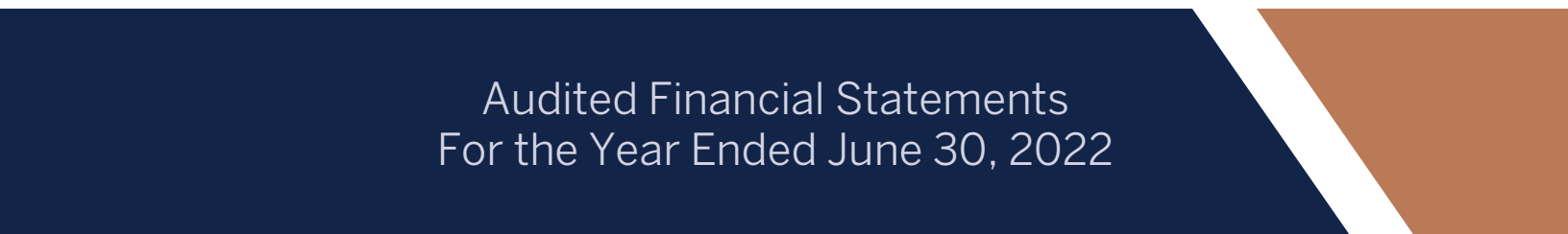




# INDEPENDENT SCHOOL DISTRICT NO. 1

Lewiston, Idaho



Audited Financial Statements  
For the Year Ended June 30, 2022

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Independent School District No.1  
Lewiston, Idaho 83501

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 1, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 1 as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to



the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the budgetary comparison schedules on pages 51 through 53, the net pension (asset) liability related schedules on page 54, the other post-employment benefits liability schedule on page 55, and the net OPEB asset – sick leave plan related schedules on page 56 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 Independent School District No. 1's basis financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2022 on our consideration of Independent School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that



report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Independent School District No. 1's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
September 19, 2022

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

Our discussion and analysis of the financial performance of Independent School District No. 1 provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please read this analysis in conjunction with the financial statements which immediately follow this section.

**Continuous Improvement Plan**

The Continuous Improvement Plan of the Lewiston School District is reviewed and approved annually by the Board of Directors. The plan lays the groundwork for a culture where decisions and actions that better serve our students and community are at its core.

Through the Continuous Improvement Plan, the District maintains and communicates a mission, vision and purpose committed to high expectations for learning as well as shared values and beliefs about teaching and learning. Components of the Continuous Improvement Plan are as follows:

- Purpose:** To educate and inspire learners for life.  
**Vision:** To achieve the highest individual potential  
**Mission:** *Strive...Achieve...Succeed...GO BEYOND!*

**Strategies**

1. Design and implement a research-based, aligned, written, taught and assessed curriculum that is rich and rigorous.
2. Continuously improve organizational structures to result in improved student learning.
3. Focus professional development on research-based practices that lead to high student performance.
4. Define criteria that describes high performance of students and staff. Recognize when standards are met or exceeded.
5. Invite, celebrate and honor adaptations that increase student achievement.
6. Utilize a data-driven continuous improvement model to focus ongoing work throughout the organization.
7. Integrate technology to maximize learning.

The 2021-2022 Continuous Improvement Plan may be viewed on the District website at: <http://www.lewistonschools.net/superintendent-and-board/>

**Enrollments**

Student enrollment over the past several years has been relatively stable ranging from 4,765 students in October of 2021 to 4,630 in October of 2020.

## Financial Highlights

- General Fund property tax revenue received in fiscal year 2022 increased by \$2,754,773 or 16.69% above fiscal year 2021.
- State base funding totaled \$28,406,391 in fiscal year 2021, which represents a 12.19% increase over the prior year.
- Total expenses in the general fund increased by \$3,689,981 or 8.45% in 2022.
- \$4,740,000 was levied for debt service on the 2017 construction bonds.
- The Board's five-year plan to construct outdoor athletic venues on the site of the new high school calls for selling real property and setting aside facilities funds each year was continued. Sales of property occurred in fiscal years 2020 and 2021. Fund transfers were carried out in fiscal years 2017 through 2022.

## Overview of the Financial Statements

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

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

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District's finances. They contain useful long-term information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In the statements, the District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho. Internal service activities, specifically those of the Medical Insurance Risk Fund and the Print Shop, are also incorporated into the government-wide statements.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

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

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

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

**Proprietary funds.** Also called internal service funds, these funds record transactions for print shop services and the medical insurance risk pool. Proprietary funds use the accrual basis of accounting and are consolidated with the governmental activities in the government-wide statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Required supplementary information.** The budgetary comparison schedules, the net pension (asset) liability related schedules, the other post-employment benefit schedules, and the net OPEB asset – sick leave plan related schedules provides additional information required by GASB.

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

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Assets</b>			
Current assets	58,024,641	43,526,930	14,497,711
Capital assets	71,335,761	71,690,934	(355,173)
Noncurrent assets	<u>3,581,693</u>	<u>2,504,559</u>	<u>1,077,134</u>
<b>Total Assets</b>	<b><u>132,942,095</u></b>	<b><u>117,722,423</u></b>	<b><u>15,219,672</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>13,486,326</u></b>	<b><u>8,817,992</u></b>	<b><u>4,668,334</u></b>
<b>Liabilities</b>			
Current liabilities	9,086,321	9,214,275	(127,954)
Long-term liabilities	<u>45,013,589</u>	<u>65,994,988</u>	<u>(20,981,399)</u>
<b>Total Liabilities</b>	<b><u>54,099,910</u></b>	<b><u>75,209,263</u></b>	<b><u>(21,109,353)</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>51,610,940</u></b>	<b><u>25,721,348</u></b>	<b><u>25,889,592</u></b>
<b>Net Position</b>			
Net investment in capital assets	26,415,761	24,930,934	1,484,827
Restricted	15,917,853	8,241,102	7,676,751
Unrestricted	<u>(1,616,043)</u>	<u>(7,562,232)</u>	<u>5,946,189</u>
<b>Total Net Position</b>	<b><u>\$40,717,571</u></b>	<b><u>\$25,609,804</u></b>	<b><u>\$15,107,767</u></b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position as of June 30, 2022 was \$40,717,571.

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

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

	<u>2021 - 2022</u>	<u>2020 - 2021</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for services	36,933	132,055	(95,122)
Operating grants and contributions	8,033,339	7,677,748	355,591
Capital grants and contributions	52,213	124,555	(72,342)
Property taxes	23,885,125	20,809,196	3,075,929
Federal and state revenues	31,399,138	28,416,752	2,982,386
Proceeds from sale of capital asset	33,122	1,363,010	(1,329,888)
Interest and investment earnings	51,104	64,305	(13,201)
Other	6,660,289	1,387,127	5,273,162
<b>Total Revenues</b>	<u>70,151,263</u>	<u>59,974,748</u>	<u>10,176,515</u>
<b>Expenses</b>			
Program Expenses:			
Preschool - 12 Instruction	30,571,501	33,383,564	(2,812,063)
Support services			
Pupil support	2,333,393	2,501,818	(168,425)
Staff support	1,419,058	1,410,289	8,769
General administration	1,295,268	2,274,235	(978,967)
School/business administration	3,821,578	4,301,051	(479,473)
Maintenance/custodial	4,962,620	5,689,286	(726,666)
Transportation	1,945,282	2,117,998	(172,716)
Child Nutrition	2,196,838	2,189,389	7,449
Student Activities	1,147,893	723,098	424,795
Capital Asset Program	1,153,186	1,850,409	(697,223)
Debt Services	2,264,930	2,239,216	25,714
Depreciation, unallocated	1,931,949	1,804,200	127,749
<b>Total Expenses</b>	<u>55,043,496</u>	<u>60,484,553</u>	<u>(5,568,806)</u>
<b>Change in Net Position</b>	15,107,767	(509,805)	15,617,572
<b>Net Position – Beginning</b>	<u>25,609,804</u>	<u>26,119,609</u>	<u>(509,805)</u>
<b>Net Position – Ending</b>	<u>\$40,717,571</u>	<u>\$25,609,804</u>	<u>\$15,107,767</u>

## District Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year the ending fund balance was \$5,967,104. The fund balance increased by \$1,818,026 during the current fiscal year.

## Proprietary Funds

The District has proprietary (or internal service) funds which account for the activities of the print shop and the medical risk fund. In fiscal year 2002, the Board established a medical risk fund to account for insurance premiums collected by the various funds of the District to recover the cost of claims paid. In previous years, the risk fund was used to manage the costs of a “mini-max” partial self-insurance plan. The mini-max plan was discontinued in fiscal year 2011. Fund transfers from the medical risk fund to the general fund have minimized the impact of the insurance rate increases during years of declining revenues during the economic recession. In 2022, administrators transferred \$50,000 from the medical risk fund to the general fund to be utilized for employee benefits in the future. Keeping the cost of health benefits low is a priority for the District and is integral to recruitment and retention of staff.

## Capital Asset and Debt Administration

**Capital Assets.** The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. At the end of fiscal year 2022, the District had \$71,335,761 in capital assets, net of accumulated depreciation.

### Governmental Activities Capital Assets Net of Accumulated Depreciation

	<u>2021 - 2022</u>	<u>2020 - 2021</u>	<u>Change</u>
Land and site improvements	10,441,922	10,092,718	349,204
Construction in progress	155,342	155,342	-
Buildings	58,497,109	59,002,847	(505,738)
Equipment	1,425,066	1,730,288	(305,222)
Vehicles and buses	816,322	709,739	106,583
Total Net Capital Assets	<u>\$ 71,335,761</u>	<u>\$ 71,690,934</u>	<u>\$ (355,173)</u>

At year end, the capital projects fund has a total fund balance of \$8,552,721.

**Long-term Debt.** The Debt Service Fund has a total fund balance of \$4,730,838, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance increased by \$870,331.

At year end the District had \$44,920,000 in general obligation bonds outstanding. The debt of the District is secured by an annual tax levy authorized in past years by the patrons.

## **Current Issues**

State apportionment funding received by the District increased 12.19% compared to the previous year. The Legislature increased the funding per support unit from \$22,810 to \$29,542, increased the salary-based apportionment, and increased the Career Ladder rung movement. The District measured approximately 240.36 support units in fiscal year 2022 and 229.68 in fiscal year 2021, which is an increase of 10.68 support units.

At the local level, the overall market value of property in the District rose by approximately 15.5% from December 2020 to December 2021, or approximately \$637 million. The Legislature increased the homeowner exemption from \$100,000 to \$125,000. The homeowner exemption values rose by approximately \$206 million. The market value of real and personal property rose approximately 14.1% from December 2020 to December 2021, or approximately \$444 million. Residential real estate values continued to strengthen and there was also an upward trend in commercial property values. Construction activity in the community slowed down resulting in a decrease in new construction.

Older school facilities continue to require a significant investment of resources to keep them safe and useable for today's students. Capital projects include: roof at McGhee Elementary school, resurface Vollmer track, roof at Tammany High school, one trash compactor, four computer servers, five copiers, one maintenance van, and HVAC roofing units.

The Capital Projects Fund (School Plant Facilities Reserve or SPFR) net position increased \$390,765 in fiscal year 2021-2022. Lottery revenue of \$311,886 increased the SPFR fund and \$216,349 for two school bus purchases decreased the SPFR fund. The District was able to fund the foregoing list of maintenance projects largely with general fund dollars, which preserves SPFR reserves for future needs.

On March 14, 2017, district patrons passed a \$58.9 million bond measure to fund the construction of new facilities for Lewiston High School, including a Career Technical Education Center. Site excavation began in February, 2018 and the school opened August 2020. Investments in Site Improvements of \$8.9 million and Construction of the Building of \$56.9 are reflected in Table above.

Fiscal year 2019 is the last year of a five-year supplemental levy which was passed by voters in May, 2013 with an 85% yes vote. This levy is a significant funding source for District programs. In March of 2018, the District authorized an election for renewal of the five-year supplemental levy at a slightly lower rate of .0042 (.42 of one percent) of taxable market value. The renewal was approved by 81% of voters. The District also has a permanent supplemental levy of .000884 of market value. Both levies support general fund operations.

**Requests for Information.** This financial report is designed to provide a general overview of the Independent School District No. 1's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Leann L. Hubbard, CFE, CPA, Director of Business Services, Independent School District No. 1, 3317 12<sup>th</sup> Street, Lewiston, ID 83501, or telephone number 208-748-3040.



