for the year ended June 30, 2025 was calculated at \$3,809,005.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 8 Pension Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	3,102,531	-
Changes in assumptions or other inputs	-	2,895,142
Net difference between projected and actual earning on pension plan investments	-	4,232,327
Change in proportionate share	147,433	829,226
Employer contributions subsequent to the measurement date	<u>4,109,066</u>	<u>-</u>
Total	<u>\$7,359,030</u>	<u>\$7,956,695</u>

\$4,109,066 is reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension (Asset) Liability in the year ended June 30, 2026.

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

For the Year Ending June 30:	Amount to be Recognized
2027	2,815,842
2028	(2,751,619)
2029	(2,518,060)
2030	(1,571,100)
2031	(681,794)

Actuarial Assumptions

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

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return-net of investment fees	6.55%
Cost of living (COLA) adjustments	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2025.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females Pub-2010 General Tables, increased 21%.

NOTE 8 Pension Plan (Continued)

Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Asset Class	Target Allocation	10-Year Projected Real Rate of Return
Large Cap US Equity	22%	4.75%
Small/Mid Cap US Equity	10%	4.95%
International Equity	11%	4.75%
Emerging Markets Equity	11%	4.95%
Domestic Fixed	20%	2.25%
TIPS	10%	2.05%
Core Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate

The discount rate used to measure the total pension (asset) liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset) liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the Net Pension (Asset) Liability to changes in the discount rate.

NOTE 8 Pension Plan (Continued)

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.55% as well as what the employer's liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's proportionate share of the Net Pension (Asset) Liability (asset)	\$39,612,364	\$16,463,957	\$(2,447,261)

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2026, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan

In accordance with GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2025. All amounts are as of June 30, 2025 unless otherwise noted.

Plan Description

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

OPEB Benefits

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

Employer Contributions

The contribution rate for employees is set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended to June 30, 2028, therefore the District's contributions required and paid were \$0 for the year ended June 30, 2026.

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

At June 30, 2026, the District reported an asset of \$1,414,971 for its proportionate share of the net OPEB asset as of June 30, 2025. The net OPEB asset was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2025, the District's proportion was 1.5749938%.

The District's OPEB expense (expense offset) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2025 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ended June 30, 2025 was calculated at \$68,198.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	197,454	47,627
Changes in assumptions or other inputs	276,385	286,366
Net difference between projected and actual earning on pension plan investments	-	317,672
Change in proportionate share	<u>17,935</u>	<u>15,716</u>
Total	<u>\$491,774</u>	<u>\$ 667,381</u>

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

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2027	74,184
2028	(162,666)
2029	(132,519)
2030	(16,729)
2031	6,282
Thereafter	55,841

Actuarial Assumptions

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

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return-net of investment fees	5.45%
Health care trend rate	N/A*

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

The long-term expected rate of return on OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense 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.

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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

Capital Market Assumptions

Asset Class	Target Allocation	10-Year Projected Real Rate of Return
Broad U.S. Equity	39.36%	4.85%
Global ex-U.S. Equity	10.64%	4.95%
Core US Fixed	50.00%	2.25%

Discount Rate

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

Sensitivity of the net OPEB liability (asset) to changes in the discount rate

The following presents the District's proportionate share of net OPEB liability (asset) calculated using the discount rate of 5.45 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease <u>(4.45%)</u>	Current Discount <u>Rate (5.45%)</u>	1% Increase <u>(6.45%)</u>
Employer's proportionate share of the net OPEB liability (asset)	\$(995,599)	\$(1,414,971)	\$(1,799,160)

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in a separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

NOTE 9 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

Payable to the OPEB plan

At June 30, 2026, the District reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 10 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 11 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2026:

Fund	Excess
General	2,555,028
School Plant Facility	238,651
School Plant Facility - Bus Depreciation	152,037
State Professional Technical	18,210
Technology Grant	136,277
State Substance Abuse	4,095
Miscellaneous Grant	40,628
Prof-Tech Academy	3,965
IDEA Part B (611 School Age 3-21)	2,048
School Based Medicaid	95,594
Title II-A ESEA - Supporting Effective Instruction	15,805
Child Nutrition	231,554

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

NOTE 12 Interfund Receivables, Payables and Transfers

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

Interfund Transfers - Transfers to support the operations of other funds are recorded as "Transfers" and are classified as "Other financing sources or uses." Idaho Code and State

NOTE 12 Interfund Receivables, Payables and Transfers (Continued)

Department of Education Regulations mandate transfers into the School Plant Facility – Bus Depreciation to cover the depreciation reimbursement. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	458,686	650,000
School Based Medicaid	-	228,138
Title I-A - ESSA, Improving Basic Programs	-	200,238
Title IV-A, ESSA - Student Support and Academic Enrichment	132,381	-
Title II-A ESEA, - Supporting Effective Instruction	67,857	-
Debt service	3,832	-
School Plant Facility	-	3,832
School Plant Facility - Bus Depreciation	-	230,548
School Modernization	650,000	-
Total	<u>\$ 1,312,756</u>	<u>\$ 1,312,756</u>

The composition of Interfund receivables and payables as of June 30, 2026 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	3,125,948
Special Revenue Funds:		
Federal Forest Reserve	84,641	-
Facilities	182,876	-
Before and After School Enrichment	168,275	-
State Professional Technical	2,932	-
Gifted and Talented	4,364	-
Technology Grant	246,600	-
State Substance Abuse	8,250	-
Miscellaneous Grant	33,731	-
Prof-Tech Academy	51,864	-
Title I-A ESSA – Improving Basic Programs	-	68,261
IDEA Part B (611 School Age 3-21)	25,029	-
IDEA Part B (619 Pre-School Age 3-5)	-	856
School Based Medicaid	-	61,041
Perkins IV Professional Technical Act	12,935	-
Title II-A, ESEA – Supporting Effective Instruction	-	16,736
Child Nutrition	481,202	-
Debt Service Fund	-	464
Capital Project Funds:		
School Plant Facility	858,298	-
Board Projects	186,897	-
Land Reserve	206,566	-
School Plant Facility - Bus Depreciatoin	276,749	-
School Modernization	442,097	-
Total	<u>\$ 3,273,306</u>	<u>\$ 3,273,306</u>

NOTE 13 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 14 Other Post-Employment Benefits

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

Retirement and Dependent Medical Benefit Eligibility

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

Eligibility for Retirement

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

Medicare Retirees

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

NOTE 14 Other Post-Employment Benefits (Continued)

Funding

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

OPEB Benefits

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

Census Data

As of June 30, 2026, the valuation date, the District had 513 active (future retirees) participants and 181 inactive (current retirees) participants.

