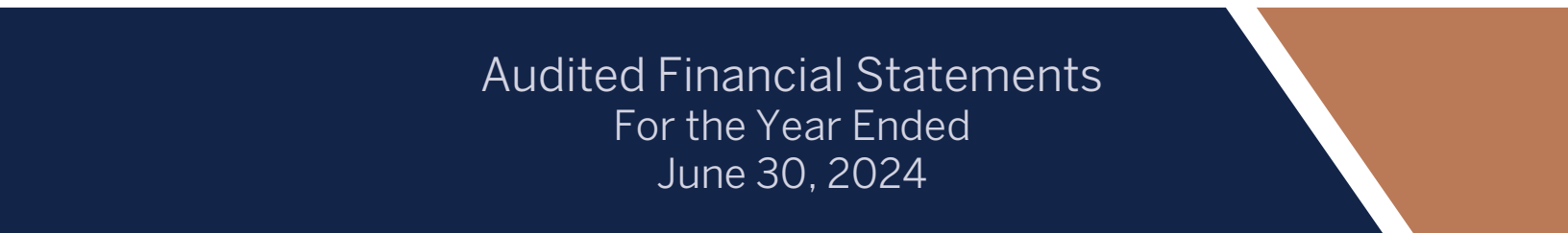




WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho



Audited Financial Statements
For the Year Ended
June 30, 2024

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-9
 FINANCIAL STATEMENTS	
Statement of Net Position	10
Statement of Activities.....	11
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Fiduciary Funds – Statement of Fiduciary Net Position.....	16
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	17
Notes to the Financial Statements	18-44
 REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	45
Net Pension (Asset) Liability Related Schedules.....	46
Other Post-Employment Benefits Liability Schedule	47
Net OPEB Asset – Sick Leave Plan Related Schedules	48

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS

Description of Other Governmental Funds	49-50
Combining Balance Sheet – Other Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Governmental Funds	52
Schedule of Revenues and Expenditures – Budget and Actual – Other Governmental Funds.....	53

NONMAJOR CAPITAL PROJECT FUNDS

Combining Balance Sheet – Capital Project Funds	54
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances – Capital Project Funds	55

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet – Special Revenue Funds	56-58
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances – Special Revenue Funds	59-61

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	62
Notes to the Schedule of Expenditures of Federal Awards.....	63
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing</i> Standards	64-65
Independent Auditor’s Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Federal Awards Required By The Uniform Guidance	66-68
Schedule of Findings and Questioned Costs.....	69-75
Status of Prior Year Findings and Questioned Costs	76-77



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho 83856

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Bonner County School District No. 83's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83 as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

Certain transactions recorded by the District as revenues should have been recorded as expenditures, as well as expenditures recorded as revenues or in the wrong expenditure classification. Management has not determined the amounts of these misclassifications, and we were unable to obtain sufficient appropriate audit evidence to determine the effects of these matters on the accompanying financial statements. Accordingly, the effects of these misclassifications on revenues and expenditures have not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* (Yellow Book) issued by the U.S. Government Accountability Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

The District has restated the beginning balances for a number of error corrections as further described in Note 16. Our opinion is not modified with respect to these matters.

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 West Bonner County School District No. 83's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to

those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Bonner County School District No. 83'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 West Bonner County School District No. 83's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9, the budgetary comparison schedule on page 45, the net pension (asset) liability related schedules on page 46, Other Post Employment Benefits liability schedule on page 47, and the Net OPEB Asset – sick leave plan related schedules on page 48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Bonner County School District No. 83's basis financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the

basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2026 on our consideration of West Bonner County School District No. 83'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 West Bonner County School District No. 83's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering West Bonner County School District No. 83's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
July 7, 2026

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024

The management's discussion and analysis of the financial performance of West Bonner County School District No. 83 provides an overall narrative review of the District's financial activities for the year ended June 30, 2024. Efforts have been made to provide comparison to prior year data when such data is available. The intent of this discussion and analysis is to look at the District's performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance. Information contained in the section is qualified by the more detailed information contained elsewhere in the District's financial statements, notes to financial statements and any accompanying supplementary information. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources.