## **FINANCIAL STATEMENTS**



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

<b>Assets</b>	
Current assets:	
Cash	1,345,209
Investments	16,652,334
Taxes receivable, net	9,707,834
Unbilled taxes receivable	28,931,061
Other receivables:	
Accounts receivable	68
Due from other governments	1,039,032
Other receivables	9,237
Prepaid expenses	57,037
Inventory	282,829
Total current assets	<u>58,024,641</u>
Noncurrent assets:	
Non-depreciated capital assets	9,978,746
Depreciated capital assets	82,239,258
Less: accumulated depreciation	(20,882,243)
Net pension asset	627,812
Net OPEB asset - sick leave	2,953,881
Total noncurrent assets	<u>74,917,454</u>
Total assets	<u>132,942,095</u>
<b>Deferred outflows of resources</b>	
Pension related items	12,000,500
Net OPEB - sick leave related items	854,506
OPEB related items	631,320
Total deferred outflows of resources	<u>13,486,326</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and other current liabilities	6,420,842
Accrued interest payable	735,479
Current portion of long-term debt	1,930,000
Total current liabilities	<u>9,086,321</u>
Noncurrent liabilities:	
Noncurrent portion of long-term debt	42,990,000
Other post-employment benefits liability	1,681,374
Accrued compensated absences	342,215
Total noncurrent liabilities	<u>45,013,589</u>
Total liabilities	<u>54,099,910</u>
<b>Deferred inflows of resources</b>	
Deferred grant revenue	283,407
Unavailable property tax revenue	28,931,061
Pension related items	20,440,721
Net OPEB - sick leave related items	1,349,233
OPEB related items	606,518
Total deferred inflows of resources	<u>51,610,940</u>
<b>Net position</b>	
Net investment in capital assets	26,415,761
Restricted for:	
Debt service	4,820,188
Capital projects	8,552,721
Other specific purposes	2,544,944
Unrestricted	(1,616,043)
Total net position	<u>\$ 40,717,571</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Functions/Programs</b>					
Governmental activities:					
Preschool- grade K-12 instruction	30,571,501	-	4,562,698	-	(26,008,803)
Support services:					
Pupil support	2,333,393	-	215,526	-	(2,117,867)
Staff support	1,419,058	-	-	-	(1,419,058)
General administration	1,295,268	-	-	-	(1,295,268)
School/business administration	3,821,578	-	-	-	(3,821,578)
Maintenance/custodial	4,962,620	-	-	-	(4,962,620)
Transportation	1,945,282	-	-	-	(1,945,282)
Child nutrition	2,196,838	36,933	3,255,115	-	1,095,210
Student activities	1,147,893	-	-	-	(1,147,893)
Capital asset program	1,153,186	-	-	52,213	(1,100,973)
Debt service	2,264,930	-	-	-	(2,264,930)
Depreciation- unallocated	1,931,949	-	-	-	(1,931,949)
<b>Total school district</b>	<b>\$ 55,043,496</b>	<b>\$ 36,933</b>	<b>\$ 8,033,339</b>	<b>\$ 52,213</b>	<b>(46,921,011)</b>
<b>General revenues</b>					
Taxes					
Property taxes levied for general purposes					19,174,785
Property taxes levied for debt service					4,710,340
Federal and State aid not restricted to specific purpose					31,399,138
Other local revenue					6,660,289
Earnings on investment					51,104
Gain (loss) on disposal of capital assets					33,122
<b>Total general revenues</b>					<b>62,028,778</b>
Change in net position					15,107,767
Net position - beginning					25,609,804
Net position - ending					<b>\$ 40,717,571</b>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Cash	398,668	-	41,999	749,985	1,190,652
Investments	5,385,017	2,916,975	8,257,620	-	16,559,612
Due from other funds	-	-	245,979	2,104,434	2,350,413
Taxes receivable, net	7,806,735	1,901,099	-	-	9,707,834
Unbilled taxes receivable	23,791,061	5,140,000	-	-	28,931,061
Due from other governments	334,811	-	-	704,221	1,039,032
Other receivables	-	2,114	7,123	-	9,237
Prepaid items	57,037	-	-	-	57,037
Inventory	177,919	-	-	93,617	271,536
Total assets	<u>37,951,248</u>	<u>9,960,188</u>	<u>8,552,721</u>	<u>3,652,257</u>	<u>60,116,414</u>
Deferred outflows of resources	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 37,951,248</u>	<u>\$ 9,960,188</u>	<u>\$ 8,552,721</u>	<u>\$ 3,652,257</u>	<u>\$ 60,116,414</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Due to other funds	2,122,700	-	-	227,713	2,350,413
Accounts payable	1,332,904	-	-	226,337	1,559,241
Accrued payroll and benefits	4,396,857	-	-	462,646	4,859,503
Total liabilities	<u>7,852,461</u>	<u>-</u>	<u>-</u>	<u>916,696</u>	<u>8,769,157</u>
Deferred inflows of resources:					
Deferred revenue	340,622	89,350	-	-	429,972
Deferred grant revenue	-	-	-	283,407	283,407
Unavailable property tax revenue	23,791,061	5,140,000	-	-	28,931,061
Total deferred inflows of resources	<u>24,131,683</u>	<u>5,229,350</u>	<u>-</u>	<u>283,407</u>	<u>29,644,440</u>
Fund balances:					
Nonspendable	234,956	-	-	93,617	328,573
Restricted for:					
Other specific purposes	-	-	-	2,358,537	2,358,537
Debt service	-	4,730,838	-	-	4,730,838
Capital projects	-	-	8,552,721	-	8,552,721
Unassigned	5,732,148	-	-	-	5,732,148
Total fund balances	<u>5,967,104</u>	<u>4,730,838</u>	<u>8,552,721</u>	<u>2,452,154</u>	<u>21,702,817</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 37,951,248</u>	<u>\$ 9,960,188</u>	<u>\$ 8,552,721</u>	<u>\$ 3,652,257</u>	<u>\$ 60,116,414</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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

Total fund balances- governmental funds	21,702,817
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 governmental funds.	
Cost of capital assets	92,121,996
Accumulated depreciation	(20,801,841)
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.	
	429,972
Total Net OPEB asset for PERSI sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds.	
	2,953,881
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	12,000,500
Deferred inflow of resources	(20,440,721)
Certain OPEB related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	631,320
Deferred inflow of resources	(606,518)
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	854,506
Deferred inflow of resources	(1,349,233)
Internal service funds are used by the District to charge the cost of the print shop and medical benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	
	272,148
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	
	(735,479)
Net pension asset is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in the governmental funds.	
	627,812
Long term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
General obligation bonds	(44,920,000)
Compensated absences, due after one year	(342,215)
Other post-employment benefits liability	(1,681,374)
Total net position - governmental activities	<u>\$ 40,717,571</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Local	19,398,919	4,743,733	5,199,865	1,285,358	30,627,875
State	30,194,125	141,801	311,886	400,429	31,048,241
Federal	-	-	52,213	8,384,236	8,436,449
Total revenue	<u>49,593,044</u>	<u>4,885,534</u>	<u>5,563,964</u>	<u>10,070,023</u>	<u>70,112,565</u>
<b>EXPENDITURES</b>					
Instruction	28,826,717	-	-	4,434,058	33,260,775
Support	18,519,709	-	-	1,012,712	19,532,421
Non-instruction	-	-	-	3,596,621	3,596,621
Debt service	-	4,015,203	-	-	4,015,203
Capital asset program	-	-	219,623	-	219,623
Total expenditures	<u>47,346,426</u>	<u>4,015,203</u>	<u>219,623</u>	<u>9,043,391</u>	<u>60,624,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,246,618</u>	<u>870,331</u>	<u>5,344,341</u>	<u>1,026,632</u>	<u>9,487,922</u>
Other financing sources (uses)					
Proceeds from sale of capital asset	33,122	-	-	-	33,122
Transfers in	183,823	-	635,000	160,537	979,360
Transfers out	(645,537)	-	(150,000)	(133,823)	(929,360)
Total other financing sources (uses)	<u>(428,592)</u>	<u>-</u>	<u>485,000</u>	<u>26,714</u>	<u>83,122</u>
Net change in fund balances	1,818,026	870,331	5,829,341	1,053,346	9,571,044
Fund balances - beginning of year	<u>4,149,078</u>	<u>3,860,507</u>	<u>2,723,380</u>	<u>1,398,808</u>	<u>12,131,773</u>
Fund balances - end of year	<u>\$ 5,967,104</u>	<u>\$ 4,730,838</u>	<u>\$ 8,552,721</u>	<u>\$ 2,452,154</u>	<u>\$ 21,702,817</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

Net change in fund balances- total governmental funds		9,571,044
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>		
Capital outlays	1,762,639	
Depreciation expense	<u>(2,108,442)</u>	(345,803)
<p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.</p>		
		(89,727)
<p>Net pension (asset) liability adjustments:</p>		
Fiscal year 2021 employer PERSI contributions recognized as pension expense in the current year	(3,642,245)	
Fiscal year 2022 employer PERSI contributions deferred to subsequent year	3,829,508	
Pension related amortization expense	<u>3,968,064</u>	4,155,327
<p>Net OPEB liability adjustment</p>		
Current year change in liability		(8,269)
<p>Net OPEB asset - sick leave adjustment:</p>		
Fiscal year 2021 employer PERSI Sick Leave contributions recognized as OPEB expense in the current year	-	
Fiscal year 2022 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization expense	<u>148,463</u>	148,463
<p>Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net income of the internal service fund is reported with governmental activities.</p>		
		(39,772)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount by which compensated absences incurred exceeded the amount paid during the year.</p>		
		(7,960)
<p>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.</p>		
		(115,536)
<p>Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position.</p>		
		<u>1,840,000</u>
Total change in net position - governmental activities		<u>\$ 15,107,767</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**INTERNAL SERVICE FUNDS  
STATEMENT OF NET POSITION  
June 30, 2022**

	<b>Medical Insurance Risk Fund</b>	<b>Print Shop</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash	-	154,557	154,557
Investments	92,722	-	92,722
Accounts receivable	68	-	68
Inventory	-	11,293	11,293
Total assets	<u>92,790</u>	<u>165,850</u>	<u>258,640</u>
Noncurrent assets			
Furniture and equipment	-	96,008	96,008
Less: accumulated depreciation	-	(80,402)	(80,402)
Total noncurrent assets	-	15,606	15,606
Deferred outflows of resources			
	-	-	-
Total assets and deferred outflows of resources	<u>\$ 92,790</u>	<u>\$ 181,456</u>	<u>\$ 274,246</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Liabilities:			
Accounts payable	-	2,098	2,098
Deferred inflows of resources			
	-	-	-
Total liabilities and deferred inflows of resources	-	2,098	2,098
<b>NET POSITION</b>			
Net investment in capital assets	-	15,606	15,606
Restricted			
Benefit payments	92,790	-	92,790
Unrestricted	-	163,752	163,752
Total net position	<u>\$ 92,790</u>	<u>\$ 179,358</u>	<u>\$ 272,148</u>



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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**INTERNAL SERVICE FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2022**

	<b>Medical Insurance Risk Fund</b>	<b>Print Shop</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Local:			
Other local	-	120,851	120,851
Total revenue	-	120,851	120,851
<b>OPERATING EXPENSES</b>			
Support:			
Salaries	-	37,357	37,357
Benefits	-	14,349	14,349
Purchased services	-	18,854	18,854
Supplies-materials	-	29,842	29,842
Capital objects	-	10,482	10,482
Total operating expenses	-	110,884	110,884
Operating income (loss)	-	9,967	9,967
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	261	-	261
Income before transfers	261	9,967	10,228
Transfer out	(50,000)	-	(50,000)
Change in net position	(49,739)	9,967	(39,772)
Net position-beginning of year	142,529	169,391	311,920
Net position-end of year	\$ 92,790	\$ 179,358	\$ 272,148

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2022**

	<b>Medical Insurance Risk Fund</b>	<b>Print Shop</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Cash Flows From Operating Activities</b>			
Cash received from services or programs	(50)	120,851	120,801
Cash payments to suppliers for goods and services	-	(52,333)	(52,333)
Cash payments for employees for services	-	(51,706)	(51,706)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) operating activities	(50)	16,812	16,762
<b>Cash Flows From Noncapital Financing Activities</b>			
Cash received from (used in) other funds	(50,000)	-	(50,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) noncapital financing activities	(50,000)	-	(50,000)
<b>Cash Flows From Investing Activities</b>			
Earnings on investments	261	-	261
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) investing activities	261	-	261
<b>Net change in cash and cash equivalents</b>	(49,789)	16,812	(32,977)
<b>Cash and cash equivalents-beginning of year</b>	142,511	137,745	280,256
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents-end of year</b>	\$ 92,722	\$ 154,557	\$ 247,279
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Reconciliation of changes in net assets to net cash provided by (used in) operating activities:			
Operating income (loss)	-	9,967	9,967
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	9,370	9,370
(Increase) decrease in operating assets			
Accounts receivable	(50)	-	(50)
Inventory	-	(3,375)	(3,375)
Increase (decrease) in operating liabilities			
Accounts payable	-	850	850
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash provided by (used in) operating activities	\$ (50)	\$ 16,812	\$ 16,762
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**PRIVATE PURPOSE TRUST FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
June 30, 2022

	<u>Academic Endowment Fund</u>	<u>Activities Endowment Fund</u>	<u>Restricted Endowment Fund</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Current assets:				
Cash and cash equivalents	184,309	78,208	46,233	308,750
Total assets	184,309	78,208	46,233	308,750
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 184,309</u>	<u>\$ 78,208</u>	<u>\$ 46,233</u>	<u>\$ 308,750</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
Liabilities:				
Accounts payable	3,120	1,324	783	5,227
Total liabilities	3,120	1,324	783	5,227
Deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>3,120</u>	<u>1,324</u>	<u>783</u>	<u>5,227</u>
Net position:				
Restricted for endowments	181,189	76,884	45,450	303,523
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 184,309</u>	<u>\$ 78,208</u>	<u>\$ 46,233</u>	<u>\$ 308,750</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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**PRIVATE PURPOSE TRUST FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended June 30, 2022**

	<b>Academic Endowment Fund</b>	<b>Activities Endowment Fund</b>	<b>Restricted Endowment Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Investment income	<u>3,120</u>	<u>1,324</u>	<u>783</u>	<u>5,227</u>
<b>DEDUCTIONS</b>				
Transfer to expendable fund	<u>3,120</u>	<u>1,324</u>	<u>783</u>	<u>5,227</u>
Excess of additions over deductions	-	-	-	-
Net position - beginning of year	<u>181,189</u>	<u>76,884</u>	<u>45,450</u>	<u>303,523</u>
Net position - end of year	<u>\$ 181,189</u>	<u>\$ 76,884</u>	<u>\$ 45,450</u>	<u>\$ 303,523</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

**NOTE 1      Summary of Significant Accounting Policies**

Independent School District No. 1 is organized under a charter granted by the Eleventh Territorial Legislature and adopted in 1880. The charter was last amended in 1971.