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

At June 30, 2026, the Employer reported a liability of \$2,383,893 of the OPEB liability. The OPEB liability was measured as of June 30, 2026, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2026.

For the year ended June 30, 2026, the Employer recognized OPEB expense of \$269,491. At June 30, 2026, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	644,094	785,126
Changes in assumptions or other inputs	362,092	422,678
Total	<u>\$1,006,186</u>	<u>\$1,207,804</u>

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

NOTE 14 Other Post-Employment Benefits (Continued)

Year ended June 30:

2027	(17,427)
2028	(17,427)
2029	(17,427)
2030	(17,427)
2031	(17,427)
Thereafter	(114,483)

Actuarial assumptions

Valuation Date June 30, 2026

Measurement Date June 30, 2026

Interest/Discount Rate 4.56%

Projected Payroll Increases 3.75%

Health Care Cost Trend Rate Medical: between 4.0% and 17.4%
Prescription Drugs: between 4.0% and 17.4%
Dental: between 2.0% and 5.7%
Vision: between 0.0% and 2.0%

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

Participation

For future retirees, participation rates were assumed to be 40.0% for medical, 36.7% for vision coverage, and 46.0% for dental coverage. Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 60.0%. 70.0% of the future retirees who elect medical coverage and married are assumed to elect spousal coverage as well. Males are assumed to be three years older than females.

Mortality

For PERSI teachers, mortality follows the Pub-2010 Teacher table adjusted 112% for males or adjusted 121% for females, projected generationally using mortality improvement rates reported by Social Security Administration from 1957 to 2017. For disabled PERSI members, mortality follows the Pub-2010 Disabled table adjusted 138% for males or adjusted 136% for females, projected generationally using mortality improvement rates reported by Social Security Administration from 1957 to 2017.

Interest/Discount rate

The interest/discount rate is based on the average of multiple June 30, 2026 municipal bond rate sources.

Sensitivity Disclosures

The following presents the OPEB liability of the Plan as of June 30, 2026, calculated using the

NOTE 14 Other Post-Employment Benefits (Continued)

discount rate of 4.93%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.93%) or 1-percentage-point higher (5.93%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$2,541,563	\$2,383,893	\$2,236,152

The following presents the net OPEB liability of the Plan as of June 30, 2025, calculated using the assumed health care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$2,181,318	\$2,383,893	\$2,617,037

Summary of the Change in OPEB Liability

<i>Total OPEB Liability – Beginning of Year</i>	\$ 2,299,671
Service Cost	169,246
Interest	116,983
Plan Design Changes	-
Difference Between Expected and Actual Experience	(312,359)
Changes of Assumptions or Other Inputs	304,751
Benefit Payments (Estimated)	<u>(194,399)</u>
<i>Total OPEB Liability – End of Year</i>	<u>\$2,383,893</u>

NOTE 15 Idaho School Benefit Trust Obligation

The District participates in the Idaho School Benefit Trust (ISBT), a multiple-employer, self funded benefit trust that provides medical and other benefit coverage to employees and eligible dependents of participating Idaho school districts and other educational organizations. Participating employers and employees make contributions to ISBT, which pools those resources to pay benefit claims and administrative costs. Blue Cross of Idaho serves as the third-party administrator for the health benefit program. Because the arrangement is self funded, participating employers retains responsibility for funding benefit claims and related obligations to the extent contributions, reserves, and applicable stop-loss coverage were insufficient.

On July 14, 2026, ISBT notified participating employers that medical and dental claims for the benefit plan year ending August 31, 2026 exceeded contributions and available reserves. ISBT approved an additional contribution of approximately \$715 per covered medical member to fund the estimated shortfall.

ISBT provided the District with the option to satisfy the assessment either through a single lump-sum payment of \$644,677 or through 36 monthly payments of \$19,609. The District selected the lump sum payment option.

NOTE 15 Idaho School Benefit Trust Obligation (Continued)

Because the ISBT benefit plan year extended from September 1, 2025 through August 31, 2026, the District estimated that ten months of the twelve-month assessment related to benefit coverage and claims incurred through June 30, 2026. Accordingly, the District recognized an expenditure/expense and related liability of \$537,231, representing ten-twelfths of its total allocated assessment, in the accompanying financial statements. The remaining two-twelfths, totaling \$107,446 relates to July and August 2026 and will be recognized in the fiscal year ending June 30, 2027.

The assessment is based on ISBT's estimate of the funding required to satisfy claims incurred through August 31, 2026 and is subject to adjustment as claims are finalized. ISBT has indicated that any amounts collected in excess of the final funding requirement will be returned to participating employers on a proportionate basis.

NOTE 16 Accounting Changes

During fiscal year 2026, the District had an error correction to correct beginning of the year accumulated depreciation and beginning depreciable asset balance. This adjustment and a net effect of decreasing beginning depreciable assets by \$6,313, increasing accumulated depreciation by \$107,811 and decreasing beginning net position by \$114,124.

The District moved the debt service fund from a major to a nonmajor fund, as it no longer meets the requirements to be classified as a major fund. This represents a change within the reporting entity, affecting the beginning fund balance of the governmental funds.

During fiscal year 2026, the above items resulted in adjustments to and restatements of beginning fund balance and net position as follows:

