

POST FALLS SCHOOL DISTRICT  
No. 273

FINANCIAL STATEMENTS  
JUNE 30, 2022

**Post Falls School District No. 273**  
**June 30, 2022**

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**Post Falls School District No. 273**  
**June 30, 2022**

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**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Post Falls School District No. 273's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273 as of June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Post Falls School District No. 273, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Post Falls School District No. 273's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Post Falls School District No. 273's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Post Fall School District No. 273's ability to continue as a going concern for a reasonable period of time.

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

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

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

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

### *Supplementary Information*

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2022, on our consideration of Post Falls School District No. 273's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Post Falls School District No. 273's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Post Falls School District No. 273's internal control over financial reporting and compliance.

*Magnuson, McHugh & Company, P.A.*

Magnuson, McHugh, & Co., P.A.

November 8, 2022

## FINANCIAL SECTION

### MANAGEMENT'S DISCUSSION AND ANALYSIS



**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

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

**FINANCIAL HIGHLIGHTS**

**State Revenue Increases for 2021-22 Fiscal Year**

First reporting period enrollment increased 6% during the 2021-22 fiscal year as compared to the same reporting period in 2020-2021. Increased enrollment, large increases in discretionary revenue and salary-based revenue distribution factors, as well as a temporary rule to compute revenues on enrollment rather than attendance resulted in a \$4.6M increase in state revenues in the General Fund compared to prior year.

**General Fund Balance Increases over the 2021-22 Fiscal Year**

The School District's ending fund balance increased by \$1.827M in the General Fund compared to the prior year. There were a number of onetime factors netting to create a temporary surplus in the General Fund:

- State funding came in \$3.27M higher than budget. For the 2021-22 fiscal year, the state legislature set appropriations based on attendance driven funding, however the State Board of Education extended the temporary rule to fund based on enrollment which increases funding metrics dramatically.
- General Fund operational costs were supplanted outside of the General Fund. One-time federal COVID relief grants were used to cover these operational costs as planned to create capacity in the budget in an unknown funding environment.
- Kaiser Permanente refund revenues received in prior year were transferred out of the General Fund to be accounted for in a special revenue fund. These funds were assigned July 1, 2021 in the Master Agreement between the Board of Trustees and the Post Falls Education Association. The agreement stipulates the funds will be held separate from operational funding and will be used to pay for the employer cost of health benefits increases until the funds are expended.

At the close of the 2021-22 fiscal year, the \$7,864,321 fund balance consists of just under \$2.2M committed to account for a 5% contingency reserve computed on total General Fund revenues. The remaining fund balance of \$5,680,939 is unassigned.

**Supplemental Property Tax Levy Revenue Represents 11.5% of General Fund Revenues**

In the 2021-22 fiscal year, the School District's supplemental property tax levy generated just over \$5M, 11.5% of the total General Fund revenues for the 2021-22 fiscal year. This revenue comes from a 2-year supplemental property tax levy expiring June 30, 2023.

**REVENUE AND RESOURCES**

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

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**REVENUE AND RESOURCES (CONCLUDED)**

The School District's enrollment (based on the best 28 weeks of weekly enrollment) generated 315.7 support units for the year, compared to 298 from the 2020-21 fiscal year. This increase was due to increased enrollment compared to prior year. School Districts received \$29,542 per support unit in 2021-2022, an impactful increase from \$22,810 in 2020-21. The projection for support units for the 2022-23 fiscal year is 314 units.

**State Support** – State revenue increased \$4.6M, an increase of 13.8% over prior year state revenues. More significantly, state revenues came in above budget by \$3.27M. The cause for this variance in actual revenues compared to budgeted revenues is the State Board of Education's mid-year temporary rule to fund schools on enrollment rather than attendance for the 2021-22 fiscal year. During the budget appropriation process, the legislature's decision was clear that funding would be calculated on attendance. The school year began with the expectation that attendance would drive the funding. In December of 2021, the State Board of Education re-enacted the temporary rule used in the prior year to fund schools on average weekly enrollment again for the 2021-22 fiscal year. This resulted in a sharp and unexpected increase to state revenues. This increase was needed in order to afford a number of cost increases created by inflation.

**Bond Interest Stabilization Payment** – In 2021-22, the School District received a bond interest stabilization payment of \$94,970. This revenue helps reduce the burden on the local property tax-payer for bond interest payments.

**EXPENDITURES**

The most significant expenditure changes for the 2021-22 fiscal year include the following:

- Increased base salaries by 2% for all certificated staff and administrators. Classified staff groups received varying increases, as the classified salary schedule was rewritten in order to bring these positions closer to the market wages. In addition to this, staff received a recruitment and retention bonus in November 2021 paid from federal COVID relief funds. The District maintained medical benefit contribution percentage, despite an increase in premium costs of 2.8%.
- PERSI Sick Leave benefit rate holiday continued for the fiscal year. This resulted in estimated savings of \$370,000.
- HVAC upgrades and repairs and other maintenance projects were funded from federal COVID relief funds.
- The District paid all staff a recruitment and retention bonus of \$2,000, prorated for staff working fewer than 3 hours per day. This stipend was funded with a combination of federal COVID relief funding earmarked by the state legislature to pay stipends for all staff, as well as surplus General Fund revenues from the mid-year change to enrollment-based funding.
- The District supplanted roughly \$3M of General Fund operational costs to be temporarily assumed by federal COVID relief funds. This included custodial services, custodial salaries, custodial supplies, nursing salaries, and utility costs. These costs were supplanted in order to create budget stability, as the 2021-22 state appropriations budget was built with a freeze on Public Education Stabilization Fund, which provides assurance of funding, and the formula reverting to attendance-based calculations rather than enrollment. 2021 legislative documents showed intent to cut school districts in anticipation that districts would use ESSER II & III COVID relief funds to backfill cuts. With this knowledge, administration of the District prepared a budget that would be balanced through supplanting these costs into federal COVID relief funds.

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

**DISTRICT WIDE STATEMENTS**

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

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

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

In the School District wide financial statements, the School District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**FUND FINANCIAL STATEMENTS**

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

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**FUND FINANCIAL STATEMENTS (CONTINUED)**

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

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

**District Funds**

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

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

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**FUND FINANCIAL STATEMENTS (CONCLUDED)**

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

- Total revenues (excluding other financing source and uses) in all governmental funds were \$64,043,849; \$7,661,710 more than the previous year.

**Table 1**  
**Governmental Funds**  
**For the year ended June 30, 2022**

	<b>General Fund</b>	<b>All Other Funds</b>	<b>Total</b>	<b>%</b>
<b>REVENUES:</b>				
Property taxes	\$ 5,115,355	\$ 3,055,217	\$ 8,170,572	12.4%
Interest income	29,100	12,136	41,236	0.1%
Other local revenue	111,616	593,877	705,493	1.1%
State assistance and reimbursements	38,411,571	1,185,309	39,596,880	59.9%
Title programs and other federal revenue	-	14,298,856	14,298,856	21.6%
Student body	-	1,230,812	1,230,812	1.9%
Transfer in	165,110	1,857,574	2,022,684	3.1%
Total revenues	<u>43,832,752</u>	<u>22,233,781</u>	<u>66,066,533</u>	<u>100.0%</u>
<b>EXPENDITURES:</b>				
Instructional services	26,974,486	6,782,488	33,756,974	51.1%
Support services	13,006,122	4,210,226	17,216,348	26.1%
Non-instructional services	-	3,915,079	3,915,079	5.9%
Capital outlay	168,828	1,004,301	1,173,129	1.8%
Principal retirement	-	1,400,000	1,400,000	2.1%
Interest	-	1,400,200	1,400,200	2.1%
Transfers out	1,855,930	166,754	2,022,684	3.1%
Total expenditures	<u>42,005,366</u>	<u>18,879,048</u>	<u>60,884,414</u>	<u>92.2%</u>
Revenues over expenditures	1,827,386	3,354,733	5,182,119	7.8%
Net change	<u>\$ 1,827,386</u>	<u>\$ 3,354,733</u>	<u>\$ 5,182,119</u>	<u>7.8%</u>

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**FINANCIAL ANALYSIS**

**The District as a Whole**

**Net Position.** Table 2, below, provides a summary of the District's net position for the years ended June 30, 2022 and 2021.

**Table 2**  
**Statement of Net Position**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 21,431,908	\$ 16,414,301
Receivables	6,093,226	5,586,258
Net OPEB asset - PERSI	2,418,791	2,050,862
Net pension asset	599,293	-
Capital assets, net of accumulated depreciation	58,626,958	61,507,948
Right-of-use asset, net of accumulated amortization	3,713	-
<b>Total assets</b>	<u>89,173,889</u>	<u>85,559,369</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred OPEB outflows - District	450,009	-
Deferred OPEB outflows - PERSI	629,215	285,169
Deferred pension outflows	11,485,988	7,010,089
<b>Total deferred outflows of resources</b>	<u>12,565,212</u>	<u>7,295,258</u>
<b>LIABILITIES:</b>		
Accounts payable	732,661	735,487
Accrued payroll and related costs	5,895,191	5,591,027
Interest payable	398,321	415,171
Long-term liabilities:		
Due within one year	1,456,859	1,522,751
Due in more than one year	33,587,155	34,950,212
Net pension liability	-	17,633,088
<b>Total OPEB liability - District</b>	<u>1,582,650</u>	<u>1,596,443</u>
<b>Total liabilities</b>	<u>43,652,837</u>	<u>62,444,179</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred OPEB inflows - District	1,457,321	871,026
Deferred OPEB inflows - PERSI	1,104,821	524,633
Deferred pension inflows	19,179,172	636,733
<b>Total deferred inflows of resources</b>	<u>21,741,314</u>	<u>2,032,392</u>
<b>NET POSITION:</b>		
Net investment in capital assets	23,704,440	25,157,736
Restricted for:		
Debt service	5,127,340	4,770,488
School Lunch	1,718,258	789,490
Capital Construction	1,001,563	1,349,756
Plant Facility	430,617	306,225
Federal and State Title programs	782,696	470,808
Unrestricted	3,580,036	(4,466,447)
<b>Total net position</b>	<u>\$ 36,344,950</u>	<u>\$ 28,378,056</u>