The financial statements of Independent School District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

**Reporting Entity** - Independent School District No. 1 is the basic level of government which has financial accountability and control over all activities related to public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of those entities. The District is not included in any other governmental “reporting entity” as defined by GASB pronouncements. Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and have primary financial accountability for fiscal matters.

**Basis of Presentation**

Government-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations of all activity in the internal service funds have been made to minimize the double counting of internal activities. Only governmental-type activities are shown, since there are no “business-type activities” within the school district. Fiduciary fund types are omitted from the government-wide statements.

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) fees paid by the recipients for 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, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and internal service funds, each displayed in a separate column. All remaining governmental and internal service 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 which are accounted for in another fund.
- Debt Service Fund. These restricted funds are used to make the principal and interest payments for outstanding general obligation bonds.
- Capital Projects Fund. This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property. The three components in this fund are:
  1. Plant Facilities (SPFR)
  2. Capital Construction (LHS)
  3. Athletic Venues

The District reports the following fund types:

- Proprietary funds (internal service funds). The District has two internal service funds which are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. A Print Shop fund accounts for printing and binding services provided to all departments of the District. A Medical Insurance Risk fund was originally established to account for the activities related to partial self-insurance of medical benefits. The District has elected to minimize risk by offering employees a more traditional form of health insurance benefits, and the residual balances in the medical risk fund are used to subsidize premiums and pay plan expenses.

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

- Private-purpose trust funds. These funds report the trust arrangement under which contributions to endowments are maintained to support programs identified specifically by the donors.

**Measurement Focus and Basis of Accounting** – The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**Government-Wide and Fiduciary Fund Statements** – The government-wide and fiduciary fund financial statements are presented using economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements** – 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, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available when program expenses have been incurred and if collection is expected in the upcoming fiscal year. Property taxes, state foundation payments and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred except for 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 debt are reported as other financing sources, if applicable.

Proprietary Funds utilize the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**Restricted Resources** - Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position available to finance the program. It is the District's policy to first apply restricted cost reimbursement grant resources and then unrestricted general revenues.

**Budgetary Data** - Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for general, special revenue, and capital projects funds, within which expenditures may not exceed budget at the fund level.

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 official action of the Board at the regular June meeting of the Board of Trustees. The 2021-2022 budget was adopted at its regular board meeting held June 2021.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. In June 2022, the District revised its annual budget to reflect more accurate revenue and expenditure projections. These amendments reflected updated market value information which was not available when the initial budget was set.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded, reserving that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of net position in the funds, but do not constitute expenditures or liabilities.

**Cash and Investments** - The District's cash and investments consist of saving accounts and money market accounts held in local depositories, as well as deposits in the Idaho State Treasurer's local government investment pool. All investments are invested in FDIC and SLIC insured accounts or are securities held by the pool or its agent in the pool name. Deposits in the State pools are not insured or otherwise guaranteed by the State. Those investments held in local depositories which exceed the FDIC insured limits of \$250,000 are in authorized public funds accounts. Interest income is defined as non-operating revenue.



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

Deposits in State Treasurer’s local government investment pool (LGIP) are stated at cost, which approximates market. The State Treasurer combines deposits from all governmental entities in the state participating in the pool, and purchases the following types of investments:

- a.      Local Certificates of Deposit
- b.      Repurchase Agreements
- c.      U.S. Government Securities

The entities participating in the pool own a percentage of each investment held. The percentage is calculated by dividing the individual entity’s deposits by the total deposits held in the pool. The purpose of this is to:

- a.      Increase the overall rate of return.
- b.      Reduce the risk of default.
- c.      Place each entity under the FCIC and SLIC limits of \$250,000.

The State Treasurer must operate and invest the funds in the investment pool for the benefit of participants, in accordance with Idaho Code Sections 67-1201 through 67-1222. The pool is not registered with the Securities and Exchange Commission or any other regulatory body. A copy of the external investment pool’s financial statements is available from: Office of State Controller, Bureau of Reporting and Review, PO Box 83720, Boise, Idaho 83720-0011, 208-334-3150 or at [www.sco.idaho.gov/](http://www.sco.idaho.gov/)

Investments in time certificates of deposit and savings accounts are authorized by Board policy as permitted by Idaho Code 67-1210.

**Short-Term Interfund Loans Receivables/Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as “due from other funds” or “due to other funds” on the governmental funds balance sheet. To the extent possible, these balances have been eliminated on the Statement of Net Position.

**Inventory** - Supplies are valued at the weighted average cost method of accounting. Expendable supplies are accounted for by the consumption method, which records the expenditure at the time the items are used. Ending governmental funds inventory was valued at \$282,829 and is equal to the supplies on hand at the end of the year. The value is reported in the nonspendable category of fund balance.

**Property Taxes** - The District’s property tax is levied in September and is payable to Nez Perce County, Idaho, on December 20 and June 20 following the levy date. Taxes are remitted to the District by the County in the January and July. Taxes are delinquent the day following the due dates.

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

Property taxes levied for the year ended June 30 are recorded as revenue of the period. Delinquent property taxes are reflected as “taxes receivable.” An allowance of \$15,000 has been provided as of June 30, 2022. Current tax collections for the year were 97.56% of the tax levy as of June 30, 2022.

**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 20-50 years. Estimated useful lives for site improvements range from 9-25 years. Lives for equipment range from 5-10 years. Infrastructure consisting of the fiber optic network has a 20-year life.

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

**Fund Balance** - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in other classifications. The Board of Trustees adopted policy during fiscal year 2017, establishing a minimum unassigned General fund balance in the range of eight percent (8%) to twelve percent (12%) of the subsequent year’s budgeted expenditures and outgoing transfers.

**Cash Equivalents on the Statement of Cash Flows** - The District considers all cash and investments with a maturity of less than 30 days to be cash or cash equivalents on the statement of cash flows.

**Economic Dependence** - The District’s largest single source of tax revenue is generated from Clearwater Paper Corporation which comprises 14.4% of the District’s net market value in 2022 (14.3% in 2021). The net market value is the District’s total assessed market value less any exemptions.

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

**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 (PERSI) 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.

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 (PERSI) 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 Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

## NOTE 2 Property Tax

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year) and the revenue is recognized in the period for which the taxes are levied. For FY2022, the District has recognized the 2021 levy as revenue and the tax year 2022 levy as an asset.

### Tax Year 2021 Levy (FY2022 Revenue)

The market value upon which the 2021 levy was based was \$3,676,154,423. The property tax was levied in October 2021 and was due in two equal installments on December 20th and June 20th.

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

	<u>Percentage</u>	<u>Amount</u>
Supplemental	50.47459	\$19,005,073
Bond	<u>12.66314</u>	<u>\$4,783,130</u>
Total	<u>63.13773</u>	<u>\$23,788,203</u>

## NOTE 2 Property Tax (Continued)

### Tax Year 2022 Levy (FY2022 Asset)

The property tax levy for 2022 has been recorded as an asset in the general fund in the amount of \$23,791,061 and in the debt service fund in the amount of \$5,140,000. This levy is for the FY2023 operations and has been presented as deferred revenue.

### Deferred Revenue

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

	<u>General Fund</u>	<u>Debt Service</u>
Total taxes receivable as of June 30, 2022	7,806,735	1,901,099
Less: Taxes collected by August 31, 2022	<u>(7,466,113)</u>	<u>(1,811,749)</u>
Total deferred tax revenue	<u>\$ 340,622</u>	<u>\$ 89,350</u>

## NOTE 3 Accounts Receivable

Details of accounts receivable in the funds statements for all governmental funds at June 30, 2022, are as follows:

State Apportionment Funds	214,709
Grant Reimbursements	664,952
Interest Receivable	58,717
Medicaid Match Receivable	11,968
Other	<u>88,686</u>
Total	<u>\$1,039,032</u>

## NOTE 4 Cash and Investments

### Cash

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned. The District currently does not have a formal policy regarding custodial risk for deposits. At June 30, 2022, the carrying amount of the District's deposits (including student activity funds) was \$1,345,209. The bank statements show a total of \$1,454,667 in local depository accounts insured by the FDIC or NCUA up to the limit of \$250,000 per institution. Umpqua bank has total deposits of \$446,075 of which \$196,075 was uninsured. Wells Fargo bank has total deposits in the checking account of \$571,240 of which \$321,240 was uninsured.

### Investments

The District's investment policy was adopted by the Board of Trustees and provides the Director of Business Services with the authority to invest in any of the securities identified as eligible investments as defined by State statute with primary emphasis on safety of principal and liquidity. The total carrying amount of investments at year end is \$16,652,334.

## NOTE 4 Cash and Investments (Continued)

Investments are classified into the following three categories of credit risk:

1. Insured or registered, or securities held by the District or its agent in the District's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name.
3. Uninsured and unregistered, with securities held by the counterparty or by the counterparty's trust department or agent, but not in the District's name.

The District's investment statement balances at June 30, 2022, all held in the Local Governmental Investment Pool (LGIP) are as follows:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
General	1	5,385,017
Debt Service	1	2,916,975
Capital Construction (LHS)	1	157,297
Plant Facilities (SPFR)	1	1,303,744
Athletic Venues	1	6,796,579
Medical Trust	1	<u>92,722</u>
Total		<u><u>\$ 16,652,334</u></u>

The District participates in the Idaho State Treasurer's Local Governmental Investment Pool (LGIP), which is under the administrative control of the Idaho State Treasurer's Office. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

All LGIP investments meet the requirements of Idaho Code § 67-1210 et seq. as allowable investments for government agencies. As of June 30, 2022, the LGIP investment portfolio consisted of 34.0% U.S. Government Agency Notes, 27.6% U.S. Treasuries, 20.6% in Commercial Paper, and the remainder in Corporate Bonds, Asset Backed and Money Market. As of June 30, 2022, the weighted average maturity of the LGIP portfolio was 108 days, and the yield to maturity was 1.103%.

The following schedule represents the District's portion of investments in the external investment pool and a distribution of the pool's maturities at June 30, 2022:

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$ 16,652,334</u>	<u>\$ 16,652,334</u>	<u>\$ 16,652,334</u>	<u>\$ -</u>

The investments are collateralized by securities held by Wells Fargo Bank in the form of bonds, treasury bills, interest-bearing notes or other obligations of the United States (or those for which the faith and credit of the United States are pledged for the payment of principal and interest) and/or general obligations or revenue bonds of the State of Idaho (or those for which the faith and credit of the State of Idaho are pledged for payment of principal and interest) in an amount not less than 101% of the value of the investment.

## NOTE 5 Non-Current Liabilities

### General Obligation Bonds

On March 14, 2017, voters authorized the District to issue General Obligation Bonds in the amount of \$59,800,000 to fund the construction of a new high school and career technical education center. The bonds were sold on May 31 and June 1, 2017 and the sale closed on June 20, 2017. The following is a summary of bond transactions for the year ended June 30, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Series 2017A	6,760,000	-	1,840,000	4,920,000	1,930,000	2,990,000
Series 2017B	40,000,000	-	-	40,000,000	-	40,000,000
Total	<u>\$ 46,760,000</u>	<u>\$ -</u>	<u>\$ 1,840,000</u>	<u>\$ 44,920,000</u>	<u>\$ 1,930,000</u>	<u>\$ 42,990,000</u>

Bonds payable at June 30, 2022 consisted of the following issue(s):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Deb Service</u>
2023	1,930,000	2,084,100	4,014,100
2024	2,020,000	1,987,450	4,007,450
2025	2,120,000	1,883,950	4,003,950
2026	2,230,000	1,775,200	4,005,200
2027	2,340,000	1,660,950	4,000,950
2028	2,455,000	1,543,475	3,998,475
2029	2,575,000	1,420,125	3,995,125
2030	2,700,000	1,288,250	3,988,250
2031	2,840,000	1,149,750	3,989,750
2032	2,980,000	1,019,150	3,999,150
2033	3,095,000	913,125	4,008,125
2034	3,190,000	786,950	3,976,950
2035	3,350,000	623,450	3,973,450
2036	3,520,000	451,700	3,971,700
2037	3,695,000	271,325	3,966,325
2038	3,880,000	89,475	3,969,475
	<u>\$ 44,920,000</u>	<u>\$ 18,948,425</u>	<u>\$ 63,868,425</u>

**NOTE 5      Non-Current Liabilities (Continued)**

The District’s legal debt limit is calculated at 5% of the full market value of property located within the District, as follows:

Full Market Value (as of September 2021)	4,759,512,457
	<u>X 5%</u>
General Obligation Debt capacity	237,975,623
Less: Outstanding debt subject to limit	<u>(44,920,000)</u>
Legal debt margin at June 30, 2022	<u>\$ 193,055,623</u>

At June 30, 2022, the District had \$4,730,838 in the debt service fund to service the General Obligation Bond debt.