	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Government Activities</u>
Beginning Fund Balance / Net position, as previously reported	534	5,837,255	39,183,822
Change in reporting entity	(534)	534	-
Error Correction	-	-	(114,124)
Beginning Fund Balance / Net Position, as restated	<u>\$ -</u>	<u>\$ 5,837,789</u>	<u>\$ 39,069,698</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance With Final Budget Over (Under)		Variance With Actual Over (Under)
	Original	Final	Original Budget	Actual	Final Budget
REVENUES					
Local:					
Taxes	5,702,500	5,702,500	-	3,896,788	(1,805,712)
Earnings on investments	335,000	335,000	-	637,056	302,056
Other	155,000	155,000	-	274,415	119,415
Total local	6,192,500	6,192,500	-	4,808,259	(1,384,241)
State:					
Base program	29,309,519	29,309,519	-	30,134,580	825,061
Transportation	1,751,159	1,751,159	-	2,112,483	361,324
Tuition equivalency	-	-	-	28,536	28,536
Benefit apportionment	4,100,898	4,100,898	-	4,201,358	100,460
Other state support	3,562,156	3,562,156	-	5,779,183	2,217,027
Revenue in lieu of taxes	75,774	75,774	-	39,694	(36,080)
Other state revenue	35,000	35,000	-	63,401	28,401
Total state	38,834,506	38,834,506	-	42,359,235	3,524,729
Federal:					
Unrestricted	120,000	120,000	-	144,238	24,238
Total revenues	45,147,006	45,147,006	-	47,311,732	2,164,726
EXPENDITURES					
Instruction:					
Salaries	20,180,113	20,180,113	-	20,689,543	509,430
Benefits	7,340,281	7,340,281	-	8,041,420	701,139
Purchased services	847,454	847,454	-	996,289	148,835
Supplies-materials	410,034	410,034	-	782,959	372,925
Capital objects	-	-	-	33,230	33,230
Total instruction	28,777,882	28,777,882	-	30,543,441	1,765,559
Support:					
Salaries	9,697,410	9,697,410	-	9,831,004	133,594
Benefits	3,589,178	3,589,178	-	3,932,049	342,871
Purchased services	2,254,060	2,254,060	-	2,442,456	188,396
Supplies-materials	723,914	723,914	-	622,339	(101,575)
Capital objects	-	-	-	199,522	199,522
Insurance - judgment	366,016	366,016	-	424,524	58,508
Total support	16,630,578	16,630,578	-	17,451,894	821,316
Total expenditures	45,408,460	45,408,460	-	47,995,335	2,586,875
Excess (deficiency) of revenues over (under) expenditures	(261,454)	(261,454)	-	(683,603)	(422,149)
Other financing sources (uses)					
Transfer in	315,000	315,000	-	650,000	335,000
Transfer out	(90,000)	(90,000)	-	(458,686)	(368,686)
Lease financing	-	-	-	127,980	127,980
Total other financing sources (uses)	225,000	225,000	-	319,294	94,294
Net change in fund balance	\$ (36,454)	\$ (36,454)	\$ -	(364,309)	\$ (327,855)
Fund balance -beginning of year				4,295,595	
Fund balance-end of year				\$ 3,931,286	

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – BUDGET AND ACTUAL
June 30, 2026

NOTE 1 Actual Budget Results

GENERAL FUND:

Differences – final budget to actual:

Local revenue: The final budget was \$1,384,241 lower than actual revenue. The variance was due to the District receiving more HB 292 Property Tax Relief funding than originally anticipated.

State revenue: The final budget was \$3,524,729 lower than actual revenue. The variance was due to higher-than-expected enrollment and Average Daily Attendance (ADA), which generated additional state funding. The District also received more HB 292 Property Tax Relief funding than originally anticipated.

Instruction salaries and benefits: The final budget was \$1,210,569 lower than actual expenditures. The variance was due to a step increase for classified staff implemented after the budget was approved. Reclassification of positions to instruction also shifted costs into this category.

Support salaries and benefits: The final budget was \$476,465 lower than actual expenditures. The variance was due to the step increase for classified staff implemented after the budget was approved, which raised salary and benefit costs above the budgeted amounts.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer's portion of the net pension (asset) liability	Unavailable	0.68084576%	0.71038885%	0.71975225%	0.70879511%	0.66650547%	0.6919366%	0.6788635%	0.6537283%	0.6273618%
Employer's proportionate share of the net pension (asset) liability	Unavailable	16,463,957	26,573,124	28,722,941	27,917,725	(526,393)	16,067,683	7,749,038	9,642,607	9,861,050
Employer's covered payroll	31,460,373	32,089,838	31,716,452	30,664,816	27,964,397	24,873,082	24,639,045	23,056,952	21,032,800	19,485,424
Employer's proportional share of the net pension (asset) liability as a percentage of its covered payroll	Unavailable	51.31%	83.78%	93.67%	99.83%	-2.12%	65.21%	33.61%	45.85%	50.61%
Plan fiduciary net position as a percentage of the total	Unavailable	90.89%	85.54%	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution - Class 1 Employees	1,036,997	1,057,745	982,254	924,014	834,737	742,462	735,476	652,512	595,228	551,438
Statutorily required contribution - Class 3 Employees	3,072,069	3,133,536	2,909,898	2,737,365	2,504,212	2,227,384	2,206,426	1,957,535	1,785,685	1,654,312
Total statutorily required contributions - All Employees	4,109,066	4,191,281	3,892,152	3,661,379	3,338,949	2,969,846	2,941,902	2,610,047	2,380,913	2,205,750
Contributions in relation to the statutorily required contribution	(1,036,997)	(1,057,745)	(982,254)	(924,014)	(834,737)	(742,462)	(735,476)	(652,512)	(595,228)	(551,438)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll - Class 1 employees	8,670,543	8,844,022	8,785,814	7,738,811	6,991,097	6,218,275	6,159,765	5,764,240	5,258,198	4,871,360
Employer's covered payroll - Class 3 employees	22,789,829	23,245,816	22,930,638	22,926,005	20,973,300	18,654,807	18,479,280	17,292,712	15,774,602	14,614,064
Contributions as a percentage of covered payroll - Class 1	11.96%	11.96%	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%
Contributions as a percentage of covered payroll - Class 3	13.48%	13.48%	12.69%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2025 (most recently issued PERSI Information)

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2025, as follows:

*The discount rate changed from 6.35% to 6.55%

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE

As of June 30,

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	169,246	186,924	160,141	167,897	172,419	172,840	149,537	Unavailable	131,354	121,220
Interest	116,983	103,840	68,049	60,577	43,761	45,855	61,495	Unavailable	76,134	76,652
Changes of benefit terms	-	-	-	-	-	-	-	Unavailable	-	-
Differences between expected and actual experience	(312,359)	-	778,700	-	(430,787)	-	(207,635)	Unavailable	-	(44,156)
Changes of assumptions or other inputs	304,751	(108,465)	(175,558)	(12,986)	(131,935)	28,423	(59,668)	Unavailable	10,928	(42,815)
Benefit payments	(194,399)	(174,818)	(68,714)	(49,346)	(90,286)	(86,486)	88,426	Unavailable	(149,556)	(129,326)
Net change in total OPEB Liability	84,222	7,481	762,618	166,142	(436,828)	160,632	32,155	-	68,860	(18,425)
Total OPEB liability - beginning	2,299,671	2,292,190	1,529,572	1,363,430	1,800,258	1,639,626	1,607,471	1,971,083	1,902,223	1,920,648
Total OPEB liability-ending	<u>\$ 2,383,893</u>	<u>\$ 2,299,671</u>	<u>\$ 2,292,190</u>	<u>\$ 1,529,572</u>	<u>\$ 1,363,430</u>	<u>\$ 1,800,258</u>	<u>\$ 1,639,626</u>	<u>\$ 1,607,471</u>	<u>\$ 1,971,083</u>	<u>\$ 1,902,223</u>
Covered payroll	28,122,297	23,325,658	22,482,562	19,319,141	18,620,858	23,808,899	22,948,337	17,723,445	17,372,039	16,744,134
Total OPEB liability as a percentage of covered-employee payroll	8.48%	9.86%	10.20%	7.92%	7.32%	7.56%	7.14%	9.07%	11.35%	11.36%