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**FINANCIAL ANALYSIS (CONCLUDED)**

**Changes in Net Position.** Table 3 shows the changes in net position for fiscal years 2022 and 2021.

**Table 3**  
**Changes in Net Position from Operating Results**  
**Government Activities 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES:</b>		
Program revenues:		
Charges for services	\$ 1,484,045	\$ 1,095,627
Operating grants and contributions	14,015,888	9,839,749
General revenues:		
Property taxes, levied for general purposes	5,156,473	5,236,546
Property taxes, levied for debt services	3,055,217	3,243,042
State revenues	38,911,381	34,385,397
Grants and contributions not restricted to specific purposes:		
Loss on disposal of capital assets	(23,508)	(5,133,000)
Federal Forest	33,313	25,316
Interest and investment earnings	41,236	78,090
Student body activity	1,230,812	644,977.00
Miscellaneous	156,602	1,822,659
Total general revenues and special items	<u>64,061,459</u>	<u>56,366,270</u>
<b>EXPENSES:</b>		
Instructional services:		
Elementary programs	16,865,064	14,807,321
Secondary programs	13,046,850	11,706,551
Alternative school programs	796,351	687,788
Exceptional child programs	4,577,500	3,992,651
Vocational and technical programs	6,501	-
Activity programs	569,877	539,519
Other programs	53,250	20,549
Support services:		
Guidance and health programs	1,854,924	1,574,349
Special services	1,666,783	1,510,515
Improvement and media	553,450	472,112
Admin technology	138,517	-
Summer school	15,010	-
District administration	368,398	352,634
School administration	2,885,768	2,569,326
Business administration	1,608,553	1,380,558
Maintenance	5,305,399	4,205,733
Transportation	2,793,358	2,288,128
Security	223,218	188,670
Other support services	121,482	-
Child nutrition program	(4,784)	75,194
Non-instructional services:		
School lunch	2,850,625	2,173,448
Student body activity	1,064,454	740,929
Interest on long-term debt	1,351,902	1,427,074
Change in OPEB Obligation	(9,294)	3,492
Unallocated actual PERSI expense	(3,791,945)	(3,338,625)
Change in net pension liability	(373,896)	6,360,240
Total expenses	<u>54,537,315</u>	<u>53,738,156</u>
Change in net position	<u>\$ 9,524,144</u>	<u>\$ 2,628,114</u>

**Post Falls School District No. 273**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The School District adopts an original budget in June for the subsequent year. State revenues are currently driven through the measurement of enrollment for the best 28 weeks of the school year. The attendance formula also generates salary and benefits support from the State. However, the School District still provides significant funding beyond the formula allowance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of the end of fiscal year 2021-22, the School District has invested approximately \$98,396,256 in a broad range of capital assets, including buildings, sites, library books, transportation equipment, and other equipment. The total accumulated depreciation on these assets amounts to \$39,769,298. Asset acquisitions for governmental activities include construction remodel projects, as well as funds to purchase land, school buses, computers and other instructional and support equipment.

**Long-term Debt**

At year end the District had just over \$30M in general obligation bonds and other long-term debt outstanding. The District retired \$1.4M of outstanding debt in the 2021-22 fiscal year. The debt of the District is secured by an annual tax levy authorized by the patrons of the School District by a two-thirds majority vote in 2015 for \$19.5 million and in 2019 for \$19 million.

**FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE**

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

- **State Funding** – The legislature approved a 2022-23 appropriations budget with substantial increases to K-12 public education funding. For the 2022-23 year, the discretionary funding support unit allocation increased to \$35,924, up from \$29,542 in the prior year. The state increased the administrator and classified salary appropriations line item by 9.6% and certificated salary appropriations by 3.9%. Although this does give a boost to salary-based revenue, it does not equate to an increase in revenue high enough to cover pay increases of that size for staff.
- **Enrollment** – Preliminary enrollment data shows a slight decrease in enrollment. The District's enrollment in secondary schools dropped, but there was a gain in elementary students. The net decrease in District enrollment was roughly 30 students. This is expected to have a negligible impact on the District's funding.
- **Supplemental Levy** – In March 2021, a \$4,955,000 supplemental levy was approved by the School District's voters for a 2-year period. This levy expires at the end of the current fiscal year, June 30, 2023. The supplemental levy pays for a number of operational costs where state funding falls short.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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



## FINANCIAL SECTION

### BASIC FINANCIAL STATEMENTS

**Post Falls School District No. 273**

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

**ASSETS**

Cash and cash equivalents	\$ 21,431,908
Receivables	6,093,226
Net OPEB asset - PERSI	2,418,791
Net pension asset	599,293
Land	2,762,065
Construction in progress	59,182
Capital assets, net of accumulated depreciation	55,805,711
Right-of-use lease asset, net of accumulated amortization	3,713
Total assets	<u>89,173,889</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred OPEB outflows - District	450,009
Deferred OPEB outflows - PERSI	629,215
Deferred pension outflows	11,485,988
Total deferred outflows of resources	<u>12,565,212</u>

**LIABILITIES**

Accounts payable	732,661
Accrued payroll and related costs	5,895,191
Interest payable	398,321
Long-term liabilities:	
Due within one year:	
Lease liability	1,859
Long-term debt	1,455,000
Due in more than one year:	
Lease liability	3,841
Compensated absences	117,783
Long-term debt	33,465,531
Net OPEB obligation - District	1,582,650
Total liabilities	<u>43,652,837</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred OPEB inflows - District	1,457,321
Deferred OPEB inflows - PERSI	1,104,821
Deferred pension inflows	19,179,172
Total deferred inflows of resources	<u>21,741,314</u>

**NET POSITION**

Net investment in capital assets	23,704,440
Restricted for:	
School lunch	1,718,258
Debt service	5,127,340
Capital projects	1,001,563
Federal and state title programs	782,696
Plant facility	430,617
Unrestricted	3,580,036
Total net position	<u>\$ 36,344,950</u>

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

**Post Falls School District No. 273**

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

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</u>
			<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Functions/Programs</b>					
<b>Governmental activities:</b>					
Instructional services:					
Elementary programs	\$ 16,865,064	\$ 1,007,219	\$ 3,420,351	\$ -	\$ (12,437,494)
Secondary programs	13,046,850	430,171	1,164,357	-	(11,452,322)
Alternative school programs	796,351	-	21,872	-	(774,479)
Exceptional child programs	4,577,500	-	1,472,691	-	(3,104,809)
Vocational and technical programs	6,501	-	-	-	(6,501)
Activity programs	569,877	-	-	-	(569,877)
Other programs	53,250	-	-	-	(53,250)
Support services:					
Guidance and health programs	1,854,924	-	164,379	-	(1,690,545)
Special services	1,666,783	-	122,329	-	(1,544,454)
Improvement and media	553,450	-	56,827	-	(496,623)
Admin technology	138,517	-	196,905	-	58,388
Summer school	15,010	-	17,930	-	2,920
District administration	368,398	-	17,372	-	(351,026)
School administration	2,885,768	-	46,889	-	(2,838,879)
Business administration	1,608,553	-	25,494	-	(1,583,059)
Maintenance	5,305,399	-	3,305,221	-	(2,000,178)
Transportation	2,793,358	-	76,445	-	(2,716,913)
Security	223,218	-	63,199	-	(160,019)
Other support services	121,482	-	-	-	(121,482)
Child nutrition program	(4,784)	-	55,250	-	60,034
Non-instructional services:					
Child nutrition program	2,850,625	46,655	3,788,379	-	984,409
Student body activity	1,064,454	-	-	-	(1,064,454)
Interest and amortization	1,351,902	-	-	-	(1,351,902)
Change in OPEB obligation	(9,294)	-	-	-	9,294
Unallocated actual PERSI expense	(3,791,945)	-	-	-	3,791,945
Change in net pension asset	(373,896)	-	-	-	373,896
<b>Total governmental activities</b>	<b>\$ 54,537,315</b>	<b>\$ 1,484,045</b>	<b>\$ 14,015,888</b>	<b>\$ -</b>	<b>(39,037,382)</b>
General revenues:					
Property taxes, levied for general purposes					5,156,473
Property taxes, levied for debt services					3,055,217
State revenue					38,911,381
Grants and contributions not restricted to specific purposes:					
Federal Forest					33,313
Interest and investment earnings					41,236
Student body activity					1,230,812
Gain (Loss) on disposal of assets					(23,508)
Miscellaneous					156,602
<b>Total general revenues</b>					<b>48,561,526</b>
Change in net position					9,524,144
Net position beginning					28,378,056
Restatement of net position, see Note 18					(1,557,250)
<b>Net position ending</b>					<b>\$ 36,344,950</b>

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

**Post Falls School District No. 273**

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

	<b>General</b>	<b>Child Nutrition</b>	<b>Debt Service</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,517,168	\$ 1,718,251	\$ 4,112,934
Accounts receivable:			
Kootenai County	1,957,739	-	1,120,530
State of Idaho	196,670	159,436	-
Interfund receivable	1,596,061	-	-
Total assets	<u>\$ 13,267,638</u>	<u>\$ 1,877,687</u>	<u>\$ 5,233,464</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 62,874	\$ 9,114	\$ -
Accrued payroll and related costs	5,159,924	150,315	-
Interfund payable	-	-	-
Total liabilities	<u>5,222,798</u>	<u>159,429</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	180,519	-	106,124
Total deferred inflows of resources	<u>180,519</u>	<u>-</u>	<u>106,124</u>
<b>FUND BALANCES</b>			
Restricted to:			
School lunch, debt service and capital projects, respectively	-	1,718,258	5,127,340
State and federal title programs	-	-	-
Assigned to:			
Kaiser insurance premium refund	-	-	-
Committed to:			
Contingency reserve	2,183,382	-	-
State and federal non title funding	-	-	-
Unassigned	5,680,939	-	-
Total fund balances	<u>7,864,321</u>	<u>1,718,258</u>	<u>5,127,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,267,638</u>	<u>\$ 1,877,687</u>	<u>\$ 5,233,464</u>