**Compensated Absences**

At June 30, 2022, the District is obligated to employees who work on a twelve-month basis, for vacation time earned but not yet used in the amount of \$342,215 which will be paid from general governmental fund types when used. Compensated absences are generally liquidated by the General Fund. The current portion is estimated to be paid out of expendable available financial resources and is included as payroll and taxes payable in the Funds Statements.

Employees are allowed to carry forward from year to year, a maximum number of days equal to one-half their annual number of days earned. Excess days not taken by one’s anniversary date each year are lost. Generally speaking, unused vacation days are not paid in cash unless the employee terminates employment with the District.

During the year ended June 30, 2022, the following changes occurred to noncurrent liabilities:

<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<u>\$ 334,255</u>	<u>\$ 283,611</u>	<u>\$ 275,651</u>	<u>\$ 342,215</u>

**Other Post-Employment Benefits-Sick Leave**

The District’s contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

## **NOTE 5      Non-Current Liabilities (Continued)**

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

### *OPEB Benefits*

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

### *Employer Contributions*

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended to June 30, 2026, therefore the District's contributions required and paid were \$0 for the year ended June 30, 2022.

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

At June 30, 2022, the District's reported and asset of \$2,953,881 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2021, the District's proportion was 2.0340673 percent.

For the year ended June 30, 2022, the District's recognized OPEB expense (revenue) of \$(161,015). At June 30, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



**NOTE 5      Non-Current Liabilities (Continued)**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	421,472	-
Changes in assumptions or other inputs	346,940	559,593
Change in proportionate share	86,094	-
Net difference between projected and actual earning on pension plan investments	<u>-</u>	<u>789,640</u>
Total	<u><b>\$854,506</b></u>	<u><b>\$1,349,233</b></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:

<b><u>Year ended June 30</u></b>	<b><u>Amount to be Recognized</u></b>
2023	(174,294)
2024	(149,239)
2025	(139,879)
2026	(197,886)
2027	5,597
Thereafter	74,882

*Actuarial Assumptions*

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

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

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

The long-term expected rate of return on OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense 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 5 Non-Current Liabilities (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 from Callen 2021

Asset Class	Target Allocation	Long - Term Expected	Long - Term Expected
		Nominal Rate of (Arithmetic)	Real Rate of Return (Arithmetic)
Fixed Income	50.00%	2.80%	-0.20%
US/Global Equity	39.30%	8.00%	6.00%
International Equity	10.70%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	40.00%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

### Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

### Economic/Demographic Assumptions from Milliman 2021

#### Valuation Assumptions Chosen by PERSI Board

Long-Term Expected Real Rate of Return, Net of Investment Expenses	3.15%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	5.45%

#### Discount Rate

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

## NOTE 5 Non-Current Liabilities (Continued)

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

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

	<b>1% Decrease <u>(4.45%)</u></b>	<b>Current Discount Rate <u>(5.45%)</u></b>	<b>1% Increase <u>(6.45%)</u></b>
Employer's proportionate share of the net OPEB liability (asset)	\$ (2,563,284)	\$ (2,953,881)	\$ (3,318,724)

### *OPEB Plan Fiduciary Net Position*

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

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

### **Other Post-Employment Benefits**

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 Independent School District No. 1 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 Independent School District No. 1 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).

## **NOTE 5      Non-Current Liabilities (Continued)**

### *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 twelve (12) months of membership coverage.

### *Medicare Retirees*

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

### *Funding*

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

### *OPEB Benefits*

The health care benefits are contracted by the District through group medical, dental and vision plans. The medical, dental and vision 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, formulary brand, and non-formulary).

### *Census Data*

As of June 30, 2021, the valuation date, the District had 566 active (future retirees) participants and 77 inactive (current retirees) participants.

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

At June 30, 2022, the Employer reported a liability of \$1,681,374 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

For the year ended June 30, 2022, the Employer recognized OPEB expense (revenue) of \$186,290. At June 30, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NOTE 5 Non-Current Liabilities (Continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	406,391	266,520
Changes in assumptions or other inputs	<u>224,929</u>	<u>339,998</u>
Total	<u>\$631,320</u>	<u>\$606,518</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:

<b>Year ended June 30:</b>	
2023	4,726
2024	4,726
2025	4,726
2026	4,726
2027	4,726
Thereafter	\$(40,339)

**Actuarial Assumptions**

**Valuation Date** June 30, 2021

**Measurement Date** June 30, 2022

**Interest/Discount Rate** 4.02%

**Projected Payroll Increases** 3.75%

**Health Care Cost Trend Rate** Medical: between 3.8% and 7.0%  
Dental: between 2.0% and 3.5%  
Prescription Drugs: between 3.8% and 7.0%  
Vision: between 1.7% 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, 35.6% for vision coverage and 37.2% for dental coverage. 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 or dental coverage and married are assumed to elect spousal coverage. Males are assumed to be three years older than females. Actual spouse information is used for current retirees.

## NOTE 5 Non-Current Liabilities (Continued)

### *Mortality*

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

### *Interest/Discount Rate*

Interest/Discount rates are based on an average of June 30, 2021 20-year municipal bond indices per GASB 75 requirements.

### *Sensitivity Disclosures*

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

	<b>1% Decrease <u>(3.02%)</u></b>	<b>Current Discount Rate <u>(4.02%)</u></b>	<b>1% Increase <u>(5.02%)</u></b>
Net OPEB Liability	1,760,763	1,681,374	1,602,824

The following presents the net OPEB liability of the Plan as of June 30, 2021, 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:

	<b><u>1% Decrease</u></b>	<b><u>Current Rate</u></b>	<b><u>1% Increase</u></b>
Net OPEB Liability	1,533,871	1,681,374	1,851,217

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

<b><i>Total OPEB Liability – Beginning of Year</i></b>	1,907,312
Service Cost	137,141
Interest	44,400
Plan Design Changes	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(229,458)
Benefit Payments (Estimated)	<u>(178,021)</u>
<b><i>Total OPEB Liability – End of Year</i></b>	<b><u>\$1,681,374</u></b>

## NOTE 6 Capital Assets

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not depreciated					
Land	9,823,404	-	-	-	9,823,404
Construction in progress	155,342	-	-	-	155,342
Total capital assets, not depreciated	<u>9,978,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,978,746</u>
Capital assets, depreciated:					
Site (Land) Improvements	1,758,469	396,674	-	-	2,155,143
Building	70,272,058	907,396	(11,205)	-	71,168,249
Infrastructure	490,462	-	-	-	490,462
Equipment	4,183,049	175,493	(62,934)	-	4,295,608
School Buses	3,077,559	216,349	(260,764)	-	3,033,144
Vehicles	960,648	66,727	(26,731)	-	1,000,644
Printshop Equipment	121,465	-	(25,457)	-	96,008
Total capital assets, depreciated	<u>80,863,710</u>	<u>1,762,639</u>	<u>(387,091)</u>	<u>-</u>	<u>82,239,258</u>
Less: accumulated depreciation					
Site (Land) Improvements	(1,489,155)	(47,470)	-	-	(1,536,625)
Building	(11,293,939)	(1,411,302)	11,205	-	(12,694,036)
Infrastructure	(465,734)	(1,832)	-	-	(467,566)
Equipment	(2,477,737)	(471,345)	62,934	-	(2,886,148)
School Buses	(2,522,226)	(129,385)	260,764	-	(2,390,847)
Vehicles	(806,242)	(47,108)	26,731	-	(826,619)
Printshop Equipment	(96,489)	(9,370)	25,457	-	(80,402)
Total accumulated depreciation	<u>(19,151,522)</u>	<u>(2,117,812)</u>	<u>387,091</u>	<u>-</u>	<u>(20,882,243)</u>
Net capital assets, depreciated	<u>61,712,188</u>	<u>(355,173)</u>	<u>-</u>	<u>-</u>	<u>61,357,015</u>
Total capital assets, net	<u>\$ 71,690,934</u>	<u>\$ (355,173)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,335,761</u>

Depreciation expense of \$2,117,812 in governmental functions was charges as follows:

Transportation services	\$176,493
Unallocated	\$1,931,949
Print Shop	\$9,370

## NOTE 7 Defined Benefit Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2021. All amounts are as of June 30, 2021 unless otherwise noted.

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

### *Plan Description*

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

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

### *Pension Benefits*

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

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

### *Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022 it was 7.16% for general



## NOTE 7 Defined Benefit Pension Plan (Continued)

employees and 9.13% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% of covered compensation for general employees and 12.28% for police and firefighters. The District's employer contributions required and paid were \$3,829,508, for the year ended June 30, 2022.

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

At June 30, 2022, the District reported an asset for its proportionate share of the net pension (asset) liability. The net pension (asset) liability was measured as of June 30, 2021, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension (asset) liability was based on the District's share of contributions in the Base Plan relative to the total contributions of all participating PERSI employers. At June 30, 2021, the District's proportional share of the total was 0.79492013%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2022 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2021 was calculated at \$(324,483).

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	924,994	364,927
Changes in assumptions or other inputs	7,206,467	-
Net difference between projected and actual earning on pension plan investments	-	19,719,077
Change in proportionate share	39,531	356,717
Employer contributions subsequent to the measurement date	<u>3,829,508</u>	<u>-</u>
Total	<u>\$12,000,500</u>	<u>\$20,440,721</u>

\$3,829,508 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, 2022.

## NOTE 7 Defined Benefit Pension Plan (Continued)

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

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2023	(2,811,639)
2024	(2,533,861)
2025	(2,214,305)
2026	(4,392,739)

### *Actuarial Assumptions*

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

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return-net of investment fees	6.35%
Cost of living (COLA) adjustments	1.00%

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

### **Contributing Members, Service Retirement Members, and Beneficiaries**

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%.
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%.
Teachers - Males	Pub-2010 Teacher Tables, increased 12%.
Teachers - Females	Pub-2010 Teacher Tables, increased 21%.
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%.
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%.
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%.

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

## NOTE 7 Defined Benefit Pension Plan (Continued)

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

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

### *Discount Rate*

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

## NOTE 7 Defined Benefit Pension Plan (Continued)

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

The following presents the net pension (asset) liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
District's proportionate share of the net pension (asset) liability	21,824,065	(627,812)	(19,032,066)

### *Pension plan fiduciary net position*

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

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

## NOTE 8 Other Required Individual Fund Disclosures

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

### **Restricted Assets**

In accordance with Idaho Code, payments distributed to School Districts by the State of Idaho as reimbursement for bus depreciation are deposited into the School Plant Facility Reserve (SPFR) Fund to be used exclusively for the purchase of school buses. Other deposits into the SPFR Fund are restricted by Idaho Code 33-1019(3) to be used exclusively for the maintenance and repair of school buildings. Further, the statute requires unexpended funds to be carried over from year to year and to remain allocated for the purposes specified. At June 30, 2022, restricted SPFR fund balance totaled \$1,347,762. Restricted for athletic venues totaled \$6,918,768. Restricted for high school construction totaled \$286,191. Restricted for debt service in **Debt Service Fund** the amount of \$4,730,838. Restricted in **Other Governmental Funds** represent funds restricted by funding agencies for specific uses in the amount of \$2,358,537. Non-spendable fund balance in the **Other Governmental Funds** represent supplies in inventory and other prepaid expenses in the amount of \$93,617. Non-spendable fund balance in the **General Fund** represent supplies in inventory and other prepaid expenses in the amount of \$234,956.

## NOTE 8 Other Required Individual Fund Disclosures (Continued)

### *Interfund Receivables and Payables*

Loans between funds represent temporary cash advances from various funds to finance operating cash deficits of other funds. Individual fund interfund receivable and payable balances at June 30, 2022 were:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	2,122,700
Debt Service	-	-
Capital Construction (LHS)	128,779	-
Athletic Venues	117,200	-
Title I-A ESSA - Improving Basic Programs	-	77,489
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	139
ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	-	-
IDEA Part B (611 School Age 3-21)	-	88,533
IDEA Part B (619 Pre-School Age 3-5)	-	2,917
Perkins IV - Professional Technical Act	-	46,479
Title VII-A Indian Education	-	4,392
Johnson O'Malley	36,237	-
Title II-A, ESEA Supporting Effective Instruction	-	7,764
Child Nutrition	1,734,069	-
Other Local Grants	131,535	-
Literacy Fund	60,936	-
Expendable Trust Funds	6,113	-
State Mini Grants	14,561	-
Local Technology Fund	120,332	-
Medicaid Fund	28,753	-
Title IV-A, ESSA - Student Support and Academic Enrichment	-	30,588
Other Federal Projects	2,486	-
	<u>\$ 2,381,001</u>	<u>\$ 2,381,001</u>

### *Interfund Transfers*

Transfers to support the operations of other funds are recorded as "Operating Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects (SPFR) Fund of the school bus depreciation reimbursement, and a transfer into the Child Nutrition Fund from the General Fund pursuant to Idaho Code 33-1015 for the payment of federal social security payroll taxes. Uncollectible school lunch accounts are unallowable costs in the Child Nutrition Program and \$2,390 was transferred from the General Fund to compensate for uncollectible accounts. Planned transfers were made from the Capital Projects (SPFR) Fund to the fund designated for the construction of Athletic Venues as outlined in the Board's five-year plan. Infrastructure costs in connection with off-site improvements required in connection with the new high school are not included in bond financing and a transfer from the General Fund to the Capital Projects (SPFR) Fund was made for that purpose.