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

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements outline functions of the District that are principally supported by state revenues, property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction and support services.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, which 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 funds financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported in the government-wide statements. Therefore, a reconciliation of the differences between the governmental funds and the government-wide statements is included as a separate statement.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information. The budgetary comparison schedule, the net pension (asset) liability related schedules, and the other post-employment benefit schedules provides additional information required by GASB.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds as well as the other supplementary information are presented immediately following the notes to the financial statements.

Net Position. Table 1 provides a summary comparison of the District's net position at June 30, 2024 and 2023. Net position may serve as a useful indicator of the District's financial position.

Table 1
Statement of Net Position
June 30,

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets			
Current assets	9,474,849	7,349,258	2,125,591
Capital assets	2,812,109	2,706,350	105,759
Noncurrent assets	303,844	318,753	(14,909)
Total Assets	<u>12,590,802</u>	<u>10,374,361</u>	<u>2,216,441</u>
 Deferred Outflows of Resources	 <u>3,435,318</u>	 <u>4,706,364</u>	 <u>(1,271,046)</u>
 Liabilities			
Current liabilities	1,555,167	1,729,269	(174,102)
Noncurrent liabilities	6,831,170	7,308,685	(477,515)
Total Liabilities	<u>8,386,337</u>	<u>9,037,954</u>	<u>(651,617)</u>
 Deferred Inflows of Resources	 <u>959,074</u>	 <u>668,275</u>	 <u>290,799</u>
 Net Position			
Net investment in capital assets	2,761,824	2,694,312	67,512
Restricted	1,082,644	805,410	277,234
Unrestricted	2,836,241	1,874,774	961,467
Total Net Position	<u>\$ 6,680,709</u>	<u>\$ 5,374,496</u>	<u>\$ 1,306,213</u>

Total net position increased by \$1,230,447, primarily due to the decrease in expenses. Net investment in capital assets represent the net book value of any capital assets (e.g., buildings, equipment, vehicles, etc.). Because the District uses capital assets to provide services to students, these assets are not available for future spending. Restricted net position are those assets that must be spent for specific purposes, and are not available to be spent on general purposes. Unrestricted net position represent those assets which the District has that are available for general purposes.

Changes in Net Position. Table 2 provides a summary comparison of the changes in the net position for the fiscal year ended June 30, 2024 and 2023.

Table 2
Changes in Net Position

	<u>2023 - 2024</u>	<u>2022 - 2023</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for services	86,998	330,689	(243,691)
Operating grants and contributions	3,723,696	3,264,106	459,590
Property taxes	99,706	3,620,788	(3,521,082)
Federal and state revenues	10,524,121	7,992,120	2,532,001
Earnings on investment	339,654	150,769	188,885
Other	313,957	305,870	8,087
Total Revenues	<u>15,088,132</u>	<u>15,664,342</u>	<u>(576,210)</u>
Expenses			
Program Expenses:			
Instruction	7,007,034	6,911,145	95,889
Support services			
Pupil support	681,598	1,120,340	(438,742)
Staff support	920,834	913,278	7,556
General administration	401,706	253,468	148,238
School/business administration	1,328,384	1,198,203	130,181
Operations/maintenance	1,636,624	1,961,435	(324,811)
Transportation	806,720	920,520	(113,800)
Child nutrition	623,631	575,691	47,940
Student activity	133,476	275,381	(141,905)
Debt service	1,214	2,029	(815)
Amortization, unallocated	5,655	-	5,655
Depreciation, unallocated	310,809	-	310,809
Total Expenses	<u>13,857,685</u>	<u>14,131,490</u>	<u>(273,805)</u>
Change in Net Position	1,230,447	1,532,852	(302,405)
Net Position – Beginning	5,374,496	3,841,644	1,532,852
Restatement (See Note 16)	75,766	-	75,766
Net Position – Ending	<u>\$ 6,680,709</u>	<u>\$ 5,374,496</u>	<u>\$ 1,306,213</u>

As shown in Table 2, local Federal and state revenues represented approximately 69.8% of the District's total revenues for 2024. The District had total expenses of \$13,857,685 for 2024, of which was less than revenues by \$1,230,447.