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

<b>Capital Construction Project</b>	<b>Other Governmental</b>	<b>Total</b>
\$ 1,006,522	\$ 5,077,033	\$ 21,431,908
-	-	3,078,269
-	2,658,851	3,014,957
-	-	1,596,061
<u>\$ 1,006,522</u>	<u>\$ 7,735,884</u>	<u>\$ 29,121,195</u>
\$ 4,959	\$ 655,714	\$ 732,661
-	584,952	5,895,191
-	1,596,061	1,596,061
<u>4,959</u>	<u>2,836,727</u>	<u>8,223,913</u>
-	-	286,643
-	-	286,643
1,001,563	430,617	8,277,778
-	782,696	782,696
-	1,616,810	1,616,810
-	-	2,183,382
-	2,069,034	2,069,034
-	-	5,680,939
<u>1,001,563</u>	<u>4,899,157</u>	<u>20,610,639</u>
<u>\$ 1,006,522</u>	<u>\$ 7,735,884</u>	<u>\$ 29,121,195</u>

**Post Falls School District No. 273**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2022**

Total fund balances at June 30, 2022 - Governmental funds		\$ 20,610,639
Cost of capital assets at fiscal year end	\$ 98,396,256	
Less: Accumulated depreciation as of fiscal year end		
Buildings and portables	(34,200,930)	
Buses and other transportation	(2,509,544)	
Equipment and library books	<u>(3,058,824)</u>	58,626,958
Right-of-use lease asset	9,282	
Less: Accumulated amortization	<u>(5,569)</u>	3,713
Elimination of deferred revenue		286,643
Pension liabilities and deferred outflows of resources and deferred inflows of resources related to pensions:		
District's proportionate share of the net pension asset		599,293
Proportionate share of collective deferred outflows of resources		11,485,988
Proportionate share of collective deferred inflows of resources		<u>(19,179,172)</u>
OPEB liabilities and deferred outflows of resources and deferred inflows of resources related to OPEB:		
District's proportionate share of the net OPEB asset		2,418,791
Total OPEB liability - District		(1,582,650)
Deferred outflows of OPEB resources		1,079,224
Deferred inflows of OPEB resources		<u>(2,562,142)</u>
Long-term liabilities at fiscal year end		
Bonds payable	(30,025,000)	
Lease payable	(5,700)	
Premium on bonds payable, net of accumulated amortization of \$470,921	(4,895,531)	
Compensated absences	(117,783)	
Accrued interest payable	<u>(398,321)</u>	<u>(35,442,335)</u>
Net position at June 30, 2022		<u><u>\$ 36,344,950</u></u>

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

Post Falls School District No. 273

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

	General	Child Nutrition	Debt Service
<b>REVENUES</b>			
Property taxes	\$ 5,115,355	\$ -	\$ 3,055,217
Other local revenue	111,616	46,655	-
State assistance and reimbursements	38,411,571	-	94,970
Title programs and other federal revenues	-	3,788,379	-
Interest and investment earnings	29,100	-	6,865
Student body activity	-	-	-
Total revenues	<u>43,667,642</u>	<u>3,835,034</u>	<u>3,157,052</u>
<b>EXPENDITURES</b>			
Instructional services:			
Elementary programs	11,843,899	-	-
Secondary programs	10,572,043	-	-
Alternative school programs	767,310	-	-
Exceptional child programs	3,161,606	-	-
Vocational and technical programs	6,501	-	-
Activity programs	569,877	-	-
Other programs	53,250	-	-
Total instructional services	<u>26,974,486</u>	<u>-</u>	<u>-</u>
Support services:			
Guidance and health programs	1,710,869	-	-
Special services	1,548,470	-	-
Improvement and media	498,195	-	-
Admin technology	-	-	-
Summer school	-	-	-
District administration	353,456	-	-
School administration	2,840,557	-	-
Business administration	1,520,837	-	-
Maintenance	1,862,647	-	-
Transportation	2,447,960	-	-
Security	161,780	-	-
Child nutrition program	66,135	-	-
Other support services	(4,784)	-	-
Total support services	<u>13,006,122</u>	<u>-</u>	<u>-</u>
Non-instructional services:			
Food services	-	2,850,625	-
Student body activity	-	-	-
Total non-instructional services	<u>-</u>	<u>2,850,625</u>	<u>-</u>
Capital outlay	<u>168,828</u>	<u>71,436</u>	<u>-</u>
Debt service:			
Principal retirement	-	-	1,400,000
Interest	-	-	1,400,200
Total debt service	<u>-</u>	<u>-</u>	<u>2,800,200</u>
Total expenditures	<u>40,149,436</u>	<u>2,922,061</u>	<u>2,800,200</u>
Excess (deficiency) of revenues over expenditures	<u>3,518,206</u>	<u>912,973</u>	<u>356,852</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	165,110	55,328	-
Transfers (out)	(1,855,930)	(39,533)	-
Total other financing sources (uses)	<u>(1,690,820)</u>	<u>15,795</u>	<u>-</u>
Net change in fund balance	1,827,386	928,768	356,852
Fund balance - beginning	<u>6,036,935</u>	<u>789,490</u>	<u>4,770,488</u>
Fund balance - ending	<u>\$ 7,864,321</u>	<u>\$ 1,718,258</u>	<u>\$ 5,127,340</u>

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

	<b>Capital Construction Project</b>	<b>Other Governmental</b>	<b>Total</b>
\$	-	\$ -	\$ 8,170,572
	-	547,222	705,493
	-	1,090,339	39,596,880
	-	10,510,477	14,298,856
	2,132	3,139	41,236
	-	1,230,812	1,230,812
	<u>2,132</u>	<u>13,381,989</u>	<u>64,043,849</u>
	33,997	3,862,244	15,740,140
	21,247	1,420,065	12,013,355
	11,434	17,607	796,351
	-	1,415,894	4,577,500
	-	-	6,501
	-	-	569,877
	-	-	53,250
	<u>66,678</u>	<u>6,715,810</u>	<u>33,756,974</u>
	-	144,055	1,854,924
	-	118,313	1,666,783
	-	55,255	553,450
	-	135,318	135,318
	-	15,010	15,010
	-	14,942	368,398
	-	45,211	2,885,768
	-	77,770	1,598,607
	-	3,411,279	5,273,926
	-	76,288	2,524,248
	-	61,438	223,218
	-	55,347	121,482
	-	-	(4,784)
	<u>-</u>	<u>4,210,226</u>	<u>17,216,348</u>
	-	-	2,850,625
	<u>-</u>	<u>1,064,454</u>	<u>1,064,454</u>
	<u>-</u>	<u>1,064,454</u>	<u>3,915,079</u>
	<u>283,647</u>	<u>649,218</u>	<u>1,173,129</u>
	-	-	1,400,000
	<u>-</u>	<u>-</u>	<u>1,400,200</u>
	<u>-</u>	<u>-</u>	<u>2,800,200</u>
	<u>350,325</u>	<u>12,639,708</u>	<u>58,861,730</u>
	<u>(348,193)</u>	<u>742,281</u>	<u>5,182,119</u>
	-	1,802,246	2,022,684
	<u>-</u>	<u>(127,221)</u>	<u>(2,022,684)</u>
	<u>-</u>	<u>1,675,025</u>	<u>-</u>
	<u>(348,193)</u>	<u>2,417,306</u>	<u>5,182,119</u>
	<u>1,349,756</u>	<u>2,481,851</u>	<u>15,428,520</u>
<b>\$</b>	<b><u>1,001,563</u></b>	<b><u>\$ 4,899,157</u></b>	<b><u>\$ 20,610,639</u></b>



**Post Falls School District No. 273**

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

Total net changes in fund balances for year ended June 30, 2022	\$ 5,182,119
Add: Capital outlay which is considered expenditures	1,173,129
Less: Depreciation expense	(2,475,259)
Less: Loss on disposal of assets	(23,508)
Less: Amortization expense on lease	(1,856)
Add: Amortization expense on bond	29,681
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	2,022,684
Less: Interfund transfers in	(2,022,684)
Add: Debt principal retirement considered as an expenditure	1,400,000
Add: Lease liability principal retirement considered as an expenditure	1,767
Add: Change in compensated absences	4,968
Add: Change in OPEB obligation	9,294
Add: Difference between interest on long-term debt on modified accrual basis and interest on long-term debt on accrual basis	16,850
Add: Difference between revenue earned on property taxes on modified accrual basis and revenue on property taxes on accrual basis	41,118
Add: Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date	3,791,945
Add: Change in net pension asset	<u>373,896</u>
Change in net position for year ended June 30, 2022	<u>\$ 9,524,144</u>

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

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

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

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

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

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

Recently Issued Accounting Standards – In 2017, the Governmental Accounting Standards Board (GASB) issued Summary of Statement Number 87 Leases (GASB 87), which is required to be adopted for entities with fiscal years beginning after June 15, 2021. The objective of GASB 87 is to improve reporting for certain operating and finance leases. The District has considered the effect that GASB 87 will have on the financial statements and has adopted and implemented the requirements of GASB 87 for the year ended June 30, 2022.