## NOTE 8 Other Required Individual Fund Disclosures (Continued)

The schedule of interfund transfers is as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Medicaid	100,000	Medicaid Match
General Fund	Child Nutrition	2,390	Uncollectible meal accounts
General Fund	Child Nutrition	58,147	Employee FICA taxes
General Fund	Athletic Venues	275,000	Five-year plan
General Fund	Capital Projects Fund (SPFR)	210,000	Bus and bus depreciation
FEMA	General Fund	133,823	FEMA Grant expenses
Medical Risk Fund	General Fund	50,000	Employee Health Insurance
Capital Projects Fund (SPFR)	Athletic Venues	150,000	Five-year plan

### ***Expenditures Over Budget***

The excess of actual expenditures over budget occurred in the following funds:

<u>Program</u>	<u>Amount Over Budget</u>
ESSER I (CARES)	108
ESSER II (CRRSA)	229,292
Title VII-A Indian Education	3,371
Literacy	5,397
Expendable Trust Funds	17,242
Student Activities	201,893
Other Federal Projects	100,943
Child Nutrition	136,155

### ***Termination Benefits***

The District sponsors an Early Retirement Incentive Program. Under this program, long-term certificated employees who elect for the program agree to retire prior to reaching age 65 in exchange for a lump sum payment made following retirement. At June 30, 2022, the District was obligated to make payments totaling \$310,965 on behalf of retiring employees. One payment will be made in September 2022.

## NOTE 9 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 10 Loss Contingency

The District has evaluated its exposure to potential losses that could arise as a result of pending legal matters as of the date of the audit report.

## **NOTE 10    Loss Contingency (Continued)**

A suit was filed in U.S. District Court in May, 2018 by Mike Zeyen, Rachel Booth and Kim W. Wood, as patrons of Pocatello/Chubbuck School District #25 vs. Boise District #1 et al, seeking declaratory and monetary relief arising under 42. U.S.C. § 1983, under the Fifth and Fourteenth Amendments to the U.S. Constitution. At issue are fees the plaintiff alleges were charged by public schools attended by his children in violation of Idaho's constitutional mandate to provide free public schools. The plaintiff seeks to have this suit declared a class action and to hold every public school and public charter school in the state accountable. The District is represented by legal counsel retained by its liability insurance carrier, the Idaho Counties Risk Management Program (ICRMP). While ICRMP has provided legal representation, in a letter dated June 5, 2018, it explained that if a monetary judgement is returned against the District, no coverage for that judgment exists. It is the opinion of the District that any potential losses with regard to this suit would not be material.

## **NOTE 11    Contingent Liabilities**

### **Grant Programs**

The District participates in a number of state and federally assisted grant programs, mainly Title I, IDEA Part B grants, COVID-19 related programs, and the National Child Nutrition Program. These programs were subjected to financial and compliance audits as outlined in 2 C.F.R. § 200 et seq. during the course of the annual audit of the District's records, and are subject to additional audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time; although the District expects such amount, if any, to be immaterial.

## **NOTE 12    Tax Abatement**

Nez Perce County enters into property tax abatements with local businesses under Idaho Code § 63-602NN. Under the Code, the County may grant property tax abatements of up to 100 percent of plant investments that meet all tax incentive criteria as defined in I.C. § 63-602NN (2).

The County has entered into agreements as follows:

- a 75% reduction in assessed value to a pulp and paper product manufacturer for specified plant improvements not to exceed \$61 million of assessed value in the first year and \$81 million of assessed value for the next four (4) years starting in tax year 2018. The abatement amounted to \$511,416 for the District's fiscal year.
- a 50% reduction in additional assessed value in the first year and 75% in the next four years to a bullet manufacturer for plant improvements effective for five (5) years starting in tax year 2018. The abatement amounted to \$231,240 for the District's fiscal year.

## **NOTE 12 Tax Abatement (Continued)**

- a 75% reduction in assessed value to a lumber manufacturer for specified plant improvements not to exceed \$15 million of assessed value for the next five (5) years started in tax year 2020. The abatement amounted to \$27,577 for the District's fiscal year.

The three tax abatements described above do not reduce the property tax levied by the District below the levels in previous years, but do delay the increases that could result from the expansion of three large manufacturing firms in the community. Overall increases in the market value of the District should have a positive effect in the future.



## REQUIRED SUPPLEMENTARY INFORMATION



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	19,866,955	19,215,900	19,263,793	(603,162)	47,893
Earnings on investments	35,000	12,000	21,500	(13,500)	9,500
Other	32,340	42,140	113,626	81,286	71,486
Total local	19,934,295	19,270,040	19,398,919	(535,376)	128,879
State:					
Base support program	22,502,984	23,784,946	23,819,952	1,316,968	35,006
Transportation	1,069,331	1,177,927	1,181,440	112,109	3,513
Exceptional child support	100,448	102,042	130,121	29,673	28,079
Benefit apportionment	3,098,789	3,280,594	3,274,878	176,089	(5,716)
Other state support	1,432,090	1,542,779	1,564,753	132,663	21,974
Revenue in lieu of/ag equip. tax	222,981	222,981	222,981	-	-
Total State	28,426,623	30,111,269	30,194,125	1,767,502	82,856
Total revenue	48,360,918	49,381,309	49,593,044	1,232,126	211,735
<b>EXPENDITURES</b>					
Instruction:					
Salaries	20,070,876	19,812,766	19,570,652	500,224	242,114
Benefits	7,326,659	7,582,811	7,560,268	(233,609)	22,543
Purchased services	497,472	828,679	714,130	(216,658)	114,549
Supplies-materials	719,219	798,794	849,359	(130,140)	(50,565)
Capital objects	120,773	119,988	132,308	(11,535)	(12,320)
Total instruction	28,734,999	29,143,038	28,826,717	(91,718)	316,321
Support:					
Salaries	9,569,860	9,080,644	9,093,508	476,352	(12,864)
Benefits	3,698,261	3,539,277	3,556,723	141,538	(17,446)
Purchased services	1,992,037	2,994,887	2,419,279	(427,242)	575,608
Supplies-materials	1,166,400	1,269,050	905,315	261,085	363,735
Capital objects	881,750	1,984,296	2,324,018	(1,442,268)	(339,722)
Insurance - judgment	227,400	220,866	220,866	6,534	-
Total support	17,535,708	19,089,020	18,519,709	(984,001)	569,311
Contingency reserve	1,550,000	550,000	-	1,550,000	550,000
Total expenditures	47,820,707	48,782,058	47,346,426	474,281	1,435,632
Excess (deficiency) of revenues over (under) expenditures	540,211	599,251	2,246,618	1,706,407	1,647,367
Other financing sources (uses)					
Proceeds from sale of capital asset	-	26,500	33,122	33,122	6,622
Transfers in	50,000	183,795	183,823	133,823	28
Transfers out	(745,000)	(745,000)	(645,537)	99,463	99,463
Total other financing sources (uses)	(695,000)	(534,705)	(428,592)	266,408	106,113
Net change in fund balance	\$ (154,789)	\$ 64,546	1,818,026	\$ 1,972,815	\$ 1,753,480
Fund balance - beginning of year			4,149,078		
Fund balance - end of year			\$ 5,967,104		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	4,740,000	4,740,000	4,736,868	(3,132)	(3,132)
Earnings on investments	3,000	3,000	6,865	3,865	3,865
Total local	<u>4,743,000</u>	<u>4,743,000</u>	<u>4,743,733</u>	<u>733</u>	<u>733</u>
State:					
Other state support	<u>141,800</u>	<u>141,800</u>	<u>141,801</u>	<u>1</u>	<u>1</u>
Total revenue	<u>4,884,800</u>	<u>4,884,800</u>	<u>4,885,534</u>	<u>734</u>	<u>734</u>
<b>EXPENDITURES</b>					
Debt services program					
Principal	1,840,000	1,840,000	1,840,000	-	-
Interest	2,175,250	2,175,250	2,175,203	47	47
Total debt services program	<u>4,015,250</u>	<u>4,015,250</u>	<u>4,015,203</u>	<u>47</u>	<u>47</u>
Net change in fund balance	<u>\$ 869,550</u>	<u>\$ 869,550</u>	870,331	<u>\$ 781</u>	<u>\$ 781</u>
Fund balance - beginning of year			<u>3,860,507</u>		
Fund balance - end of year			<u>\$ 4,730,838</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Earnings on investments	8,000	3,000	13,667	5,667	10,667
Other	180,500	5,181,500	5,186,198	5,005,698	4,698
Total local	188,500	5,184,500	5,199,865	5,011,365	15,365
State:					
Lottery/additional state maintenance	315,000	312,000	311,886	(3,114)	(114)
Federal:					
Restricted	52,450	54,087	52,213	(237)	(1,874)
Total revenue	555,950	5,550,587	5,563,964	5,008,014	13,377
<b>EXPENDITURES</b>					
Capital asset program:					
Purchased services	-	12,652	1,323	(1,323)	11,329
Supplies-materials	-	49,661	-	-	49,661
Capital objects	416,500	335,797	218,300	198,200	117,497
Total capital asset program	416,500	398,110	219,623	196,877	178,487
Total expenditures	416,500	398,110	219,623	196,877	178,487
Excess (deficiency) of revenues over (under) expenditures	139,450	5,152,477	5,344,341	5,204,891	191,864
Other financing sources (uses)					
Transfers in	635,000	635,000	635,000	-	-
Transfers out	(150,000)	(150,000)	(150,000)	-	-
Total other financing sources (uses)	485,000	485,000	485,000	-	-
Net change in fund balance	\$ 624,450	\$ 5,637,477	5,829,341	\$ 5,204,891	\$ 191,864
Fund balance - beginning of year			2,723,380		
Fund balance - end of year			\$ 8,552,721		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's portion of the net pension (asset) liability	Unavailable	0.0079492013%	0.0081104%	0.8219025%	0.8258894%	0.8121001%	0.8223209%	0.8467634%	0.8734960%
Employer's proportionate share of the net pension (asset) liability	Unavailable	(627,812)	18,833,421	9,381,788	12,182,013	12,764,819	16,669,708	11,150,497	6,430,298
Employer's covered payroll	32,072,931	29,665,343	28,880,176	27,915,133	26,571,846	25,223,269	24,050,398	23,717,615	23,665,468
Employer's proportional share of the net pension (asset) liability as a	Unavailable	-2.12%	65.21%	33.61%	45.85%	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	Unavailable	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

**Schedule of District Contributions\***  
**PERSI – Base Plan**  
**As of June 30,**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily required contribution	3,829,508	3,542,042	3,448,293	3,159,993	3,007,933	2,855,274	2,722,505	2,684,834	2,678,931
Contributions in relation to the statutorily required contribution	(3,829,508)	(3,542,042)	(3,448,293)	(3,159,993)	(3,007,933)	(2,855,274)	(2,722,505)	(2,684,834)	(2,678,931)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-
Employer's covered payroll	32,072,931	29,665,343	28,880,176	27,915,133	26,571,846	25,223,269	24,050,398	23,717,615	23,665,468
Contributions as a percentage of covered payroll	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

Data reported is measured as of June 30, 2021.

**Notes to the Supplementary Information**  
**As of June 30, 2021 (most recently issued PERSI information)**

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

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

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	137,141	146,140	132,239	86,970	91,400	89,745
Interest	44,400	57,272	73,105	46,783	50,806	56,564
Changes of benefit terms	-	-	-	-	-	(30,797)
Differences between expected and actual experience	-	(200,907)	-	531,179	-	(162,122)
Changes of assumptions or other inputs	(229,458)	(139,474)	111,624	173,470	12,549	(20,588)
Benefit payments	<u>(178,021)</u>	<u>(145,685)</u>	<u>(150,177)</u>	<u>(108,787)</u>	<u>(128,757)</u>	<u>(141,317)</u>
Net change in total OPEB Liability	(225,938)	(282,654)	166,791	729,615	25,998	(208,515)
Total OPEB liability - beginning	<u>1,907,312</u>	<u>2,189,966</u>	<u>2,023,175</u>	<u>1,293,560</u>	<u>1,267,562</u>	<u>1,476,077</u>
Total OPEB liability-ending	<u>\$ 1,681,374</u>	<u>\$ 1,907,312</u>	<u>\$ 2,189,966</u>	<u>\$ 2,023,175</u>	<u>\$ 1,293,560</u>	<u>\$ 1,267,562</u>
Covered-employee payroll	28,423,197	27,395,852	26,778,848	25,810,938	22,391,830	21,582,486
Total OPEB liability as a percentage of covered-employee payroll	5.92%	6.96%	8.18%	7.84%	5.78%	5.87%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
As of June 30, 2022

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2022 as follows:

\*Changes of assumptions include status, trend, discount and other inputs

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES**

**Schedule of the District's Share of Net OPEB Asset - Sick Leave Plan\***

**PERSI - OPEB Plan**

As of June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of the net OPEB asset	Unavailable	0.0203407%	0.020340673%	0.021443008%	0.0214667%	0.0215091%
Employer's proportionate share of the net OPEB asset	Unavailable	2,953,881	2,504,559	2,053,820	1,780,552	1,651,102
Employer's covered payroll	32,072,931	29,665,343	28,880,176	27,915,133	26,571,846	25,223,269
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	9.96%	8.67%	7.36%	6.70%	6.55%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	152.61%	152.87%	138.51%	135.69%	136.78%