NOTES TO THE OTHER POST EMPLOYMENT BENEFITS LIABILITY SCHEDULE

As of June 30, 2026

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

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer's portion of the net OPEB asset	Unavailable	1.5749938%	1.5749938%	1.5749938%	1.5749938%	1.5749938%	1.5749938%	1.6296316%	1.5641424%	1.5297294%
Employer's proportionate share of the net OPEB asset	Unavailable	1,414,971	1,402,468	1,142,916	1,198,997	2,287,213	1,939,299	1,560,868	1,297,377	1,174,265
Employer's covered payroll	22,789,829	23,245,816	22,930,638	22,926,005	20,973,300	18,654,807	18,479,280	17,292,712	15,774,602	14,614,064
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	6.09%	6.12%	4.99%	5.72%	12.26%	10.49%	9.03%	8.22%	8.04%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	126.42%	128.64%	124.33%	127.21%	152.61%	152.87%	138.51%	135.69%	136.78%

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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	-	-	-	-	-	-	141,219	267,310	243,950	226,031
Contributions in relation to the statutorily required contribution	-	-	-	-	-	-	(141,219)	(267,310)	(243,950)	(226,031)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll	22,789,829	23,245,816	22,930,638	22,926,005	20,973,300	18,654,807	18,479,280	17,292,712	15,774,602	14,614,064
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	1.55%	1.55%	1.55%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2025 (most recently issued PERSI information)

Change of Assumptions. Changes of assumptions include status, trend, discount rate and other inputs.

SUPPLEMENTARY INFORMATION

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2026**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION			
Elementary school:			
Salaries	7,868,693	7,346,141	(522,552)
Benefits	2,984,992	2,560,023	(424,969)
Purchased services	24,876	3,000	(21,876)
Supplies-materials	140,487	99,520	(40,967)
Total elementary school	<u>11,019,048</u>	<u>10,008,684</u>	<u>(1,010,364)</u>
Secondary school:			
Salaries	7,637,487	8,016,237	378,750
Benefits	2,835,924	2,840,592	4,668
Purchased services	521,382	355,000	(166,382)
Supplies-materials	443,803	157,283	(286,520)
Capital outlay	9,500	-	(9,500)
Total secondary school	<u>11,448,096</u>	<u>11,369,112</u>	<u>(78,984)</u>
Alternative school:			
Salaries	608,359	616,230	7,871
Benefits	238,784	226,820	(11,964)
Purchased services	1,765	1,454	(311)
Supplies-materials	5,907	6,731	824
Total alternative school	<u>854,815</u>	<u>851,235</u>	<u>(3,580)</u>
Special education:			
Salaries	3,205,212	2,838,512	(366,700)
Benefits	1,657,118	1,380,760	(276,358)
Purchased services	800	-	(800)
Supplies-materials	41	-	(41)
Total special education	<u>4,863,171</u>	<u>4,219,272</u>	<u>(643,899)</u>
Special education preschool:			
Salaries	110,430	92,159	(18,271)
Benefits	53,159	29,227	(23,932)
Total special education preschool	<u>163,589</u>	<u>121,386</u>	<u>(42,203)</u>
Gifted and talented:			
Salaries	92,836	92,836	-
Benefits	31,718	30,697	(1,021)
Purchased services	363	1,500	1,137
Supplies-materials	5,212	3,500	(1,712)
Total gifted and talented	<u>130,129</u>	<u>128,533</u>	<u>(1,596)</u>
Interscholastic:			
Salaries	1,087,401	1,107,998	20,597
Benefits	222,826	257,750	34,924
Purchased services	447,103	486,500	39,397
Supplies-materials	187,509	143,000	(44,509)
Capital objects	23,730	-	(23,730)
Total interscholastic	<u>1,968,569</u>	<u>1,995,248</u>	<u>26,679</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272**Rathdrum, Idaho****GENERAL FUND****SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)****For the Year Ended June 30, 2026**

	Actual	Budget	Variance Favorable (Unfavorable)
INSTRUCTION (Continued)			
Summer school:			
Salaries	79,125	70,000	(9,125)
Benefits	16,899	14,412	(2,487)
Total summer school	96,024	84,412	(11,612)
TOTAL INSTRUCTION			
Salaries	20,689,543	20,180,113	(509,430)
Benefits	8,041,420	7,340,281	(701,139)
Purchased services	996,289	847,454	(148,835)
Supplies-materials	782,959	410,034	(372,925)
Capital objects	33,230	-	(33,230)
Total instruction	<u>\$ 30,543,441</u>	<u>\$ 28,777,882</u>	<u>\$ (1,765,559)</u>
SUPPORT			
Attendance, guidance and health:			
Salaries	1,632,870	1,696,357	63,487
Benefits	602,786	573,745	(29,041)
Purchased services	2,724	2,750	26
Supplies-materials	3,386	17,000	13,614
Total attendance, guidance and health	2,241,766	2,289,852	48,086
Special education support services:			
Salaries	627,923	617,373	(10,550)
Benefits	234,266	225,265	(9,001)
Purchased services	5,208	65,000	59,792
Supplies-materials	643	3,500	2,857
Total special education support services	868,040	911,138	43,098
Instruction improvement program:			
Salaries	8,902	9,000	98
Benefits	2,041	3,142	1,101
Purchased services	60,917	60,000	(917)
Supplies-materials	-	10,000	10,000
Total instruction improvement program	71,860	82,142	10,282