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

##### B. Basis of Presentation – government-wide financial statements

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

##### C. Basis of Presentation – fund financial statements

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### C. Basis of Presentation – fund financial statements (Concluded)

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

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

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

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

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

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

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

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

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

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### D. Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

##### E. Cash and Cash Equivalents

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

(Continued)

**Post Falls School District No. 273**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Cash and Cash Equivalents (Concluded)**

During the fiscal year ended June 30, 2022, investments were limited to the Idaho State Investment Pool.

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

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

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

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

**F. Capital Assets**

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Modulars	15 years
Furniture and equipment	5 - 20 years
Library books	10 years
Buses	10 years
Other vehicles	5 years

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### G. Accrued Liabilities and Long-term Obligations

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

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

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

##### H. Compensated Absences

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

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

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

##### I. Deferred Outflows/Inflows of Resources

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### I. Deferred Outflows/Inflows of Resources (Concluded)

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

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

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

##### J. Fund Balance Classifications

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

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

The School District reports the following classifications:

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

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### J. Fund Balance Classifications (Concluded)

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

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

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

##### K. Fund Balance Flow Assumptions

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

(Continued)



## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### L. Net Position Flow Assumptions

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

##### M. Property Taxes

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

##### N. Extraordinary and Special Items

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

##### O. Pensions

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

##### P. Estimates

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

##### Q. Other Post-Employment Benefits (OPEB)

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

#### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### Budgetary Information

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

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

- a) The School District publishes a proposed budget for public review.
- b) Public hearings are set to obtain taxpayer comments.
- c) Prior to July 1, the budget is adopted by resolution of the Board of Trustees and published.
- d) The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the fund level.

During the fiscal year ended June 30, 2022, the budget was not amended.

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

(Continued)

**Post Falls School District No. 273**

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

**NOTE 3: CASH AND INVESTMENTS**

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

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the School District's deposits and investments may not be returned to it. As of June 30, 2022, the School District's deposits and investments were not exposed to custodial credit risk. The School District's deposits and investments are insured and collateralized as follows:

Deposits without exposure to custodial credit risk:

Deposits:	
Amount insured by FDIC or other agencies	\$ 7,126,652
Amount collateralized with securities held in trust, but not in the District's name	14,779,484
Total deposits without exposure to custodial credit risk	<u>21,906,136</u>

Deposits with exposure to custodial credit risk:

Deposits:	
Amount uninsured / uncollateralized	363,528
Total deposits with exposure to custodial credit risk	<u>363,528</u>
Total deposits	<u>\$ 22,269,664</u>

The carrying amount of deposits is displayed in the statements as follows:

Cash and cash equivalents	\$ 21,431,908
Total carrying value of cash and cash equivalents	<u>\$ 21,431,908</u>

Credit Risk:

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

**NOTE 4: RECEIVABLES**

The receivables as of June 30, 2022 consist of the following:

Taxes receivable	\$ 3,078,269
State of Idaho	<u>3,014,957</u>
	<u>\$ 6,093,226</u>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 5: CAPITAL ASSETS**

Following is a recap of capital assets for the fiscal year ended June 30, 2022:

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Nondepreciable capital assets:						
Land	\$ 2,762,065	\$ -	\$ -	\$ -	\$ -	\$ 2,762,065
Construction-in-progress	1,672,504	(773,529)	59,182	-	(898,975)	59,182
Total nondepreciable capital assets	<u>4,434,569</u>	<u>(773,529)</u>	<u>59,182</u>	<u>-</u>	<u>(898,975)</u>	<u>2,821,247</u>
Depreciable capital assets:						
Buildings and sites	84,650,428	823,726	440,528	-	898,975	86,813,657
Portable classrooms	582,943	-	-	-	-	582,943
Buses	3,406,346	20,822	231,141	223,848	-	3,434,461
Other vehicles	448,010	(20,821)	160,294	17,400	-	570,083
Equipment	4,071,030	(108,496)	281,984	70,653	-	4,173,865
Total depreciable capital assets	<u>93,158,757</u>	<u>715,231</u>	<u>1,113,947</u>	<u>311,901</u>	<u>898,975</u>	<u>95,575,009</u>
Less accumulated depreciation for:						
Buildings and sites	30,114,066	1,524,497	2,002,503	23,079	-	33,617,987
Portable classrooms	582,943	-	-	-	-	582,943
Buses	2,261,277	16,131	192,330	223,848	-	2,245,890
Other vehicles	346,183	(129,696)	64,567	17,400	-	263,654
Equipment	2,780,909	86,122	215,859	24,066	-	3,058,824
Total accumulated depreciation	<u>36,085,378</u>	<u>1,497,054</u>	<u>2,475,259</u>	<u>288,393</u>	<u>-</u>	<u>39,769,298</u>
Total depreciable capital assets, net	<u>57,073,379</u>	<u>(781,823)</u>	<u>(1,361,312)</u>	<u>23,508</u>	<u>898,975</u>	<u>55,805,711</u>
Total capital assets, net	<u>\$ 61,507,948</u>	<u>\$ (1,555,352)</u>	<u>\$ (1,302,130)</u>	<u>\$ 23,508</u>	<u>\$ -</u>	<u>\$ 58,626,958</u>

Depreciation expense of \$2,475,259 for the year ended June 30, 2022 was charged to the following governmental functions:

**INSTITUTIONAL SERVICES:**

Elementary	\$1,124,924
Secondary	1,033,494
Business administration	16,258
Maintenance	31,473
Transportation	<u>269,110</u>
	<u>\$ 2,475,259</u>

Following is a recap of the June 30, 2022 balances by generic location:

	<u>Elementary</u>	<u>Secondary</u>	<u>Administration</u>	<u>Total</u>
Land	\$ 527,702	\$ 1,025,534	\$ 1,208,829	\$ 2,762,065
Construction in process	-	49,253	9,929	59,182
Buildings and portables	45,001,788	40,866,295	1,528,517	87,396,600
Buses	-	-	3,434,461	3,434,461
Other vehicles	-	-	570,083	570,083
Equipment	1,499,598	2,069,575	604,692	4,173,865
	<u>\$ 47,029,088</u>	<u>\$ 44,010,657</u>	<u>\$ 7,356,511</u>	<u>\$ 98,396,256</u>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 6: ACCRUED PAYROLL AND VACATION BENEFITS**

Accrued payroll includes amounts due to contracted teachers and other employees at June 30, 2022, which were not paid until July and August 2022, in conformity with contractual stipulations.

**NOTE 7: LEASE OBLIGATIONS**

The District entered into an operating lease agreement during fiscal year 2020 to lease a mail machine. The terms of the lease are monthly payments of \$175.67 for 60 months beginning June 1, 2020. The right-of-use lease asset, has been recorded at the present value of future minimum lease payments of \$9,282 as of the inception date with accumulated amortization of \$5,569.

Following is a recap of right-of-use lease assets for the fiscal year ended June 30, 2022:

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Right-of-use lease asset:					
Leased equipment	\$ -	\$ 9,282	\$ -	\$ -	\$ 9,282
Total right-of-use lease asset	<u>-</u>	<u>9,282</u>	<u>-</u>	<u>-</u>	<u>9,282</u>
Less accumulated amortization for:					
Leased equipment	-	3,713	1,856	-	5,569
Total accumulated amortization	<u>-</u>	<u>3,713</u>	<u>1,856</u>	<u>-</u>	<u>5,569</u>
Total amortized right-of-use lease asset, net	<u>\$ -</u>	<u>\$ 5,569</u>	<u>\$ (1,856)</u>	<u>-</u>	<u>\$ 3,713</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,859	\$ 249	\$ 2,108
2024	1,957	151	2,108
2025	1,884	49	1,933
	<u>\$ 5,700</u>	<u>\$ 449</u>	<u>\$ 6,149</u>

**Post Falls School District No. 273**

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

**NOTE 8: BONDS PAYABLE**

**GENERAL OBLIGATION BONDS, 2019**

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

**SERIES 2019**

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	4.00%	\$ 565,000	\$ 697,650	\$ 1,262,650
2024	4.00%	590,000	674,550	1,264,550
2025	4.00%	615,000	650,450	1,265,450
2026	4.00%	640,000	625,350	1,265,350
2027	4.00%	665,000	599,250	1,264,250
2028	4.00%	690,000	572,150	1,262,150
2029	4.00%	715,000	544,050	1,259,050
2030	5.00%	745,000	511,125	1,256,125
2031	5.00%	785,000	472,875	1,257,875
2032	5.00%	825,000	432,625	1,257,625
2033	5.00%	865,000	390,375	1,255,375
2034	5.00%	905,000	346,125	1,251,125
2035	5.00%	950,000	299,750	1,249,750
2036	5.00%	1,000,000	251,000	1,251,000
2037	5.00%	1,050,000	199,750	1,249,750
2038	5.00%	1,100,000	146,000	1,246,000
2039	5.00%	1,155,000	89,625	1,244,625
2040	5.00%	1,215,000	30,375	1,245,375
		<u>\$ 15,075,000</u>	<u>\$ 7,533,075</u>	<u>\$ 22,608,075</u>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 8: BONDS PAYABLE (CONCLUDED)**

**GENERAL OBLIGATION REFUNDING BONDS, 2015B**

**SERIES 2015B**

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	4.00%	\$ 890,000	\$ 645,450	\$ 1,535,450
2024	4.00%	925,000	609,150	1,534,150
2025	4.00%	960,000	571,450	1,531,450
2026	4.00%	1,000,000	532,250	1,532,250
2027	4.00%	1,040,000	491,450	1,531,450
2028	4.00%	1,080,000	449,050	1,529,050
2029	5.00%	1,125,000	399,325	1,524,325
2030	5.00%	1,180,000	341,700	1,521,700
2031	4.00%	1,240,000	287,400	1,527,400
2032	4.00%	1,290,000	236,800	1,526,800
2033	5.00%	1,340,000	177,500	1,517,500
2034	5.00%	1,405,000	108,875	1,513,875
2035	5.00%	1,475,000	36,875	1,511,875
		<u>\$ 14,950,000</u>	<u>\$ 4,887,275</u>	<u>\$ 19,837,275</u>