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

**PERSI - OPEB Plan**

As of June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	-	-	182,381	351,731	334,803	317,816
Contributions in relation to the statutorily required contribution	-	-	(182,381)	(351,731)	(334,803)	(317,816)
Contribution (deficiency) excess	-	-	-	-	-	-
Employer's covered payroll	32,072,931	29,665,343	28,880,176	27,915,133	26,571,846	25,223,269
Contributions as a percentage of covered payroll	0.00%	0.00%	0.63%	1.26%	1.26%	1.26%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**As of June 30, 2021 (most recently issued PERSI information)**

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

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

\*Inflation changed from 3.0% to 2.30%

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

## **SUPPLEMENTARY INFORMATION**





**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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

	<u>Capital Construction (LHS)</u>	<u>Plant Facilities (SPFR)</u>	<u>Athletic Venues</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash	-	41,999	-	41,999
Investments	157,297	1,303,744	6,796,579	8,257,620
Due from other funds	128,779	-	117,200	245,979
Other receivables	115	2,019	4,989	7,123
Total assets	<u>286,191</u>	<u>1,347,762</u>	<u>6,918,768</u>	<u>8,552,721</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflow of resources	<u>\$ 286,191</u>	<u>\$ 1,347,762</u>	<u>\$ 6,918,768</u>	<u>\$ 8,552,721</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources	-	-	-	-
Fund balance:				
Restricted	286,191	1,347,762	6,918,768	8,552,721
Total fund balance	<u>286,191</u>	<u>1,347,762</u>	<u>6,918,768</u>	<u>8,552,721</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 286,191</u>	<u>\$ 1,347,762</u>	<u>\$ 6,918,768</u>	<u>\$ 8,552,721</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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

	<b>Capital Construction (LHS)</b>	<b>Plant Facilities (SPFR)</b>	<b>Athletic Venues</b>	<b>Total</b>
<b>REVENUES</b>				
Local:				
Earnings on investments	487	2,454	10,726	13,667
Other	3,000	182,198	5,001,000	5,186,198
Total local	<u>3,487</u>	<u>184,652</u>	<u>5,011,726</u>	<u>5,199,865</u>
State:				
Lottery	-	311,886	-	311,886
Federal:				
Restricted	1,637	50,576	-	52,213
Total revenues	<u>5,124</u>	<u>547,114</u>	<u>5,011,726</u>	<u>5,563,964</u>
<b>EXPENDITURES</b>				
Capital asset program:				
Purchased services	1,323	-	-	1,323
Capital objects	1,951	216,349	-	218,300
Total capital asset program	<u>3,274</u>	<u>216,349</u>	<u>-</u>	<u>219,623</u>
Total expenditures	<u>3,274</u>	<u>216,349</u>	<u>-</u>	<u>219,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,850</u>	<u>330,765</u>	<u>5,011,726</u>	<u>5,344,341</u>
Other financing sources (uses)				
Transfers in	-	210,000	425,000	635,000
Transfer out	-	(150,000)	-	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>60,000</u>	<u>425,000</u>	<u>485,000</u>
Net change in fund balances	1,850	390,765	5,436,726	5,829,341
Fund balance - beginning of year	<u>284,341</u>	<u>956,997</u>	<u>1,482,042</u>	<u>2,723,380</u>
Fund balance - end of year	<u>\$ 286,191</u>	<u>\$ 1,347,762</u>	<u>\$ 6,918,768</u>	<u>\$ 8,552,721</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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**NONMAJOR FUND DESCRIPTIONS**

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific funding sources or to finance specific activities as required by law or administrative regulations.

**ESSER III (ARPA) American Rescue Plan Act Fund** – Restricted federal revenue to be spent on COVID related expenditures.

**Title I-A, ESSA – Improving Basic Programs Fund** – Restricted federal revenue to be spend on programs to provide special instruction to economically disadvantaged students.

**ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act Fund** – Restricted federal revenue to be spent on COVID related expenditures.

**ESSER II (CRRSA) Coronavirus Aid, Response and Relief Supplemental Appropriations Act Fund** – Restricted federal revenue to be spent on COVID related expenditures.

**IDEA Part B (611 School Age 3-21) Fund** – Restricted federal revenue to be spent on programs to provide for testing, physical therapy, certificated teachers, teaching assistants, equipment, materials and supplies for special education students.

**IDEA Part B (619 Pre-School Age 3-5) Fund** – Restricted federal funding to be spent on programs for preschool students with disabilities.

**ARPA - IDEA Part B Fund** – Restricted federal funding to be spent on programs for students with disabilities.

**Perkins IV – Professional Technical Act Fund** – Restricted federal funding to be spent to procure equipment and supplies for career technical education programs.

**Title VII-A Indian Education Fund** – Restricted federal funding supporting efforts to strengthen elementary and secondary school programs serving American Indian students.

**Johnson O'Malley Fund** – Restricted federal funds to be spent on efforts to assure that American Indian students are functioning at grade level.

**Title II-A, ESEA – Supporting Effective Instruction Fund** – Restricted federal funding to be spent to provide professional development for instructional staff to improve quality of teaching and student achievement.

**FEMA Fund** – Restricted federal revenue to be spent on disaster relief.

**Substitute Recruitment Fund** – Restricted federal revenue to be spent on substitute recruitment related expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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**NONMAJOR FUND DESCRIPTIONS (Continued)**

**SLFRF Stipends From SB 1404 Fund** – Restricted federal revenue to be spent on stipends.

**Building Idaho Future K-4 and K-12 Learning Loss Fund** – Restricted federal revenue to be spent on COVID related expenditures.

**Child Nutrition Fund** – School Nutrition programs, including breakfast, lunch and healthy snacks during the academic year, as well as a Summer Food Program. Funding is provided by the U.S. Department of Agriculture and by sales of meals. Program is reported as a special revenue fund due to the large amount of federal financial assistance.

**Other Special Revenue Funds**

**Other Local Grants Fund** – Small grants awarded by local organizations to fund specific projects.

**Literacy Fund** – The Idaho State Department of Education provided targeted funding to provide additional hours of reading instruction to specific student based upon assessment scores. The program operating during the school year and into the summer months thereafter.

**Expendable Trust Funds** – Interest earnings from endowments and contributions from the Lewiston Independent Foundation for Education (L.I.F.E.) to be spent on programs approved by the L.I.F.E Board of Directors.

**Student Activities Fund** – Funds held in individual school accounts for assets held by the District as an agent for various student groups and clubs. These funds are restricted to use by the student organization and are not available for general District operations.

**State Mini Grants Fund** – Small competitive grants awarded at the state level for specific programs.

**Local Technology Fund** – This fund holds proceeds from the sale of outdated technology to be used for the exclusive purpose of purchasing new technology-related equipment for schools.

**Medicaid Fund** – Revenues generated through billings to Medicaid for services provided to eligible special-needs students.

**Title IV-A, ESSA – Student Support and Academic Enrichment Fund** – This is a competitive federal grant providing funds to support students and academic enrichment.

**Other Federal Projects Fund** – This fund accounts for miscellaneous restricted federal projects.

INDEPENDENT SCHOOL DISTRICT NO. 1

Lewiston, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022

	ESSER III (ARPA) American Rescue Plan Act	Title I-A ESSA - Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	ARPA - IDEA Part B	Perkins IV - Professional Technical Act	Title VII-A Indian Education
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	683	188,744	243	-	231,003	8,275	-	62,621	4,703
Inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>683</u>	<u>188,744</u>	<u>243</u>	<u>-</u>	<u>231,003</u>	<u>8,275</u>	<u>-</u>	<u>62,621</u>	<u>4,703</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 683</b>	<b>\$ 188,744</b>	<b>\$ 243</b>	<b>\$ -</b>	<b>\$ 231,003</b>	<b>\$ 8,275</b>	<b>\$ -</b>	<b>\$ 62,621</b>	<b>\$ 4,703</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	-	77,489	139	-	88,533	2,917	-	46,479	4,392
Accounts payable	683	4,533	104	-	3,730	-	-	16,142	301
Accrued payroll and benefits	-	106,722	-	-	138,740	5,358	-	-	10
Total liabilities	<u>683</u>	<u>188,744</u>	<u>243</u>	<u>-</u>	<u>231,003</u>	<u>8,275</u>	<u>-</u>	<u>62,621</u>	<u>4,703</u>
Deferred inflows of resources									
Deferred grant revenue	-	-	-	-	-	-	-	-	-
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 683</b>	<b>\$ 188,744</b>	<b>\$ 243</b>	<b>\$ -</b>	<b>\$ 231,003</b>	<b>\$ 8,275</b>	<b>\$ -</b>	<b>\$ 62,621</b>	<b>\$ 4,703</b>

INDEPENDENT SCHOOL DISTRICT NO. 1

Lewiston, Idaho

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

	Johnson O'Malley	Title II-A, ESEA Supporting Effective Instruction	FEMA	Substitute Recruitment	SLFRF Stipends From SB 1404	Building Idaho Future K-4 and K-12 Learning Loss	Child Nutrition	Other Special Revenue Funds	Totals
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	-	749,985	749,985
Due from other funds	36,237	-	-	-	-	-	1,734,069	334,128	2,104,434
Due from other governments	-	22,043	-	-	-	-	24,393	161,513	704,221
Inventory	-	-	-	-	-	-	93,617	-	93,617
Total assets	<u>36,237</u>	<u>22,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,852,079</u>	<u>1,245,626</u>	<u>3,652,257</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 36,237</b>	<b>\$ 22,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,852,079</b>	<b>\$ 1,245,626</b>	<b>\$ 3,652,257</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	-	7,764	-	-	-	-	-	-	227,713
Accounts payable	-	-	-	-	-	-	53,684	147,160	226,337
Accrued payroll and benefits	-	14,279	-	-	-	-	123,683	73,854	462,646
Total liabilities	<u>-</u>	<u>22,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,367</u>	<u>221,014</u>	<u>916,696</u>
Deferred inflows of resources									
Deferred grant revenue	<u>36,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,170</u>	<u>283,407</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	93,617	-	93,617
Restricted	-	-	-	-	-	-	1,581,095	777,442	2,358,537
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,674,712</u>	<u>777,442</u>	<u>2,452,154</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 36,237</b>	<b>\$ 22,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,852,079</b>	<b>\$ 1,245,626</b>	<b>\$ 3,652,257</b>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	ESSER III (ARPA) American Rescue Plan Act	Title I-A ESSA - Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	ESSER II (CRRSA) Coronavirus Response and Relief Supplemental Appropriations Act	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	ARPA - IDEA Part B	Perkins IV - Professional Technical Act	Title VII-A Indian Education
<b>REVENUES</b>									
Local:									
Other	-	-	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-	-	-
Lunch sales	-	-	-	-	-	-	-	-	-
Total local	-	-	-	-	-	-	-	-	-
State:									
Other state support	-	-	-	-	-	-	-	-	-
Federal:									
School lunch reimbursement	-	-	-	-	-	-	-	-	-
Restricted	532,034	822,375	11,706	751,268	967,358	35,520	13,268	62,621	25,298
Total federal	532,034	822,375	11,706	751,268	967,358	35,520	13,268	62,621	25,298
Total revenue	532,034	822,375	11,706	751,268	967,358	35,520	13,268	62,621	25,298
<b>EXPENDITURES</b>									
Instruction:									
Salaries	-	557,072	-	1,292	641,585	26,879	-	-	16,286
Benefits	-	217,874	-	(843)	237,829	8,358	-	-	4,571
Purchased services	-	28,779	-	121,350	10,740	-	-	30,965	1,662
Supplies-materials	-	17,495	11,706	502,644	11,866	283	10,328	17,701	2,492
Capital objects	-	1,155	-	-	1,176	-	2,940	13,955	287
Total instruction	-	822,375	11,706	624,443	903,196	35,520	13,268	62,621	25,298
Support:									
Salaries	269,550	-	-	35,477	45,256	-	-	-	-
Benefits	96,713	-	-	6,522	18,906	-	-	-	-
Purchased services	36,213	-	-	14,592	-	-	-	-	-
Supplies-materials	4,899	-	-	7,211	-	-	-	-	-
Capital objects	680	-	-	63,105	-	-	-	-	-
Total support	408,055	-	-	126,907	64,162	-	-	-	-
Non-instruction:									
Salaries	30,262	-	-	-	-	-	-	-	-
Benefits	6,995	-	-	(82)	-	-	-	-	-
Purchased services	76,242	-	-	-	-	-	-	-	-
Supplies-materials	6,166	-	-	-	-	-	-	-	-
Capital objects	4,314	-	-	-	-	-	-	-	-
Total non-instruction	123,979	-	-	(82)	-	-	-	-	-
Total expenditures	532,034	822,375	11,706	751,268	967,358	35,520	13,268	62,621	25,298
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-	-	-	-
Fund balance- beginning of year, as restated	-	-	-	-	-	-	-	-	-
Fund Balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