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2026**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued)			
Educational media:			
Salaries	318,767	308,365	(10,402)
Benefits	145,541	145,961	420
Purchased services	12,027	10,000	(2,027)
Supplies-materials	3,144	5,000	1,856
Total educational media	<u>479,479</u>	<u>469,326</u>	<u>(10,153)</u>
Instruction related technology:			
Salaries	235,511	188,452	(47,059)
Benefits	116,623	70,219	(46,404)
Purchased services	15,912	18,000	2,088
Supplies-materials	6,765	5,000	(1,765)
Total instruction related technology	<u>374,811</u>	<u>281,671</u>	<u>(93,140)</u>
Board of education:			
Salaries	61,212	58,656	(2,556)
Benefits	22,522	21,347	(1,175)
Purchased services	87,072	76,000	(11,072)
Supplies-materials	3,309	4,000	691
Insurance - judgment	50,856	43,847	(7,009)
Total board of education	<u>224,971</u>	<u>203,850</u>	<u>(21,121)</u>
District administration:			
Salaries	729,699	702,252	(27,447)
Benefits	241,464	233,852	(7,612)
Purchased services	132,361	22,000	(110,361)
Supplies-materials	41,318	35,000	(6,318)
Total district administration	<u>1,144,842</u>	<u>993,104</u>	<u>(151,738)</u>
School administration:			
Salaries	2,496,133	2,390,837	(105,296)
Benefits	937,361	811,765	(125,596)
Purchased services	360	-	(360)
Supplies-materials	18,643	26,664	8,021
Total school administration	<u>3,452,497</u>	<u>3,229,266</u>	<u>(223,231)</u>
Business operations:			
Salaries	327,617	315,563	(12,054)
Benefits	111,148	95,369	(15,779)
Purchased services	69,955	71,500	1,545
Capital objects	163,084	-	(163,084)
Total business operations	<u>671,804</u>	<u>482,432</u>	<u>(189,372)</u>
Administrative technology:			
Salaries	219,233	199,701	(19,532)
Benefits	78,321	71,293	(7,028)
Purchased services	20,324	30,000	9,676
Supplies-materials	627	500	(127)
Total administrative technology	<u>318,505</u>	<u>301,494</u>	<u>(17,011)</u>
Buildings-care program (custodial):			
Salaries	863,162	981,367	118,205
Benefits	410,944	429,811	18,867
Purchased services	1,289,589	1,204,760	(84,829)
Supplies-materials	94,521	100,000	5,479
Insurance - judgment	276,383	238,292	(38,091)
Total buildings-care program (custodial)	<u>2,934,599</u>	<u>2,954,230</u>	<u>19,631</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (CONTINUED)
For the Year Ended June 30, 2026**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued)			
Maintenance - buildings and equipment			
Salaries	786,278	806,528	20,250
Benefits	308,477	310,000	1,523
Purchased services	223,666	212,000	(11,666)
Supplies-materials	82,994	150,000	67,006
Capital objects	36,438	-	(36,438)
Total maintenance - buildings and equipment	<u>1,437,853</u>	<u>1,478,528</u>	<u>40,675</u>
Maintenance - grounds:			
Purchased services	87,301	156,500	69,199
Supplies-materials	4,392	-	(4,392)
Total maintenance - grounds	<u>91,693</u>	<u>156,500</u>	<u>64,807</u>
Security:			
Salaries	206,638	192,989	(13,649)
Benefits	65,549	60,750	(4,799)
Purchased services	354,627	263,000	(91,627)
Supplies-materials	14,926	12,500	(2,426)
Total security	<u>641,740</u>	<u>529,239</u>	<u>(112,501)</u>
Pupil-to-school transportation:			
Salaries	1,316,627	1,229,970	(86,657)
Benefits	654,921	520,400	(134,521)
Purchased services	80,413	60,550	(19,863)
Supplies-materials	339,456	353,750	14,294
Insurance - judgment	48,642	41,938	(6,704)
Total pupil-to-school transportation	<u>2,440,059</u>	<u>2,206,608</u>	<u>(233,451)</u>
General transportation:			
Salaries	432	-	(432)
Benefits	85	16,259	16,174
Purchased services	-	2,000	2,000
Supplies-materials	8,215	1,000	(7,215)
Insurance - judgment	48,643	41,939	(6,704)
Total general transportation	<u>57,375</u>	<u>61,198</u>	<u>3,823</u>
TOTAL SUPPORT			
Salaries	9,831,004	9,697,410	(133,594)
Benefits	3,932,049	3,589,178	(342,871)
Purchased services	2,442,456	2,254,060	(188,396)
Supplies-materials	622,339	723,914	101,575
Capital objects	199,522	-	(199,522)
Insurance - judgment	424,524	366,016	(58,508)
Total support	<u>\$ 17,451,894</u>	<u>\$ 16,630,578</u>	<u>\$ (821,316)</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

OTHER GOVERNMENTAL FUNDS
DESCRIPTION OF FUNDS

Debt Service Fund – To account for funds used to make the principal and interest payments for outstanding general obligation bonds.

School Plant Facility Fund – To account for costs associated with the acquisition, construction, or major repair of school property.

Board Projects Fund – To account for costs associated with specific board designated projects.

Land Reserve Fund – To account for costs associated with land acquisitions.

School Plant Facility – Bus Depreciation Fund - To account for costs associated with the purchased of buses.

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

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

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

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

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

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

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

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

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

Prof-Tech Academy Fund – To account for State revenue to be spent on professional technical needs of the District.

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

OTHER GOVERNMENTAL FUNDS
DESCRIPTION OF FUNDS (CONTINUED)

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

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

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

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

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

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

IDEA Mini-Grants Fund – To account for restricted Federal revenue to be spent on students and professionals from underrepresented groups within the nutrition and dietetics profession, as well as support educational cultural sensitivity programs.

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

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

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2026**

	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Nonmajor Special Revenue Funds	Total Other Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash	-	-	261,514	261,514
Investments	-	-	1,860,043	1,860,043
Due from other funds	-	1,528,510	1,302,699	2,831,209
Taxes receivable	-	14,725	-	14,725
Other receivables:				
Due from other governments	464	1,951	480,628	483,043
Other	-	-	5,647	5,647
Inventory	-	-	71,246	71,246
Total assets	<u>464</u>	<u>1,545,186</u>	<u>3,981,777</u>	<u>5,527,427</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 464</u></u>	<u><u>\$ 1,545,186</u></u>	<u><u>\$ 3,981,777</u></u>	<u><u>\$ 5,527,427</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Due to other funds	464	-	146,894	147,358
Accounts payable	-	2,289	299,502	301,791
Accrued payroll and benefits	-	-	366,441	366,441
Total liabilities	<u>464</u>	<u>2,289</u>	<u>812,837</u>	<u>815,590</u>
Deferred inflows of resources:				
Deferred tax revenue	<u>-</u>	<u>12,498</u>	<u>-</u>	<u>12,498</u>
Fund balances:				
Nonspendable	-	-	71,246	71,246
Restricted	-	1,530,399	3,097,694	4,628,093
Total fund balances	<u>-</u>	<u>1,530,399</u>	<u>3,168,940</u>	<u>4,699,339</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 464</u></u>	<u><u>\$ 1,545,186</u></u>	<u><u>\$ 3,981,777</u></u>	<u><u>\$ 5,527,427</u></u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2026