**NOTE 9: CHANGES IN LONG-TERM DEBT AND LEASE OBLIGATIONS AND CURRENT MATURITIES**

	<u>Total General Obligation Bonds Payable</u>
Balance, beginning of year	\$ 36,350,212
<b>Payment of principal - 2015B Bonds</b>	(855,000)
<b>Payment of principal - 2019 GO Bonds</b>	(545,000)
Amortization of 2019 GO bond premiums	(29,681)
Balance, end of year	<u>\$ 34,920,531</u>
Current portion	\$ 1,455,000
Long-term portion, net of premium	<u>33,465,531</u>
	<u>\$ 34,920,531</u>

**Post Falls School District No. 273**

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

**NOTE 9: CHANGES IN LONG-TERM DEBT AND LEASE OBLIGATIONS AND CURRENT MATURITIES (CONCLUDED)**

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

	Bonds Payable	Compensated Absences	Lease Liability	Total
Balance, July 1, 2021	\$ 36,350,212	\$ 122,751	\$ -	\$ 36,472,963
Adjustment	-	-	7,467	7,467
Amortization	(29,681)	-	-	(29,681)
Retirements/payments	(1,400,000)	(4,968)	(1,767)	(1,406,735)
Balance, June 30, 2022	34,920,531	117,783	5,700	35,044,014
Current portion	1,455,000	-	1,859	1,456,859
Long-term portion, net of premium	\$ 33,465,531	\$ 117,783	\$ 3,841	\$ 33,587,155

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

*Plan Description*

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

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

(Continued)



**Post Falls School District No. 273**

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

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a 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, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. Post Falls School District's contributions were \$3,791,945 for the year ended June 30, 2022.

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

At June 30, 2022, Post Falls School District reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the District's proportion was 0.7588098 percent.

For the year ended June 30, 2022, the District recognized pension expense (offset) of (\$373,896). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,879,104	\$ 18,823,311
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	882,974	348,350
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	7,511
Post Falls School District contributions subsequent to the measurement date	<u>3,723,910</u>	<u>-</u>
Total	<u>\$ 11,485,988</u>	<u>\$ 19,179,172</u>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

\$3,723,910 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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:

<b>Year ended June 30:</b>	
2022	\$(2,683,916)
2023	\$(2,418,757)
2024	\$(2,113,717)
2025	\$(4,193,193)

*Actuarial Assumptions*

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

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

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

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

(Continued)

**Post Falls School District No. 273**

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

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Actuarial Assumptions (Concluded)*

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of 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. The capital market assumptions are as of 2021.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Nominal Rate of Return (Arithmetic)</u>	<u>Expected Real Rate of Return (Arithmetic)</u>
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%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
<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>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONCLUDED)**

*Discount Rate*

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

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

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

	<u>1% Decrease (5.35%)</u>	<u>Current Discount Rate (6.35%)</u>	<u>1% Increase (7.35%)</u>
Employer's net pension liability (asset) - Employer	\$ 20,832,678	\$ (599,293)	\$ (18,167,509)

*Pension plan fiduciary net position*

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

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

*Payables to the pension plan*

At June 30, 2022, the District reported payables to the defined benefit pension plan of \$593,572 for legally required employer contributions and \$355,944 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**NOTE 11: CONTINGENT LIABILITIES**

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

(Continued)

## Post Falls School District No. 273

### NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

#### NOTE 12: RISK MANAGEMENT

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

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

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

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

#### NOTE 13: POST EMPLOYMENT HEALTHCARE PLAN

##### *Plan Description*

Post Falls School District No. 273 contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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

##### *OPEB Benefits*

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

(Continued)

**Post Falls School District No. 273**

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

**NOTE 13: POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

*Employer Contributions*

The contribution rate for employers is set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. The Retirement Board approved a rate holiday that has been extended to June 30, 2025. During the rate holiday, all sick leave contribution rates are 0%. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were \$0 for the year ended June 30, 2022.

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

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

For the year ended June 30, 2022 the District recognized OPEB expense (expense offset) of (\$131,787). \$629,215 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2023.

*Actuarial Assumptions*

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

(Continued)

**Post Falls School District No. 273**

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

**NOTE 13: POST EMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

*Actuarial Assumptions (Concluded)*

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return (Arithmetic)</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
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%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.15%
Assumed Inflation			2.30%
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>5.45%</b>

*Discount Rate*

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

(Continued)

**Post Falls School District No. 273**

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

**NOTE 13: POST EMPLOYMENT HEALTHCARE PLAN (CONCLUDED)**

*Sensitivity of the net OPEB Asset to Changes in the Discount Rate*

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

	<u>1% Decrease (4.45%)</u>	<u>Current Discount Rate (5.45%)</u>	<u>1% Increase (6.45%)</u>
Total June 30, 2022 OPEB asset	\$ 2,098,950	\$ 2,418,791	\$ 2,717,543

*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).

*Payables to the OPEB Plan*

At June 30, 2022, the District reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**NOTE 14: OTHER POST EMPLOYMENT BENEFITS**

*Plan Description and OPEB Benefits*

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

*Total OPEB Liability*

The District's total OPEB liability of \$1,582,650 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.



**Post Falls School District No. 273**

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

**NOTE 14: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Assumptions and Other Inputs*

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary increases	3.75%
Discount rate	4.02%
Retirees' share of benefit-related costs	100% of projected health premiums for retirees

Healthcare cost trend rates:

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

\*Trends based on actual renewal rates.

The discount rate used to measure the OPEB liability was 4.02%. The discount rate was based on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years. Mortality rates were based on the RP-2000 Mortality Table with generational mortality adjustments.

The actuarial assumptions used were based on the results of a 2021 PERSI Experience Study.

(Continued)

**Post Falls School District No. 273**

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

**NOTE 14: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Changes in the Net OPEB Liability*

	<b>Total OPEB Liability</b>
Balance as of June 30, 2020	\$ 1,596,443
Changes for the year:	
Service cost	167,687
Interest on total OPEB liability	39,094
Effect of differences in experience	37,766
Effect of assumptions changes or inputs	(174,052)
Expected benefit payments	<u>(84,288)</u>
Balance as of June 30, 2021	<u>\$ 1,582,650</u>

*Sensitivity of the total OPEB liability to changes in the discount rate and health-care cost trend rates*

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

	<u>1% Decrease (3.02%)</u>	<u>Current Discount Rate (4.02%)</u>	<u>1% Increase (5.02%)</u>
Total June 30, 2021 OPEB liability	\$ 1,697,861	\$ 1,582,650	\$ 1,473,957

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total June 30, 2021 OPEB liability	\$ 1,417,604	\$ 1,582,650	\$ 1,776,244

(Continued)

**Post Falls School District No. 273**

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

**NOTE 14: OTHER POST EMPLOYMENT BENEFITS (CONCLUDED)**

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

For the year ended June 30, 2022, the District recognized OPEB expense (offset) of \$122,493. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 37,766	\$ 647,792
Changes in assumptions and other inputs	412,243	809,529
Total	<u>\$ 450,009</u>	<u>\$ 1,457,321</u>

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

Measurement period ending June 30:

2022	\$ (60,235)
2023	(69,271)
2024	(69,271)
2025	(69,271)
2026	(69,271)
Thereafter	(623,475)

**NOTE 15: INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2022 consisted of the following individual fund receivables and payables, which are due to the pooling of cash:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 1,596,061	\$ -
Title I Disadvantaged	-	110,120
Cares Act ESSERF	-	50
CRRSA Act ESSER II	-	120,875
ESSER III	-	1,051,258
ARP IDEA PART B	-	33,327
Carl Perkins	-	105,997
IDEA-B School Age	-	140,894
Title IV-A Student Support	-	5,817
Improving Teacher Quality	-	27,723
	<u>\$ 1,596,061</u>	<u>\$ 1,596,061</u>

(Continued)

**Post Falls School District No. 273**

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

**NOTE 16: INTERFUND TRANSFERS**

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

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 165,110	\$ 1,855,930
Child Nutrition	55,328	39,533
Capital projects	176,000	-
Non-major	<u>1,626,246</u>	<u>127,221</u>
	<u>\$ 2,022,684</u>	<u>\$ 2,022,684</u>

**NOTE 17: EXCESS ACTUAL EXPENDITURES OVER BUDGET**

The following is a schedule of an excess of functional expenditures over appropriations for the year ended June 30, 2022. Also included are the actual revenues realized in each of those funds.

<u>Funds</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess of Budgeted Expenditures</u>	<u>Actual Revenues</u>
General	\$ 40,024,513	\$ 40,149,436	\$ 124,923	\$ 43,667,642
Child Nutrition	<u>2,376,000</u>	<u>2,922,061</u>	<u>546,061</u>	<u>3,835,034</u>
	<u>\$ 42,400,513</u>	<u>\$ 43,071,497</u>	<u>\$ 670,984</u>	<u>\$ 47,502,676</u>

**NOTE 18: PRIOR PERIOD ADJUSTMENT**

During the fiscal year ending June 30, 2022, the District restated beginning net position in the Government Wide Statement of Activities to record the effects of GASB 87. The district added a right-of-use lease asset of \$9,282, a lease liability of \$7,467 and accumulated amortization of \$3,713. Beginning net position was decreased by \$1,898.

In addition, the District restated beginning net position in the Government Wide Statement of Activities in the amount of \$1,555,352 to properly record beginning and ending accumulated depreciation of capital assets and the associated depreciation expense. Beginning net position was decreased by \$1,555,352.