INDEPENDENT SCHOOL DISTRICT NO. 1  
Lewiston, Idaho

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

	Johnson O'Malley	Title II-A, ESEA Supporting Effective Instruction	FEMA	Substitute Recruitment	SLFRF Stipends From SB 1404	Building Idaho Future K-4 and K-12 Learning Loss	Child Nutrition	Other Special Revenue Funds	Totals
<b>REVENUES</b>									
Local:									
Other	-	-	-	-	-	-	-	1,239,614	1,239,614
Earnings on investments	-	-	-	-	-	-	3,176	5,635	8,811
Lunch sales	-	-	-	-	-	-	36,933	-	36,933
Total local	-	-	-	-	-	-	40,109	1,245,249	1,285,358
State:									
Other state support	-	-	-	-	-	-	-	400,429	400,429
Federal:									
School lunch reimbursement	-	-	-	-	-	-	3,255,115	-	3,255,115
Restricted	-	127,716	133,823	157,622	652,950	273,147	-	562,415	5,129,121
Total federal	-	127,716	133,823	157,622	652,950	273,147	3,255,115	562,415	8,384,236
Total revenue	-	127,716	133,823	157,622	652,950	273,147	3,295,224	2,208,093	10,070,023
<b>EXPENDITURES</b>									
Instruction:									
Salaries	-	71,641	-	-	393,183	143,508	-	452,486	2,303,932
Benefits	-	22,585	-	-	75,672	53,360	-	171,197	790,603
Purchased services	-	25,080	-	-	-	15,400	-	293,895	527,871
Supplies-materials	-	7,710	-	-	-	60,879	-	123,938	767,042
Capital objects	-	700	-	-	-	-	-	24,397	44,610
Total instruction	-	127,716	-	-	468,855	273,147	-	1,065,913	4,434,058
Support:									
Salaries	-	-	-	133,683	124,138	-	-	6,438	614,542
Benefits	-	-	-	23,939	23,832	-	-	1,090	171,002
Capital objects	-	-	-	-	-	-	-	100,468	164,253
Total support	-	-	-	157,622	147,970	-	-	107,996	1,012,712
Non-instruction:									
Salaries	-	-	-	-	30,495	-	814,343	-	875,100
Benefits	-	-	-	-	5,630	-	338,160	-	350,703
Purchased services	-	-	-	-	-	-	22,979	-	99,221
Supplies-materials	-	-	-	-	-	-	1,097,007	1,147,893	2,251,066
Capital objects	-	-	-	-	-	-	16,217	-	20,531
Total non-instruction	-	-	-	-	36,125	-	2,288,706	1,147,893	3,596,621
Total expenditures	-	127,716	-	157,622	652,950	273,147	2,288,706	2,321,802	9,043,391
Excess (deficiency) of revenues over (under) expenditures	-	-	133,823	-	-	-	1,006,518	(113,709)	1,026,632
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	60,537	100,000	160,537
Transfers out	-	-	(133,823)	-	-	-	-	-	(133,823)
Total other financing sources (uses)	-	-	(133,823)	-	-	-	60,537	100,000	26,714
Net change in fund balances	-	-	-	-	-	-	1,067,055	(13,709)	1,053,346
Fund balance- beginning of year, as restated	-	-	-	-	-	-	607,657	791,151	1,398,808
Fund Balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,674,712	\$ 777,442	\$ 2,452,154



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**ESSER III (ARPA) AMERICAN RESCUE PLAN ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	1,462,206	532,034	532,034	(930,172)
Total revenue	-	1,462,206	532,034	532,034	(930,172)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	-	301,517	269,550	(269,550)	31,967
Benefits	-	105,946	96,713	(96,713)	9,233
Purchased services	-	104,100	36,213	(36,213)	67,887
Supplies-materials	-	15,444	4,899	(4,899)	10,545
Capital objects	-	680	680	(680)	-
Total instruction	-	527,687	408,055	(408,055)	119,632
Support:					
Salaries	-	38,729	30,262	(30,262)	8,467
Benefits	-	10,460	6,995	(6,995)	3,465
Purchased services	-	76,930	76,242	(76,242)	688
Supplies-materials	-	8,400	6,166	(6,166)	2,234
Capital objects	-	800,000	4,314	(4,314)	795,686
Total support	-	934,519	123,979	(123,979)	810,540
Total expenditures	-	1,462,206	532,034	(532,034)	930,172
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**TITLE I-A, ESSA - IMPROVING BASIC PROGRAMS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	804,188	914,294	822,375	18,187	(91,919)
Total revenue	804,188	914,294	822,375	18,187	(91,919)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	514,530	570,191	557,072	(42,542)	13,119
Benefits	202,037	215,339	217,874	(15,837)	(2,535)
Purchased services	87,621	70,528	28,779	58,842	41,749
Supplies-materials	-	58,236	17,495	(17,495)	40,741
Capital objects	-	-	1,155	(1,155)	(1,155)
Total instruction	804,188	914,294	822,375	(18,187)	91,919
Total expenditures	804,188	914,294	822,375	(18,187)	91,919
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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**ESSER I (CARES) CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	11,598	11,706	11,706	108
Total revenue	-	11,598	11,706	11,706	108
<b>EXPENDITURES</b>					
Instruction:					
Supplies-materials	-	11,598	11,706	(11,706)	(108)
Total expenditures	-	11,598	11,706	(11,706)	(108)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning of year			-		
Fund balance - end of year			<u>\$ -</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**ESSER II (CRRSA) CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	521,976	751,268	751,268	229,292
Total revenue	-	521,976	751,268	751,268	229,292
<b>EXPENDITURES</b>					
Instruction:					
Salaries	-	1,292	1,292	(1,292)	-
Benefits	-	(843)	(843)	843	-
Purchased services	-	121,350	121,350	(121,350)	-
Supplies-materials	-	273,352	502,644	(502,644)	(229,292)
Total insurance	-	395,151	624,443	(624,443)	(229,292)
Support:					
Salaries	-	35,477	35,477	(35,477)	-
Benefits	-	6,522	6,522	(6,522)	-
Purchased services	-	14,592	14,592	(14,592)	-
Supplies-materials	-	7,211	7,211	(7,211)	-
Capital objects	-	63,105	63,105	(63,105)	-
Total support	-	126,907	126,907	(126,907)	-
Non-instruction:					
Benefits	-	(82)	(82)	82	-
Total expenditures	-	521,976	751,268	(751,268)	(229,292)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**IDEA PART B (611 SCHOOL AGE 3-21)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	934,790	989,151	967,358	32,568	(21,793)
Total revenue	934,790	989,151	967,358	32,568	(21,793)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	625,410	635,380	641,585	(16,175)	(6,205)
Benefits	244,916	225,796	237,829	7,087	(12,033)
Purchased services	-	29,135	10,740	(10,740)	18,395
Supplies-materials	-	35,013	11,866	(11,866)	23,147
Capital objects	-	-	1,176	(1,176)	(1,176)
Total instruction	870,326	925,324	903,196	(32,870)	22,128
Support:					
Salaries	45,486	45,488	45,256	230	232
Benefits	18,978	18,339	18,906	72	(567)
Total support	64,464	63,827	64,162	302	(335)
Total expenditures	934,790	989,151	967,358	(32,568)	21,793
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**IDEA PART B (619 PRE-SCHOOL AGE 3-5)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	41,354	41,960	35,520	(5,834)	(6,440)
Total revenue	41,354	41,960	35,520	(5,834)	(6,440)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	39,464	26,879	26,879	12,585	-
Benefits	1,890	8,878	8,358	(6,468)	520
Supplies-materials		6,203	283	(283)	5,920
Total instruction	41,354	41,960	35,520	5,834	6,440
Total expenditures	41,354	41,960	35,520	5,834	6,440
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	221,530	13,268	13,268	(208,262)
Total revenue	-	221,530	13,268	13,268	(208,262)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	-	85,000	-	-	85,000
Benefits	-	30,000	-	-	30,000
Purchased services	-	5,000	-	-	5,000
Supplies-materials	-	71,530	10,328	(10,328)	61,202
Capital objects	-	30,000	2,940	(2,940)	27,060
Total instruction	-	221,530	13,268	(13,268)	208,262
Total expenditures	-	221,530	13,268	(13,268)	208,262
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**PERKINS IV - PROFESSIONAL TECHNICAL ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	60,000	62,621	62,621	2,621	-
Total revenue	60,000	62,621	62,621	2,621	-
<b>EXPENDITURES</b>					
Instruction:					
Purchased services	-	60,221	30,965	(30,965)	29,256
Supplies-materials	-	2,400	17,701	(17,701)	(15,301)
Capital objects	60,000	-	13,955	46,045	(13,955)
Total instruction	60,000	62,621	62,621	(2,621)	-
Total expenditures	60,000	62,621	62,621	(2,621)	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		



**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**TITLE VII-A INDIAN EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	27,176	21,927	25,298	(1,878)	3,371
Total revenue	<u>27,176</u>	<u>21,927</u>	<u>25,298</u>	<u>(1,878)</u>	<u>3,371</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	17,759	14,572	16,286	1,473	(1,714)
Benefits	8,417	6,355	4,571	3,846	1,784
Purchased services	1,000	1,000	1,662	(662)	(662)
Supplies-materials	-	-	2,492	(2,492)	(2,492)
Capital objects	-	-	287	(287)	(287)
Total instruction	<u>27,176</u>	<u>21,927</u>	<u>25,298</u>	<u>1,878</u>	<u>(3,371)</u>
Total expenditures	<u>27,176</u>	<u>21,927</u>	<u>25,298</u>	<u>1,878</u>	<u>(3,371)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning of year			-		
Fund balance - end of year			<u>\$ -</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	7,000	7,000	-	(7,000)	(7,000)
Total revenue	7,000	7,000	-	(7,000)	(7,000)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	4,000	4,000	-	4,000	4,000
Benefits	1,200	1,200	-	1,200	1,200
Purchased services	1,000	1,000	-	1,000	1,000
Supplies-materials	800	800	-	800	800
Total instruction	7,000	7,000	-	7,000	7,000
Total expenditures	7,000	7,000	-	7,000	7,000
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

**TITLE II-A, ESEA - SUPPORTING EFFECTIVE INSTRUCTION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	149,011	186,191	127,716	(21,295)	(58,475)
Total revenue	149,011	186,191	127,716	(21,295)	(58,475)
<b>EXPENDITURES</b>					
Instruction:					
Salaries	71,641	71,641	71,641	-	-
Benefits	20,687	20,686	22,585	(1,898)	(1,899)
Purchased services	56,683	80,741	25,080	31,603	55,661
Supplies-materials	-	13,123	7,710	(7,710)	5,413
Capital objects	-	-	700	(700)	(700)
Total instruction	149,011	186,191	127,716	21,295	58,475
Total expenditures	149,011	186,191	127,716	21,295	58,475
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	133,795	133,823	133,823	28
Total revenue	-	133,795	133,823	133,823	28
<b>EXPENDITURES</b>					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	133,795	133,823	133,823	28
Other financing sources (uses)					
Transfers out		(133,795)	(133,823)	(133,823)	(28)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning of year			-		
Fund balance - end of year			<u>\$ -</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	157,622	157,622	157,622	-
Total revenue	-	157,622	157,622	157,622	-
<b>EXPENDITURES</b>					
Support:					
Salaries	-	133,683	133,683	(133,683)	-
Benefits	-	23,939	23,939	(23,939)	-
Total support	-	157,622	157,622	(157,622)	-
Total expenditures	-	157,622	157,622	(157,622)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning of year			-		
Fund balance - end of year			<u>\$ -</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

**SLFRF STIPENDS FROM SB 1404**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	652,950	652,950	652,950	-
Total revenue	-	652,950	652,950	652,950	-
<b>EXPENDITURES</b>					
Instruction:					
Salaries	-	392,200	393,183	(393,183)	(983)
Benefits	-	76,150	75,672	(75,672)	478
Total instruction	-	468,350	468,855	(468,855)	(505)
Support:					
Salaries	-	123,000	124,138	(124,138)	(1,138)
Benefits	-	25,550	23,832	(23,832)	1,718
Total support	-	148,550	147,970	(147,970)	580
Non-instruction					
Salaries	-	30,300	30,495	(30,495)	(195)
Benefits	-	5,750	5,630	(5,630)	120
Total non-instruction	-	36,050	36,125	(36,125)	(75)
Total expenditures	-	652,950	652,950	(652,950)	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**BUILDING IDAHO FUTURE K-4 AND K-12 LEARNING LOSS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Federal:					
Restricted	-	273,147	273,147	273,147	-
Total revenue	-	273,147	273,147	273,147	-
<b>EXPENDITURES</b>					
Instruction:					
Salaries	-	143,508	143,508	(143,508)	-
Benefits	-	53,360	53,360	(53,360)	-
Purchased services	-	15,400	15,400	(15,400)	-
Supplies-materials	-	60,879	60,879	(60,879)	-
Total instruction	-	273,147	273,147	(273,147)	-
Total expenditures	-	273,147	273,147	(273,147)	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance - beginning of year			-		
Fund balance - end of year			\$ -		

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Earnings on investments	-	-	3,176	3,176	3,176
Lunch sales	660,437	35,500	36,933	(623,504)	1,433
Total local	<u>660,437</u>	<u>35,500</u>	<u>40,109</u>	<u>(620,328)</u>	<u>4,609</u>
Federal:					
School lunch reimbursement	1,383,114	2,057,051	3,255,115	1,872,001	1,198,064
Total revenue	<u>2,043,551</u>	<u>2,092,551</u>	<u>3,295,224</u>	<u>1,251,673</u>	<u>1,202,673</u>
<b>EXPENDITURES</b>					
Non-instruction:					
Salaries	780,573	757,973	814,343	(33,770)	(56,370)
Benefits	358,578	374,678	338,160	20,418	36,518
Purchased services	20,300	20,300	22,979	(2,679)	(2,679)
Supplies-materials	924,100	979,600	1,097,007	(172,907)	(117,407)
Capital objects	20,000	20,000	16,217	3,783	3,783
Total non-instruction	<u>2,103,551</u>	<u>2,152,551</u>	<u>2,288,706</u>	<u>(185,155)</u>	<u>(136,155)</u>
Total expenditures	<u>2,103,551</u>	<u>2,152,551</u>	<u>2,288,706</u>	<u>(185,155)</u>	<u>(136,155)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>1,006,518</u>	<u>1,066,518</u>	<u>1,066,518</u>
Other financing sources (uses)					
Transfers in	60,000	60,000	60,537	537	537
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,067,055</u>	<u>\$ 1,067,055</u>	<u>\$ 1,067,055</u>
Fund balance - beginning of year			<u>607,657</u>		
Fund balance - end of year			<u>\$ 1,674,712</u>		