	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Nonmajor Special Revenue Funds	Total Other Governmental Funds
REVENUES				
Local	3,298	38,934	2,885,920	2,928,152
State	-	-	786,646	786,646
Federal	-	-	3,497,003	3,497,003
Total revenues	3,298	38,934	7,169,569	7,211,801
EXPENDITURES				
Instruction	-	10,462	2,439,478	2,449,940
Support	-	354,196	1,580,707	1,934,903
Non-instruction	-	-	3,209,911	3,209,911
Capital asset program	-	1,032,140	188,402	1,220,542
Total expenditures	-	1,396,798	7,418,498	8,815,296
Excess (deficiency) of revenues over (under) expenditures	3,298	(1,357,864)	(248,929)	(1,603,495)
Other financing sources (uses)				
Proceeds from sale of capital asset	-	6,359	-	6,359
Transfers in	-	234,380	428,376	662,756
Transfer out	(3,832)	-	(200,238)	(204,070)
Total other financing sources (uses)	(3,832)	240,739	228,138	465,045
Net change in fund balance	(534)	(1,117,125)	(20,791)	(1,138,450)
Fund balance-beginning of year	534	2,647,524	3,189,731	5,837,789
Fund balance-end of year	\$ -	\$ 1,530,399	\$ 3,168,940	\$ 4,699,339

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**OTHER GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2026**

Fund	Budgeted Revenues	Actual Revenues	Budgeted Expenditures	Actual Expenditures	Other Financing Sources (Uses)	Beginning Fund Balance	Ending Fund Balance
Nonmajor Debt Service Fund	-	3,298	-	-	(3,832)	534	-
Nonmajor Capital Project Funds:							
School Plant Facility	-	31,841	550,000	788,651	3,832	1,613,165	860,187
Board Projects	-	-	89,000	-	6,359	180,538	186,897
Land Reserve	-	-	-	-	-	206,566	206,566
School Plant Facility - Bus Depreciation	173,250	7,093	456,110	608,147	230,548	647,255	276,749
Nonmajor Special Revenue Funds:							
Federal Forest Reserve	-	42,446	13,000	6,000	-	48,195	84,641
Facilities	-	484,388	830,000	294,061	-	1,039,718	1,230,045
Before and After School Enrichment	191,000	210,722	236,570	210,081	-	136,280	136,921
Student Activity	-	1,557,661	-	1,518,657	-	988,960	1,027,964
State Professional Technical	151,729	169,938	151,728	169,938	-	-	-
Gifted and Talented	-	-	1,250	-	-	4,364	4,364
Technology Grant	434,000	576,368	595,000	731,277	-	401,509	246,600
State Substance Abuse	55,300	59,395	55,300	59,395	-	-	-
Miscellaneous Grant	-	22,251	10,000	50,628	-	57,414	29,037
Prof-Tech Academy	48,000	80,160	48,000	51,965	-	23,669	51,864
Title I-A - ESSA Improving Basic Programs	947,712	598,904	947,712	799,142	200,238	-	-
IDEA Part B (611 School Age 3-21)	909,639	911,687	909,639	911,687	-	-	-
IDEA Part B (619 Pre-School Age 3-5)	24,114	24,114	24,114	24,114	-	-	-
School Based Medicaid	605,000	475,764	605,000	700,594	228,138	-	3,308
Title IV-A, ESSA - Student Support and Academic Enrichment	33,074	132,381	33,074	-	(132,381)	-	-
Perkins IV - Professional Technical Act	61,299	61,299	61,299	61,299	-	-	-
IDEA Mini-Grants	-	10,531	-	10,531	-	-	-
Title II-A ESSA - Supporting Effective Instruction	112,070	195,732	112,070	127,875	(67,857)	-	-
Child Nutrition	1,175,000	1,555,828	1,459,700	1,691,254	-	489,622	354,196
Total	\$ 4,921,187	\$ 7,211,801	\$ 7,188,566	\$ 8,815,296	\$ 465,045	\$ 5,837,789	\$ 4,699,339

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
June 30, 2026**

	School Plant Facility	Board Projects	Land Reserve	School Plant Facility - Bus Depreciation	Total Nonmajor Capital Project Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Due from other funds	858,298	186,897	206,566	276,749	1,528,510
Taxes receivable	14,725	-	-	-	14,725
Other receivables:					
Due from other governments	1,951	-	-	-	1,951
Total assets	874,974	186,897	206,566	276,749	1,545,186
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 874,974	\$ 186,897	\$ 206,566	\$ 276,749	\$ 1,545,186
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,289	-	-	-	2,289
Deferred inflows of resources:					
Deferred tax revenue	12,498	-	-	-	12,498
Fund balances:					
Restricted	860,187	186,897	206,566	276,749	1,530,399
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 874,974	\$ 186,897	\$ 206,566	\$ 276,749	\$ 1,545,186

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2026**

	<u>School Plant Facility</u>	<u>Board Projects</u>	<u>Land Reserve</u>	<u>School Plant Facility - Bus Depreciation</u>	<u>Total Nonmajor Capital Project Funds</u>
REVENUES					
Local:					
Taxes	21,791	-	-	-	21,791
Other	10,050	-	-	7,093	17,143
Total revenues	31,841	-	-	7,093	38,934
EXPENDITURES					
Instruction:					
Supplies-materials	10,462	-	-	-	10,462
Support:					
Purchased services	125,466	-	-	-	125,466
Supplies-materials	9,589	-	-	-	9,589
Capital objects	219,141	-	-	-	219,141
Total support	354,196	-	-	-	354,196
Capital asset program:					
Capital objects	423,993	-	-	608,147	1,032,140
Total expenditures	788,651	-	-	608,147	1,396,798
Excess (deficiency) of revenue over (under) expenditures	(756,810)	-	-	(601,054)	(1,357,864)
Other financing sources (uses)					
Proceeds from sale of capital asset	-	6,359	-	-	6,359
Transfer in	3,832	-	-	230,548	234,380
Total other financing sources (uses)	3,832	6,359	-	230,548	240,739
Net change in fund balance	(752,978)	6,359	-	(370,506)	(1,117,125)
Fund balance -beginning of year	1,613,165	180,538	206,566	647,255	2,647,524
Fund balance-end of year	\$ 860,187	\$ 186,897	\$ 206,566	\$ 276,749	\$ 1,530,399