(Concluded)

## FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

Post Falls School District

GASB 75 Required Supplementary Information  
For the Year Ended June 30, 2022

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

PERSI - OPEB PLAN

	2022	2021	2020	2019	2018
Employer's portion of net the OPEB asset	1.6655995%	1.6655995%	1.8205737%	1.8312852%	1.8250891%
Employer's proportionate share of the net OPEB asset	\$ 2,418,791	\$ 2,050,862	\$ 1,743,753	\$ 1,518,959	\$ 1,400,992
Employer's covered-employee payroll	\$ 22,109,452	\$ 23,232,609	\$ 22,392,876	\$ 25,740,859	\$ 24,618,453
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	10.94%	8.83%	7.79%	5.90%	5.69%
Plan fiduciary net position as a percentage of the total OPEB Asset	152.61%	152.87%	138.51%	135.69%	136.78%

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

Data reported is measured as of June 30, 2021 (measurement date).

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

	2022	2021	2020	2019	2018
Statutorily required contribution	\$ -	\$ -	\$ 149,665	\$ 298,594	\$ 285,574
Contributions in relation to the statutorily required contribution	-	-	149,665	298,594	285,574
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 22,109,452	\$ 23,232,609	\$ 22,392,876	\$ 25,740,859	\$ 24,618,453
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.67%	1.16%	1.16%

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

Data reported is measured as of June 30, 2022.

**Post Falls School District**

**GASB 75 Required Supplementary Information  
For the Year Ended June 30, 2022**

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

**Last 10 - Fiscal Years \***

<b>Total OPEB Liability</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 167,687	\$ 170,845	\$ 176,130	\$ 175,526	\$ 168,891
Interest on total OPEB liability	39,094	39,330	87,557	80,481	80,728
Effect of differences in experience	37,766	-	(448,301)	-	(199,491)
Effect of assumption changes or inputs	(174,052)	29,882	(604,024)	75,576	275,332
Expected benefit payments	(84,288)	(113,258)	(156,048)	(129,690)	(115,386)
Net change in total OPEB liability	(13,793)	126,799	(944,686)	201,893	210,074
Total OPEB liability, beginning	1,596,443	1,469,644	2,414,330	2,212,437	2,002,363
Total OPEB liability, ending	<u>\$ 1,582,650</u>	<u>\$ 1,596,443</u>	<u>\$ 1,469,644</u>	<u>\$ 2,414,330</u>	<u>\$ 2,212,437</u>
Covered employee payroll	\$22,109,452	\$23,232,609	\$22,392,876	\$25,740,859	\$24,618,453
Total OPEB liability as a % of covered employee payroll	7.16%	6.87%	6.56%	9.38%	8.99%

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

Data reported is measured as of June 30, 2021 (measurement date).

**Post Falls School District No. 273**

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

	<b>*Budgeted Amounts Final</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Property taxes	\$ 5,115,500	\$ 5,115,355	\$ (145)
Interest and investment earnings	53,882	29,100	(24,782)
Other local revenue	9,200	111,616	102,416
State assistance and reimbursements	35,141,399	38,411,571	3,270,172
Total revenues	<u>40,319,981</u>	<u>43,667,642</u>	<u>3,347,661</u>
<b>EXPENDITURES</b>			
Instructional services:			
Elementary programs	11,358,721	11,843,899	(485,178)
Secondary programs	10,632,541	10,572,043	60,498
Alternative school programs	742,345	767,310	(24,965)
Exceptional child programs	3,484,436	3,161,606	322,830
Vocational and technical programs	-	6,501	(6,501)
Activity programs	622,787	569,877	52,910
Other programs	20,549	53,250	(32,701)
Total instructional services	<u>26,861,379</u>	<u>26,974,486</u>	<u>(113,107)</u>
Support services:			
Guidance and health programs	1,745,169	1,710,869	34,300
Special services	1,528,415	1,548,470	(20,055)
Improvement and media	485,555	498,195	(12,640)
District administration	376,878	353,456	23,422
School administration	2,803,143	2,840,557	(37,414)
Business administration	1,533,099	1,520,837	12,262
Maintenance	1,876,712	1,862,647	14,065
Transportation	2,192,023	2,447,960	(255,937)
Security	219,140	161,780	57,360
Child nutrition program	-	66,135	(66,135)
Other support services	-	(4,784)	4,784
Total support services	<u>12,760,134</u>	<u>13,006,122</u>	<u>(245,988)</u>
Capital outlay	403,000	168,828	234,172
Total expenditures	<u>40,024,513</u>	<u>40,149,436</u>	<u>(124,923)</u>
Excess (deficiency) of revenues over expenditures	<u>295,468</u>	<u>3,518,206</u>	<u>3,222,738</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	90,426	165,110	74,684
Transfers (out)	(350,894)	(1,855,930)	(1,505,036)
Total other financing sources (uses)	<u>(260,468)</u>	<u>(1,690,820)</u>	<u>(1,430,352)</u>
Net change in fund balances	35,000	1,827,386	1,792,386
Fund balances - beginning	<u>(35,000)</u>	<u>6,036,935</u>	<u>6,071,935</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 7,864,321</u>	<u>\$ 7,864,321</u>

\*The budget was not amended.



**Post Falls School District No. 273**

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

	<b>*Budgeted Amounts Final</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Other local revenue	\$ 15,000	\$ 46,655	\$ 31,655
Title programs and other federal revenues	2,340,000	3,788,379	1,448,379
Total revenues	<u>2,355,000</u>	<u>3,835,034</u>	<u>1,480,034</u>
<b>EXPENDITURES</b>			
Non-instructional services:			
Food services	2,341,000	2,850,625	(509,625)
Capital outlay	35,000	71,436	(36,436)
Total expenditures	<u>2,376,000</u>	<u>2,922,061</u>	<u>(546,061)</u>
Excess (deficiency) of revenues over expenditures	<u>(21,000)</u>	<u>912,973</u>	<u>933,973</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	56,000	55,328	(672)
Transfers (out)	(35,000)	(39,533)	(4,533)
Total other financing sources	<u>21,000</u>	<u>15,795</u>	<u>(5,205)</u>
Net change in fund balances	-	928,768	928,768
Fund balances - beginning	-	<u>789,490</u>	<u>789,490</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,718,258</u>	<u>\$ 1,718,258</u>

\*The budget was not amended.

**Post Falls School District**

**GASB 68 Required Supplementary Information  
For the Year Ended June 30, 2022**

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

	<u>2022</u>	<u>2021</u>
Employer's portion of the net pension asset	0.7588098%	0.7593490%
Employer's proportionate share of the net pension asset	\$ (599,293)	\$ 17,633,088
Employer's covered-employee payroll	\$ 31,251,488	\$ 27,961,684
Employer's proportional share of the net pension asset as a percentage of its covered employee payroll	-1.92%	63.06%
Plan fiduciary net position as a percentage of the total pension asset	100.36%	88.22%

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

Data reported is measured as of June 30, 2021 (measurement date).

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

	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 3,791,945	\$ 3,338,625
Contributions in relation to the statutorily required contribution	3,791,945	3,338,625
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll of its covered employee payroll	\$ 31,251,488	\$ 27,961,684
Contributions as a percentage of covered-employee payroll	12.13%	11.94%

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

Data reported is measured as of June 30, 2022.

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

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

## FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

**Post Falls School District No. 273**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET - BY FUND TYPE  
June 30, 2022**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,352,065	\$ 724,968	\$ 5,077,033
Accounts receivable:			
State of Idaho	2,658,851	-	2,658,851
Total assets	<u>\$ 7,010,916</u>	<u>724,968</u>	<u>7,735,884</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 655,714	\$ -	\$ 655,714
Accrued payroll	584,952	-	584,952
Interfund payable	1,596,061	-	1,596,061
Total liabilities	<u>2,836,727</u>	<u>-</u>	<u>2,836,727</u>
 <b>FUND BALANCES</b>			
Restricted	782,696	430,617	1,213,313
Assigned	3,391,493	294,351	3,685,844
Total fund balances	<u>4,174,189</u>	<u>724,968</u>	<u>4,899,157</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,010,916</u>	<u>\$ 724,968</u>	<u>\$ 7,735,884</u>

**Post Falls School District No. 273**

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

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total</b>
<b>REVENUES</b>			
Other local revenue	\$ 547,222	\$ -	\$ 547,222
State assistance and reimbursements	685,499	404,840	1,090,339
Title programs and other federal revenues	10,510,477	-	10,510,477
Interest and investment earnings	3,139	-	3,139
Student body activity	1,230,812	-	1,230,812
Total revenues	<u>12,977,149</u>	<u>404,840</u>	<u>13,381,989</u>
<b>EXPENDITURES</b>			
Instructional services:			
Elementary programs	3,862,244	-	3,862,244
Secondary programs	1,420,065	-	1,420,065
Alternative school program	17,607	-	17,607
Exceptional child program	1,415,894	-	1,415,894
Support services:			
Guidance and health programs	144,055	-	144,055
District administration	14,942	-	14,942
School administration	45,211	-	45,211
Business administration	77,770	-	77,770
Maintenance	2,999,385	411,894	3,411,279
Transportation	76,288	-	76,288
Special services	118,313	-	118,313
Improvement and media	55,255	-	55,255
Admin technology	135,318	-	135,318
Summer school	15,010	-	15,010
Security	61,438	-	61,438
Child nutrition program	55,347	-	55,347
Student body activity	1,064,454	-	1,064,454
Capital outlay	597,610	51,608	649,218
Total expenditures	<u>12,176,206</u>	<u>463,502</u>	<u>12,639,708</u>
Excess (deficiency) of revenues over expenditures	<u>800,943</u>	<u>(58,662)</u>	<u>742,281</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,626,246	176,000	1,802,246
Transfers (out)	<u>(127,221)</u>	-	<u>(127,221)</u>
Total other financing sources	<u>1,499,025</u>	<u>176,000</u>	<u>1,675,025</u>
Net change in fund balances	2,299,968	117,338	2,417,306
Fund balance beginning	<u>1,874,221</u>	<u>607,630</u>	<u>2,481,851</u>
Fund balances - ending	<u>\$ 4,174,189</u>	<u>\$ 724,968</u>	<u>\$ 4,899,157</u>