**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Earnings on investments	14,000	14,000	5,635	(8,365)	(8,365)
Other	20,000	1,050,319	1,239,614	1,219,614	189,295
Total local	<u>34,000</u>	<u>1,064,319</u>	<u>1,245,249</u>	<u>1,211,249</u>	<u>180,930</u>
State:					
Other state support	351,000	397,032	400,429	49,429	3,397
Total State	<u>351,000</u>	<u>397,032</u>	<u>400,429</u>	<u>49,429</u>	<u>3,397</u>
Federal:					
Restricted	532,085	570,387	562,415	30,330	(7,972)
Total revenue	<u>917,085</u>	<u>2,031,738</u>	<u>2,208,093</u>	<u>1,291,008</u>	<u>176,355</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	226,983	426,935	452,486	(225,503)	(25,551)
Benefits	89,993	168,804	171,197	(81,204)	(2,393)
Purchased services	585,188	492,051	293,895	291,293	198,156
Supplies-materials	214,921	143,948	123,938	90,983	20,010
Capital objects	125,000	54,000	24,397	100,603	29,603
Total instruction	<u>1,242,085</u>	<u>1,285,738</u>	<u>1,065,913</u>	<u>176,172</u>	<u>219,825</u>
Support:					
Salaries	-	-	6,438	(6,438)	(6,438)
Benefits	-	-	1,090	(1,090)	(1,090)
Capital objects	-	-	100,468	(100,468)	(100,468)
Total support	<u>-</u>	<u>-</u>	<u>107,996</u>	<u>(107,996)</u>	<u>(107,996)</u>
Non-instruction:					
Supplies-materials	-	946,000	1,147,893	(1,147,893)	(201,893)
Total expenditures	<u>1,242,085</u>	<u>2,231,738</u>	<u>2,321,802</u>	<u>(1,079,717)</u>	<u>(90,064)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(325,000)</u>	<u>(200,000)</u>	<u>(113,709)</u>	<u>211,291</u>	<u>86,291</u>
Other financing sources (uses)					
Transfers in	200,000	200,000	100,000	(100,000)	(100,000)
Proceeds from sale of capital assets	125,000	-	-	(125,000)	-
Total other financing sources (uses)	<u>325,000</u>	<u>200,000</u>	<u>100,000</u>	<u>(225,000)</u>	<u>(100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(13,709)</u>	<u>\$ (13,709)</u>	<u>\$ (13,709)</u>
Fund balance - beginning of year			<u>791,151</u>		
Fund balance - end of year			<u>\$ 777,442</u>		

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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

Fund Description	Fund	Final Budgeted Revenue	Actual Revenue	Final Budgeted Expenditures	Actual Expenditures	Transfers In (Out)	Beginning Fund Balance	Ending Fund Balance
Other Local Grants	232	104,319	72,287	104,319	72,287	-	1,272	1,272
Literacy Fund	235	388,032	393,429	388,032	393,429	-	-	-
Expendable Trust Funds	236	14,000	26,754	14,000	31,242	-	18,705	14,217
Student Activities Fund	238	946,000	1,145,821	946,000	1,147,893	-	752,057	749,985
State Mini Grants	241	33,424	27,731	33,424	27,731	-	-	-
Local Technology Fund	245	-	-	-	-	-	-	-
Medicaid Fund	260	645,000	351,284	645,000	458,433	100,000	19,117	11,968
Title IV-A, ESSA - Student Support and Academic Enrichment Fund	273	93,923	82,804	93,923	82,804	-	-	-
Other Federal Projects Fund	274	7,040	107,983	7,040	107,983	-	-	-
		<u>\$ 2,231,738</u>	<u>\$ 2,208,093</u>	<u>\$ 2,231,738</u>	<u>\$ 2,321,802</u>	<u>\$ 100,000</u>	<u>\$ 791,151</u>	<u>\$ 777,442</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**

Lewiston, Idaho

**STUDENT ACTIVITIES FUND  
COMBINING BALANCE SHEET  
June 30, 2022**

	<u>Lewiston High School</u>	<u>Jenifer Middle School</u>	<u>Sacajawea Middle School</u>	<u>Elementary Schools</u>	<u>Tammany Alternative Center</u>	<u>Total</u>
<b>ASSETS AND DEFERRED</b>						
<b>OUTFLOWS OF RESOURCES</b>						
Assets:						
Cash and cash equivalents	362,030	124,061	124,114	124,858	14,922	749,985
Total assets	362,030	124,061	124,114	124,858	14,922	749,985
Deferred outflows of resources	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED</b>						
<b>OUTFLOWS OF RESOURCES</b>	<u>\$ 362,030</u>	<u>\$ 124,061</u>	<u>\$ 124,114</u>	<u>\$ 124,858</u>	<u>\$ 14,922</u>	<u>\$ 749,985</u>
<b>LIABILITIES, DEFERRED INFLOWS</b>						
<b>OF RESOURCES AND FUND BALANCE</b>						
Liabilities	-	-	-	-	-	-
Deferred inflows of resources	-	-	-	-	-	-
Fund balance:						
Restricted	362,030	124,061	124,114	124,858	14,922	749,985
Total fund balance	362,030	124,061	124,114	124,858	14,922	749,985
<b>TOTAL LIABILITIES, DEFERRED INFLOWS</b>						
<b>OF RESOURCES AND FUND BALANCES</b>	<u>\$ 362,030</u>	<u>\$ 124,061</u>	<u>\$ 124,114</u>	<u>\$ 124,858</u>	<u>\$ 14,922</u>	<u>\$ 749,985</u>

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
Lewiston, Idaho

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**STUDENT ACTIVITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 2022

<b>SCHOOL DISTRICT ACTIVITY FUNDS</b>	<b>Balance July 1, 2021</b>	<b>Revenues &amp; Transfers In</b>	<b>Expenditures &amp; Transfers Out</b>	<b>Balance June 30, 2022</b>
Lewiston High School	343,294	880,516	861,780	362,030
Jenifer Middle School	120,277	124,283	120,499	124,061
Sacajawea Middle School	153,254	85,990	115,130	124,114
Camelot Elementary School	22,985	7,661	7,361	23,285
Centennial Elementary School	29,261	6,748	6,085	29,924
McGhee Elementary School	8,123	8,883	11,504	5,502
McSorley Elementary School	13,484	6,617	6,017	14,084
Orchards Elementary School	17,069	7,978	3,707	21,340
Webster Elementary School	29,746	7,531	8,346	28,931
Whitman Elementary School	2,328	4,216	4,752	1,792
Tammany High School	12,236	5,398	2,712	14,922
<b>TOTAL</b>	<b>\$ 752,057</b>	<b>\$ 1,145,821</b>	<b>\$ 1,147,893</b>	<b>\$ 749,985</b>

**SINGLE AUDIT SECTION**



**INDEPENDENT SCHOOL DISTRICT No. 1**  
Lewiston, Idaho

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

<b>U. S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	22-391	202220N109947	489,431
National School Lunch Program	10.555	22-391	202220N109947	2,410,559
Food Distribution (non-cash)	10.555	22-391	202220N109948	203,383
Total National School Lunch Program				<u>2,613,942</u>
Summer Food Service Program for Children	10.559	22-391	202120N109947	134,701
Fresh Fruit and Vegetable Program	10.582	22-391	202220N850347	17,041
Total Child Nutrition Cluster				<u>3,255,115</u>
<b>Total U.S. Department of Agriculture</b>				<u>3,255,115</u>
<b>U. S. Department of Commerce</b>				
Passed through EDA:				
Career and Technical Education - National Programs	11.307	22-391	07-79-07448	1,637
<b>Total U. S. Department of Commerce</b>				<u>1,637</u>
<b>U. S. Department of Treasury</b>				
Passed through State Department of Education				
COVID 19 - Coronavirus State and Local				
Fiscal Recovery Funds	21.027	22-391	SLFRP0142	652,950
COVID-19 - Coronavirus Relief Fund	21.019	22-391	20-1892-0-1-806	430,769
<b>Total U. S. Department of Treasury</b>				<u>1,083,719</u>
<b>Federal Communications Commission</b>				
Emergency Connectivity Fund Program	32.009	22-391	N/A	100,468
<b>Total Federal Communication Commission</b>				<u>100,468</u>
<b>U.S. Department of Homeland Security</b>				
Passed through State Department of Education				
Disaster Grant - Public Assistance	97.036	22-391	FEMA-4534 DR-ID	133,823
<b>Total U. S. Department of Homeland Security</b>				<u>133,823</u>

**INDEPENDENT SCHOOL DISTRICT No. 1**  
Lewiston, Idaho

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

**U.S. Department of Education**

Passed through State Department of Education

Special Education Cluster

Grants to States (IDEA, Part B)	84.027	22-391	H027A210088	967,358
Grants to States (IDEA, Part B)	84.027	22-391	4027A200088	475
COVID 19 - ARPA - Special Education	84.027x	22-391	H027A210088	3,288
Total Special Education to Grants				<u>971,121</u>

Preschool Grants (IDEA Preschool)	84.173	22-391	H173A210030	35,520
COVID 19 -Preschool Grants (IDEA Preschool)	84.173x	22-391	H173A210030	9,980
Total Preschool Grants (IDEA Preschool)				<u>45,500</u>

Total Special Education Cluster 1,016,621

Education Stabilization Fund (ESF)

COVID-19 - Elementary and Secondary School Emergency Relief (Esser) Fund	84.425D	22-391	S425D210043	762,974
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Esser)	84.425U	22-391	S425U200043	524,737
COVID 19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	22-391	S425W210013	7,297
Total Education Stabilization Fund (ESF)				<u>1,295,008</u>

Other Programs

Title I Grants to LEAs	84.010	22-391	S010A210012	822,375
Supporting Effective Instruction State Grants	84.367	22-391	S367A210011	127,716
Career and Technical Education - Basic Grants to States	84.048	22-391	V048A200012	62,621
Education for Homeless Children and Youth	84.196	22-391	S196A210013	7,040
State Support and Academic Enrichment Program	84.424	22-391	S424A210013	82,804
Block Grants for Prevention & Treatment of Substance Abuse	93.959	22-391	N/A	20,731
Total Other Programs				<u>1,123,287</u>

Total passed through U.S. Department of Education 3,434,916

Direct

Indian Education Grants to LEAs	84.060A	22-391	S060A211165	25,298
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**Total U.S. Department of Education** 3,460,214

**Total Expenditures of Federal Awards** \$ 8,034,976

**INDEPENDENT SCHOOL DISTRICT NO. 1**  
**Lewiston, Idaho**

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

**NOTE 1      Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Independent School District No. 1 under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Independent School District No. 1, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of the Independent School District No. 1.

**NOTE 2      Summary of Significant Accounting Policies**

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

**NOTE 3      Food Distribution**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance for the year ended June 30, 2022 was \$197,801.

**NOTE 4      Sub-Recipients**

There were no awards passed through to sub-recipients.





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

To the Board of Trustees  
Independent School District No. 1  
Lewiston, Idaho 83501

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 Independent School District No. 1, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Independent School District No. 1’s basic financial statements, and have issued our report thereon dated September 19, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Independent School District No. 1’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 Independent School District No. 1’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Independent School District No. 1’s internal control.

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

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



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

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

As part of obtaining reasonable assurance about whether Independent School District No. 1'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  
September 19, 2022



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

To the Board of Trustees  
Independent School District No. 1  
Lewiston, Idaho 83501

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

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

We have audited Independent School District No. 1’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Independent School District No. 1’s major federal programs for the year ended June 30, 2022. Independent School District No.1’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Independent School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

We are required to be independent of Independent School District No. 1 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Independent School District No. 1’s compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance



with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Independent School District No. 1's federal programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Independent School District No. 1's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Independent School District No. 1's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Independent School District No. 1's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Independent School District No. 1's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Independent School District No. 1's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be

prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Hayden Ross, PLLC*

Moscow, Idaho  
September 19, 2022

**INDEPENDENT SCHOOL DISTRICT No. 1**  
**Lewiston, Idaho**

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

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

*Financial Statements*

Type of auditor's report issued:

Opinion Unit

Government Activities	Unmodified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

- material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
- significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes                      \_\_\_\_\_  no

*Federal Awards*

Internal control over major programs:

- material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
- significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

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

Unmodified

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

\_\_\_\_\_ yes                      \_\_\_\_\_  no

*Identification of major programs:*

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556, 10.559, 10.582 84.027, 84.173	Child Nutrition Cluster Special Education Cluster

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

\$750,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes                      \_\_\_\_\_  no

**INDEPENDENT SCHOOL DISTRICT No. 1**  
**Lewiston, Idaho**

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

**Section II - Financial Statement Findings**

None.

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

None.