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2026

	Federal Forest Reserve	Facilities	Before and After School Enrichment	Student Activity	State Professional Technical
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	-	-	-	258,206	-
Investments	-	1,090,285	-	769,758	-
Due from other funds	84,641	182,876	168,275	-	2,932
Other receivables:					
Due from other governments	-	-	-	-	203
Other	-	5,209	438	-	-
Inventory	-	-	-	-	-
Total assets	<u>84,641</u>	<u>1,278,370</u>	<u>168,713</u>	<u>1,027,964</u>	<u>3,135</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 84,641</u></u>	<u><u>\$ 1,278,370</u></u>	<u><u>\$ 168,713</u></u>	<u><u>\$ 1,027,964</u></u>	<u><u>\$ 3,135</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	-	-	-
Accounts payable	-	48,325	155	-	3,135
Accrued payroll and benefits	-	-	31,637	-	-
Total liabilities	<u>-</u>	<u>48,325</u>	<u>31,792</u>	<u>-</u>	<u>3,135</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	84,641	1,230,045	136,921	1,027,964	-
Total fund balances	<u>84,641</u>	<u>1,230,045</u>	<u>136,921</u>	<u>1,027,964</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 84,641</u></u>	<u><u>\$ 1,278,370</u></u>	<u><u>\$ 168,713</u></u>	<u><u>\$ 1,027,964</u></u>	<u><u>\$ 3,135</u></u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2026**

	<u>Gifted and Talented</u>	<u>Technology Grant</u>	<u>State Substance Abuse</u>	<u>Miscellaneous Grant</u>	<u>Prof-Tech Academy</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	-	-	-	-	-
Investments	-	-	-	-	-
Due from other funds	4,364	246,600	8,250	33,731	51,864
Other receivables:					
Due from other governments	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>4,364</u>	<u>246,600</u>	<u>8,250</u>	<u>33,731</u>	<u>51,864</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,364</u>	<u>\$ 246,600</u>	<u>\$ 8,250</u>	<u>\$ 33,731</u>	<u>\$ 51,864</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	-	-	-
Accounts payable	-	-	8,250	4,694	-
Accrued payroll and benefits	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>4,694</u>	<u>-</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	4,364	246,600	-	29,037	51,864
Total fund balances	<u>4,364</u>	<u>246,600</u>	<u>-</u>	<u>29,037</u>	<u>51,864</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,364</u>	<u>\$ 246,600</u>	<u>\$ 8,250</u>	<u>\$ 33,731</u>	<u>\$ 51,864</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2026

	Title I-A, ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	-	-	-	3,308	-
Investments	-	-	-	-	-
Due from other funds	-	25,029	-	-	-
Other receivables:					
Due from other governments	198,060	143,914	5,461	61,041	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	198,060	168,943	5,461	64,349	-
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 198,060</u>	<u>\$ 168,943</u>	<u>\$ 5,461</u>	<u>\$ 64,349</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due to other funds	68,261	-	856	61,041	-
Accounts payable	370	400	-	-	-
Accrued payroll and benefits	129,429	168,543	4,605	-	-
Total liabilities	198,060	168,943	5,461	61,041	-
Deferred inflows of resources:	-	-	-	-	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	3,308	-
Total fund balances	-	-	-	3,308	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 198,060</u>	<u>\$ 168,943</u>	<u>\$ 5,461</u>	<u>\$ 64,349</u>	<u>\$ -</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2026**

	Perkins IV Professional Technical Act	IDEA Mini-Grants	Title II-A ESSA - Supporting Effective Instruction	Child Nutrition	Total Nonmajor Special Revenue Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash	-	-	-	-	261,514
Investments	-	-	-	-	1,860,043
Due from other funds	12,935	-	-	481,202	1,302,699
Other receivables:					
Due from other governments	-	-	36,028	35,921	480,628
Other	-	-	-	-	5,647
Inventory	-	-	-	71,246	71,246
Total assets	<u>12,935</u>	<u>-</u>	<u>36,028</u>	<u>588,369</u>	<u>3,981,777</u>
Deferred outflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 12,935</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,028</u></u>	<u><u>\$ 588,369</u></u>	<u><u>\$ 3,981,777</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Due to other funds	-	-	16,736	-	146,894
Accounts payable	-	-	-	234,173	299,502
Accrued payroll and benefits	12,935	-	19,292	-	366,441
Total liabilities	<u>12,935</u>	<u>-</u>	<u>36,028</u>	<u>234,173</u>	<u>812,837</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	71,246	71,246
Restricted	-	-	-	282,950	3,097,694
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,196</u>	<u>3,168,940</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 12,935</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,028</u></u>	<u><u>\$ 588,369</u></u>	<u><u>\$ 3,981,777</u></u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2026**

	Federal Forest Reserve	Facilities	Before and After School Enrichment	Student Activity	State Professional Technical
REVENUES					
Local:					
Earnings on investments	-	37,501	-	-	-
Lunch sales	-	-	-	-	-
Other	-	446,887	210,722	1,557,661	-
Total local	-	484,388	210,722	1,557,661	-
State:					
Restricted	-	-	-	-	169,938
Other state revenue	-	-	-	-	-
Total state	-	-	-	-	169,938
Federal:					
School lunch reimbursement	-	-	-	-	-
Unrestricted	-	-	-	-	-
Restricted	42,446	-	-	-	-
Total federal	42,446	-	-	-	-
Total revenues	42,446	484,388	210,722	1,557,661	169,938
EXPENDITURES					
Instruction:					
Salaries	-	-	115	-	-
Benefits	-	-	23	-	-
Purchased services	-	-	-	-	9,758
Supplies-materials	-	-	-	-	160,180
Capital objects	-	78,136	-	-	-
Total instruction	-	78,136	138	-	169,938
Support:					
Salaries	-	2,645	131,620	-	-
Benefits	-	555	66,274	-	-
Purchased services	6,000	23,993	5,286	-	-
Supplies-materials	-	330	6,763	-	-
Capital objects	-	-	-	-	-
Total support	6,000	27,523	209,943	-	-
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies-materials	-	-	-	1,518,657	-
Capital objects	-	-	-	-	-
Insurance - judgment	-	-	-	-	-
Total non-instruction	-	-	-	1,518,657	-
Capital asset program:					
Supplies-materials	-	-	-	-	-
Capital objects	-	188,402	-	-	-
Total capital asset program	-	188,402	-	-	-
Total expenditures	6,000	294,061	210,081	1,518,657	169,938
Excess (deficiency) of revenues over (under) expenditures	36,446	190,327	641	39,004	-
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	36,446	190,327	641	39,004	-
Fund balance-beginning of year	48,195	1,039,718	136,280	988,960	-
Fund balance-end of year	\$ 84,641	\$ 1,230,045	\$ 136,921	\$ 1,027,964	\$ -