Post Falls School District No. 273

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2022

	Forest Reserve Fund	Medicaid	Before and After School Program	No Kid Hungry
<b>ASSETS</b>				
Cash and cash equivalents	\$ 117,841	\$ 272,897	\$ 585,236	\$ -
Accounts receivable:				
State of Idaho	-	-	-	-
Total assets	<u>\$ 117,841</u>	<u>\$ 272,897</u>	<u>\$ 585,236</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	93,293	63,458	-
Interfund payable	-	-	-	-
Total liabilities	<u>-</u>	<u>93,293</u>	<u>63,458</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted	-	-	-	-
Assigned	117,841	179,604	521,778	-
Total fund balances	<u>117,841</u>	<u>179,604</u>	<u>521,778</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 117,841</u>	<u>\$ 272,897</u>	<u>\$ 585,236</u>	<u>\$ -</u>

<u>Kaiser Insurance Premium Refund</u>	<u>E-Rate</u>	<u>Student Activity Fund</u>	<u>ARP IDEA PART B</u>	<u>Cares Act ESSERF</u>	<u>CRRSA Act ESSER II</u>	<u>ARP ESSER III</u>
\$ 1,616,810	\$ 44,986	\$ 955,460	\$ -	\$ -	\$ -	\$ -
-	-	-	47,932	50	286,143	1,550,818
<u>\$ 1,616,810</u>	<u>\$ 44,986</u>	<u>\$ 955,460</u>	<u>\$ 47,932</u>	<u>\$ 50</u>	<u>\$ 286,143</u>	<u>\$ 1,550,818</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,268	\$ 473,859
-	-	-	14,605	-	-	25,701
-	-	-	33,327	50	120,875	1,051,258
-	-	-	47,932	50	286,143	1,550,818
-	44,986	-	-	-	-	-
1,616,810	-	955,460	-	-	-	-
<u>1,616,810</u>	<u>44,986</u>	<u>955,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,616,810</u>	<u>\$ 44,986</u>	<u>\$ 955,460</u>	<u>\$ 47,932</u>	<u>\$ 50</u>	<u>\$ 286,143</u>	<u>\$ 1,550,818</u>



<u>Recruit and Retain Bonus SLFR</u>	<u>Coronavirus Relief Fund</u>	<u>Vocational Program</u>	<u>Public School Technology</u>	<u>Drug Free State Money</u>
\$ -	\$ -	\$ -	\$ 747,777	\$ 7,818
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,777</u>	<u>\$ 7,818</u>
\$ -	\$ -	\$ -	\$ 19,932	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	19,932	-
-	-	-	727,845	7,818
-	-	-	-	-
-	-	-	727,845	7,818
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 747,777</u>	<u>\$ 7,818</u>

<u>Title 1</u> <u>Disadvantaged</u>	<u>IDEA-B</u> <u>School Age</u>	<u>IDEA-B</u> <u>Preschool</u>	<u>Carl</u> <u>Perkins</u>
\$ -	\$ -	\$ 1,332	\$ -
280,378	346,895	9,510	106,786
<u>\$ 280,378</u>	<u>\$ 346,895</u>	<u>\$ 10,842</u>	<u>\$ 106,786</u>
\$ -	\$ -	\$ -	\$ -
170,258	206,001	10,842	-
110,120	140,894	-	105,997
<u>280,378</u>	<u>346,895</u>	<u>10,842</u>	<u>105,997</u>
-	-	-	789
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>789</u>
<u>\$ 280,378</u>	<u>\$ 346,895</u>	<u>\$ 10,842</u>	<u>\$ 106,786</u>

<u>Improving Teacher Quality</u>	<u>ARP Library</u>	<u>Title IV-A Student Support</u>	<u>Total</u>
\$ -	\$ 1,908	\$ -	\$ 4,352,065
24,522	-	5,817	2,658,851
<u>\$ 24,522</u>	<u>\$ 1,908</u>	<u>\$ 5,817</u>	<u>\$ 7,010,916</u>
\$ (3,995)	\$ 650	\$ -	\$ 655,714
794	-	-	584,952
27,723	-	5,817	1,596,061
<u>24,522</u>	<u>650</u>	<u>5,817</u>	<u>2,836,727</u>
-	1,258	-	782,696
-	-	-	3,391,493
-	1,258	-	4,174,189
<u>\$ 24,522</u>	<u>\$ 1,908</u>	<u>\$ 5,817</u>	<u>\$ 7,010,916</u>

**Post Falls School District No. 273**

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

	<b>Forest Reserve Fund</b>	<b>Medicaid</b>	<b>Before and After School Program</b>	<b>No Kid Hungry</b>
<b>REVENUES</b>				
Other local revenue	\$ -	\$ -	\$ 502,236	\$ -
State assistance and reimbursements	-	-	54,610	-
Title programs and other federal revenues	33,313	935,154	237,179	-
Interest and investment earnings	-	-	-	-
Student body activity	-	-	-	-
Total revenues	<u>33,313</u>	<u>935,154</u>	<u>794,025</u>	<u>-</u>
<b>EXPENDITURES</b>				
Instructional services:				
Elementary programs	-	596,034	490,187	-
Secondary programs	-	402,783	-	-
Alternative school program	-	-	-	-
Exceptional child program	-	544	-	-
Support services:				
Guidance and health program	-	-	-	-
District administration	-	-	-	-
School administration	-	-	-	-
Business administration	-	53,277	-	-
Maintenance	-	-	-	-
Transportation	-	-	-	-
Special services	-	-	-	-
Improvement and media	-	-	-	-
Admin technology	-	-	-	-
Summer school	-	-	-	-
Security	-	-	-	-
Child nutrition program	-	-	-	321
Student body activity	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>1,052,638</u>	<u>490,187</u>	<u>321</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	(14,755)	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(14,755)</u>	<u>-</u>
Net change in fund balance	33,313	(117,484)	289,083	(321)
Fund balances - beginning	<u>84,528</u>	<u>297,088</u>	<u>232,695</u>	<u>321</u>
Fund balances - ending	<u>\$ 117,841</u>	<u>\$ 179,604</u>	<u>\$ 521,778</u>	<u>\$ -</u>

<b>Kaiser Insurance Premium Refund</b>	<b>E-rate</b>	<b>Student Activity Fund</b>	<b>ARP IDEA PART B</b>	<b>Cares Act ESSERF</b>	<b>CRRSA Act ESSER II</b>
\$ -	\$ 44,986	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	184,250	4,065	2,845,848
3,139	-	-	-	-	-
-	-	1,230,812	-	-	-
<u>3,139</u>	<u>44,986</u>	<u>1,230,812</u>	<u>184,250</u>	<u>4,065</u>	<u>2,845,848</u>
-	-	-	1,624	1,666	5,501
-	-	-	-	2,280	16,336
-	-	-	-	-	632
-	-	-	105,852	-	-
-	-	-	-	-	5,124
-	-	-	-	-	-
-	-	-	-	-	4,145
-	-	-	-	-	-
-	-	-	-	-	2,520,843
-	-	-	-	-	-
-	-	-	71,390	-	-
-	-	-	-	-	-
-	-	-	-	-	65,078
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,064,454	-	-	-
-	-	-	-	-	219,828
<u>-</u>	<u>-</u>	<u>1,064,454</u>	<u>178,866</u>	<u>3,946</u>	<u>2,837,487</u>
1,613,671	-	-	-	-	-
-	-	-	(5,384)	(119)	(8,361)
<u>1,613,671</u>	<u>-</u>	<u>-</u>	<u>(5,384)</u>	<u>(119)</u>	<u>(8,361)</u>
1,616,810	44,986	166,358	-	-	-
-	-	789,102	-	-	-
<u>\$ 1,616,810</u>	<u>\$ 44,986</u>	<u>\$ 955,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>ARP ESSER III</b>	<b>Recruit and Retain Bonus SLFR</b>	<b>Coronavirus Relief Fund</b>	<b>Vocational Program</b>	<b>Public School Technology</b>	<b>Drug Free State Money</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	39,504	518,785	72,600
2,533,141	644,649	198,696	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,533,141</u>	<u>644,649</u>	<u>198,696</u>	<u>39,504</u>	<u>518,785</u>	<u>72,600</u>
1,004,992	219,803	67,586	-	154,191	-
517,031	143,508	34,240	41,148	49,130	72,201
656	9,567	-	-	4,332	-
431	83,713	-	-	-	-
103,053	35,878	-	-	-	-
12,550	2,392	-	-	-	-
7,579	33,487	-	-	-	-
5,375	9,567	9,551	-	-	-
442,952	16,742	18,848	-	-	-
1,792	40,660	33,836	-	-	-
3,900	16,743	-	-	-	-
1,729	4,784	-	-	-	-
1,793	2,392	7,463	-	58,592	-
15,010	-	-	-	-	-
-	2,392	-	-	-	-
1,783	26,071	27,172	-	-	-
-	-	-	-	-	-
371,952	-	-	-	-	-
<u>2,492,578</u>	<u>647,699</u>	<u>198,696</u>	<u>41,148</u>	<u>266,245</u>	<u>72,201</u>
-	3,050	-	1,644	-	-
<u>(40,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(40,563)</u>	<u>3,050</u>	<u>-</u>	<u>1,644</u>	<u>-</u>	<u>-</u>
-	-	-	-	252,540	399
-	-	-	-	475,305	7,419
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 727,845</u>	<u>\$ 7,818</u>