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2026

	Gifted and Talented	Technology Grant	State Substance Abuse	Miscellaneous Grant	Prof-Tech Academy
REVENUES					
Local:					
Earnings on investments	-	-	-	-	-
Lunch sales	-	-	-	-	-
Other	-	-	-	20,948	-
Total local	-	-	-	20,948	-
State:					
Restricted	-	475,850	59,395	1,303	-
Other state revenue	-	-	-	-	80,160
Total state	-	475,850	59,395	1,303	80,160
Federal:					
School lunch reimbursement	-	-	-	-	-
Unrestricted	-	-	-	-	-
Restricted	-	100,518	-	-	-
Total federal	-	100,518	-	-	-
Total revenues	-	576,368	59,395	22,251	80,160
EXPENDITURES					
Instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	6,524	-
Supplies-materials	-	-	-	38,699	-
Capital objects	-	-	-	-	-
Total instruction	-	-	-	45,223	-
Support:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	146,245	59,395	-	51,965
Supplies-materials	-	585,032	-	5,405	-
Capital objects	-	-	-	-	-
Total support	-	731,277	59,395	5,405	51,965
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	-
Insurance - judgment	-	-	-	-	-
Total non-instruction	-	-	-	-	-
Capital asset program:					
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	-
Total capital asset program	-	-	-	-	-
Total expenditures	-	731,277	59,395	50,628	51,965
Excess (deficiency) of revenues over (under) expenditures	-	(154,909)	-	(28,377)	28,195
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	(154,909)	-	(28,377)	28,195
Fund balance-beginning of year	4,364	401,509	-	57,414	23,669
Fund balance-end of year	\$ 4,364	\$ 246,600	\$ -	\$ 29,037	\$ 51,864

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2026

	Title I-A, ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment
REVENUES					
Local:					
Earnings on investments	-	-	-	4,079	-
Lunch sales	-	-	-	-	-
Other	-	-	-	-	-
Total local	-	-	-	4,079	-
State:					
Restricted	-	-	-	-	-
Other state revenue	-	-	-	-	-
Total state	-	-	-	-	-
Federal:					
School lunch reimbursement	-	-	-	-	-
Unrestricted	-	-	-	-	-
Restricted	598,904	911,687	24,114	471,685	132,381
Total federal	598,904	911,687	24,114	471,685	132,381
Total revenues	598,904	911,687	24,114	475,764	132,381
EXPENDITURES					
Instruction:					
Salaries	566,656	666,128	18,675	191,127	-
Benefits	224,008	232,680	5,439	59,764	-
Purchased services	-	400	-	-	-
Supplies-materials	8,478	12,479	-	-	-
Capital objects	-	-	-	-	-
Total instruction	799,142	911,687	24,114	250,891	-
Support:					
Salaries	-	-	-	34,096	-
Benefits	-	-	-	16,200	-
Purchased services	-	-	-	399,407	-
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	-
Total support	-	-	-	449,703	-
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	-
Insurance - judgment	-	-	-	-	-
Total non-instruction	-	-	-	-	-
Capital asset program:					
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	-
Total capital asset program	-	-	-	-	-
Total expenditures	799,142	911,687	24,114	700,594	-
Excess (deficiency) of revenues over (under) expenditures	(200,238)	-	-	(224,830)	132,381
Other financing sources (uses)					
Transfers in	200,238	-	-	228,138	-
Transfers out	-	-	-	-	(132,381)
Total other financing sources (uses)	200,238	-	-	228,138	(132,381)
Net change in fund balance	-	-	-	3,308	-
Fund balance-beginning of year	-	-	-	-	-
Fund balance-end of year	\$ -	\$ -	\$ -	\$ 3,308	\$ -

LAKELAND JOINT SCHOOL DISTRICT NO. 272
Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2026

	Perkins IV Professional Technical Act	IDEA Mini-Grants	Title II-A ESSA - Supporting Effective Instruction	Child Nutrition	Total Nonmajor Special Revenue Funds
REVENUES					
Local:					
Earnings on investments	-	-	-	-	41,580
Lunch sales	-	-	-	608,122	608,122
Other	-	-	-	-	2,236,218
Total local	-	-	-	608,122	2,885,920
State:					
Restricted	-	-	-	-	706,486
Other state revenue	-	-	-	-	80,160
Total state	-	-	-	-	786,646
Federal:					
School lunch reimbursement	-	-	-	853,707	853,707
Unrestricted	-	-	-	-	-
Restricted	61,299	10,531	195,732	93,999	2,643,296
Total federal	61,299	10,531	195,732	947,706	3,497,003
Total revenues	61,299	10,531	195,732	1,555,828	7,169,569
EXPENDITURES					
Instruction:					
Salaries	22,279	-	88,678	-	1,553,658
Benefits	7,194	-	27,999	-	557,107
Purchased services	617	-	-	-	17,299
Supplies-materials	2,911	10,531	-	-	233,278
Capital objects	-	-	-	-	78,136
Total instruction	33,001	10,531	116,677	-	2,439,478
Support:					
Salaries	21,376	-	-	-	189,737
Benefits	6,922	-	486	-	90,437
Purchased services	-	-	10,712	-	703,003
Supplies-materials	-	-	-	-	597,530
Capital objects	-	-	-	-	-
Total support	28,298	-	11,198	-	1,580,707
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	917,039	917,039
Supplies-materials	-	-	-	761,908	2,280,565
Capital objects	-	-	-	-	-
Insurance - judgment	-	-	-	12,307	12,307
Total non-instruction	-	-	-	1,691,254	3,209,911
Capital asset program:					
Supplies-materials	-	-	-	-	-
Capital objects	-	-	-	-	188,402
Total capital asset program	-	-	-	-	188,402
Total expenditures	61,299	10,531	127,875	1,691,254	7,418,498
Excess (deficiency) of revenues over (under) expenditures	-	-	67,857	(135,426)	(248,929)
Other financing sources (uses)					
Transfers in	-	-	-	-	428,376
Transfer out	-	-	(67,857)	-	(200,238)
Total other financing sources (uses)	-	-	(67,857)	-	228,138
Net change in fund balance	-	-	-	(135,426)	(20,791)
Fund balance-beginning of year	-	-	-	489,622	3,189,731
Fund balance-end of year	\$ -	\$ -	\$ -	\$ 354,196	\$ 3,168,940