<u>Title 1</u> <u>Disadvantaged</u>	<u>IDEA-B</u> <u>School Age</u>	<u>IDEA-B</u> <u>Preschool</u>	<u>Carl</u> <u>Perkins</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,093,631	1,274,714	30,919	106,786
-	-	-	-
-	-	-	-
<u>1,093,631</u>	<u>1,274,714</u>	<u>30,919</u>	<u>106,786</u>
1,083,807	-	-	-
-	-	-	106,643
-	-	-	-
-	1,189,333	36,021	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	24,354	276	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	5,830	-	-
<u>1,083,807</u>	<u>1,219,517</u>	<u>36,297</u>	<u>106,643</u>
-	-	5,378	-
<u>(9,824)</u>	<u>(36,495)</u>	<u>-</u>	<u>(1,644)</u>
<u>(9,824)</u>	<u>(36,495)</u>	<u>5,378</u>	<u>(1,644)</u>
-	18,702	-	(1,501)
-	(18,702)	-	2,290
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 789</u>

<b>Improving Teacher Quality</b>	<b>ARP Library</b>	<b>Title IV-A Student Support</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 547,222
-	-	-	685,499
238,836	50,000	99,296	10,510,477
-	-	-	3,139
-	-	-	1,230,812
<u>238,836</u>	<u>50,000</u>	<u>99,296</u>	<u>12,977,149</u>
203,903	-	32,950	3,862,244
30,837	-	3,928	1,420,065
1,941	-	479	17,607
-	-	-	1,415,894
-	-	-	144,055
-	-	-	14,942
-	-	-	45,211
-	-	-	77,770
-	-	-	2,999,385
-	-	-	76,288
1,650	-	-	118,313
-	48,742	-	55,255
-	-	-	135,318
-	-	-	15,010
-	-	59,046	61,438
-	-	-	55,347
-	-	-	1,064,454
-	-	-	597,610
<u>238,331</u>	<u>48,742</u>	<u>96,403</u>	<u>12,176,206</u>
2,503	-	-	1,626,246
<u>(7,174)</u>	<u>-</u>	<u>(2,902)</u>	<u>(127,221)</u>
<u>(4,671)</u>	<u>-</u>	<u>(2,902)</u>	<u>1,499,025</u>
<u>(4,166)</u>	<u>1,258</u>	<u>(9)</u>	<u>2,299,968</u>
<u>4,166</u>	<u>-</u>	<u>9</u>	<u>1,874,221</u>
<u>\$ -</u>	<u>\$ 1,258</u>	<u>\$ -</u>	<u>\$ 4,174,189</u>



**Post Falls School District No. 273**

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

	<b>Lottery Fund</b>	<b>Plant Facility Fund</b>	<b>Bus Depreciation Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 294,351	\$ 73,631	\$ 356,986	\$ 724,968
Total assets	<u>\$ 294,351</u>	<u>\$ 73,631</u>	<u>\$ 356,986</u>	<u>\$ 724,968</u>
<b>FUND BALANCES</b>				
Restricted	-	73,631	356,986	430,617
Assigned	294,351	-	-	294,351
Total fund balances	<u>294,351</u>	<u>73,631</u>	<u>356,986</u>	<u>724,968</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 294,351</u>	<u>\$ 73,631</u>	<u>\$ 356,986</u>	<u>\$ 724,968</u>

**Post Falls School District No. 273**

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

	<b>Lottery Fund</b>	<b>Plant Facility Fund</b>	<b>Bus Depreciation Fund</b>	<b>Total</b>
<b>REVENUES</b>				
State assistance and reimbursements	\$ 404,840	\$ -	\$ -	\$ 404,840
Total revenues	<u>404,840</u>	<u>-</u>	<u>-</u>	<u>404,840</u>
<b>EXPENDITURES</b>				
Support services:				
Maintenance	411,894	-	-	411,894
Capital outlay	-	51,608	-	51,608
Total expenditures	<u>411,894</u>	<u>51,608</u>	<u>-</u>	<u>463,502</u>
Excess (deficiency) of revenues over expenditures	<u>(7,054)</u>	<u>(51,608)</u>	<u>-</u>	<u>(58,662)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	176,000	176,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>176,000</u>	<u>176,000</u>
Net change in fund balances	(7,054)	(51,608)	176,000	117,338
Fund balances - beginning	<u>301,405</u>	<u>125,239</u>	<u>180,986</u>	<u>607,630</u>
Fund balances - ending	<u>\$ 294,351</u>	<u>\$ 73,631</u>	<u>\$ 356,986</u>	<u>\$ 724,968</u>

**Post Falls School District No. 273**

**SCHEDULE OF CHANGES IN DEPOSIT BALANCES  
OF INDIVIDUAL SCHOOLS  
For the Year Ended June 30, 2022**

School	Cash June 30, 2021	Receipts	Disbursements	Cash June 30, 2022
West Ridge Elementary	\$ 38,129	\$ 45,025	\$ 46,196	\$ 36,958
Prairie View Elementary	55,096	45,440	33,365	67,171
Ponderosa Elementary	23,027	70,505	27,839	65,693
Seltice Elementary	28,211	43,528	34,118	37,621
Mullan Trail Elementary	29,216	39,838	28,137	40,917
Post Falls Middle School	61,437	82,584	66,244	77,777
River City Middle School	34,582	51,008	41,703	43,887
Post Falls High School	435,011	744,358	710,247	469,122
New Vision High School	33,164	13,399	12,601	33,962
Greensferry Elementary	38,897	48,195	30,749	56,343
Treaty Rock Elementary	12,332	46,932	33,255	26,009
	\$ 789,102	\$ 1,230,812	\$ 1,064,454	\$ 955,460

## SINGLE AUDIT SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Post Falls School District No. 273 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Post Falls School District No. 273's basic financial statements, and have issued our report thereon dated November 8, 2022.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Post Falls School District No. 273's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Post Falls School District No. 273's internal control. Accordingly, we do not express an opinion on the effectiveness of Post Falls School District No. 273's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

As part of obtaining reasonable assurance about whether Post Falls School District No. 273's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Magnuson, McHugh & Company, P.A.*

Magnuson, McHugh, & Co., P.A.

November 8, 2022

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited Post Falls School District No. 273's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Post Falls School District No. 273's major federal programs for the year ended June 30, 2022. Post Falls School District No. 273's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Post Falls School District No. 273 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Post Falls School District No. 273 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Post Falls School District No. 273's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Post Falls School District No. 273's federal programs.

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Post Falls School District No. 273's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Post Falls School District No. 273's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Post Falls School District No. 273's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Post Falls School District No. 273's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Post Falls School District No. 273's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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



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

**Report on Internal Control Over Compliance (Concluded)**

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

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

*Magnuson, McHugh & Company, P.A.*

Magnuson, McHugh, & Co., P.A.

November 8, 2022

**Post Falls School District No. 273**

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

Program Title	Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Special Education Cluster:			
Special Education Grants to States (IDEA, Part B)	84.027	826000813	\$ 1,426,739
Special Education Preschool Grant (IDEA Preschool)	84.173	826000813	<u>49,820</u>
Total Special Education Cluster:			1,476,559
Title I Grants to Local Educational Agencies	84.010	826000813	1,093,631
Improving Teacher Quality State Grants (Title II-A)	84.367	826000813	245,505
Vocational Education Basic Grants to States (Carl Perkins)	84.048A	826000813	108,287
Title IV-A Student Support and Academic Enrichment Program	84.424	826000813	99,305
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425	826000813	<u>5,383,054</u>
<i>Total Department of Education</i>			<u>8,406,341</u>
<u>U.S. Department of Agriculture</u>			
Passed through State of Idaho Department of Education:			
Nutrition Cluster:			
School Breakfast Program	10.553	826000813	570,324
National School Lunch Program	10.555	826000813	1,792,789
National School Lunch Program - Commodities	10.555	826000813	171,522
Summer Food Service Program	10.559	826000813	<u>426,959</u>
Total Nutrition Cluster:			<u>2,961,594</u>
<i>Total Department of Agriculture</i>			<u>2,961,594</u>
<u>U.S. Department of Treasury</u>			
Passed through State of Idaho Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	826000813	647,699
COVID-19 Coronavirus Relief Fund	21.019	826000813	<u>198,696</u>
<i>Total Department of Treasury</i>			<u>846,395</u>
<u>National Endowment for the Humanities</u>			
Passed through State of Idaho Department of Education:			
Institute of Museum and Library Services	45.310	826000813	<u>48,742</u>
<i>Total National Endowment for the Humanities</i>			<u>48,742</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State of Idaho Department of Education:			
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	826000813	<u>237,179</u>
Total Child Care and Development Fund Cluster:			237,179
Maternal and Child Health Services Block Grant to the States	93.994	826000813	<u>500</u>
<i>Total Department of Health and Human Services</i>			<u>237,679</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 12,500,751</u>

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

## Post Falls School District No. 273

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

#### NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Post Falls School District No. 273 under programs of the federal government for the year ended June 30, 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 Post Falls School District No. 273, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Post Falls School District No. 273.

#### NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Post Falls School District No. 273 has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
- (2) Pass-through identifying numbers are presented where available.

#### NOTE C: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, the School District had received food commodities totaling \$171,522.

Post Falls School District No. 273

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: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
Significant deficiency(ies) identified that are not considered to be material weakness(es)

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
Significant deficiency(ies) identified that are not considered to be material weakness(es)?

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

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

Identification of major programs:

Table with 2 columns: Assistance Listing Number(s) and Name of Federal Program or Cluster. Rows include Nutrition Cluster (School Breakfast Program, National School Lunch Program, Summer Food Service Program) and Coronavirus State and Local Fiscal Recovery Funds.

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

Auditee qualified as low-risk auditee? X Yes No

## Post Falls School District No. 273

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2022

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

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

#### **Section III. – Findings and questioned costs for Federal Awards**

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

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

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