Financial Analysis of the District's Funds

The District completed the fiscal year ended June 30, 2024 with total governmental fund balances of \$7,735,765.

General Fund Budgetary Highlights

The District adopts an original budget in June for the subsequent year. The budget, if required, is amended later in the fiscal year, typically in the late spring, following determination of the first attendance period and certification of all levies on property taxes. State revenues are primarily driven through the measurement of attendance for the first nine weeks of the school year. The budget was not amended for the current year. The budget is presented on page 45 and reflects a negative variance of \$1,245,991 in revenues, primarily in local revenue, and a positive variance of \$2,832,889 in expenditures, primarily due to decreased salary costs overall.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The District completed intercom upgrades, exterior door replacement, alarm upgrades, a roofing project, and purchased a new bus.

Debt Administration – The District's only debt is related to a right-of-use lease.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kendra Salesky, Business Manager, West Bonner County School District No. 83, 134 Main Street, Priest River, Idaho 83856.

FINANCIAL STATEMENTS

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	8,073,845
Taxes receivable	51,108
Unbilled taxes receivable	153,973
Other receivables:	
Due from other governments	1,141,045
Other receivables	1,059
Inventory	31,187
Prepaid items	22,632
Total current assets	<u>9,474,849</u>

Noncurrent assets:

Non-depreciated capital assets	419,102
Depreciated capital assets	13,681,148
Less: accumulated depreciation	(11,333,307)
Right-of-use lease asset	50,821
Less: accumulated amortization	(5,655)
Net OPEB asset - sick leave	303,844
Total noncurrent assets	<u>3,115,953</u>

Total assets 12,590,802

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	3,187,941
Net OPEB - sick leave related items	229,694
OPEB related items	<u>17,683</u>

Total deferred outflows of resources 3,435,318

LIABILITIES

Current liabilities:

Accounts payable and other current liabilities	1,540,818
Current portion of right-of-use lease payable	12,706
Current portion of long-term financing	<u>1,643</u>
Total current liabilities	<u>1,555,167</u>

Noncurrent liabilities:

Accrued compensated absences	83,391
Noncurrent portion of right-of-use lease payable	35,936
Net pension liability	6,445,879
OPEB liability	<u>265,964</u>
Total noncurrent liabilities	<u>6,831,170</u>

Total liabilities 8,386,337

DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	153,973
Pension related items	270,884
OPEB related items	409,484
Net OPEB - sick leave related items	<u>124,733</u>

Total deferred inflows of resources 959,074

NET POSITION

Net investment in capital assets	2,761,824
Restricted for:	
Net OPEB - sick leave	303,844
Capital projects	268,240
Building maintenance	21,905
Grant programs	488,655
Unrestricted	<u>2,836,241</u>

Total net position \$ 6,680,709

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

		Program Revenues		Net (Expense)
				Revenue and
				Changes in Net
				Position
	Expenses	Charges for	Operating	Capital Grants
		Services	Grants and	and
			Contributions	Contributions
				Governmental
				Activities
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction	7,007,034	-	1,374,444	-
				(5,632,590)
Support services:				
Pupil support	681,598	-	-	-
				(681,598)
Staff support	920,834	-	138,388	-
				(782,446)
General administration	401,706	-	-	-
				(401,706)
School/business administration	1,328,384	-	463,708	-
				(864,676)
Operations/maintenance	1,636,624	-	1,463,406	-
				(173,218)
Transportation	806,720	-	-	-
				(806,720)
Child nutrition	623,631	86,998	283,750	-
				(252,883)
Student activity	133,476	-	-	-
				(133,476)
Debt services	1,214	-	-	-
				(1,214)
Amortization, unallocated	5,655	-	-	-
				(5,655)
Depreciation, unallocated	310,809	-	-	-
				(310,809)
Total school district	<u>\$ 13,857,685</u>	<u>\$ 86,998</u>	<u>\$ 3,723,696</u>	<u>\$ -</u>
				(10,046,991)
General revenues				
Taxes:				
Property taxes levied for general purposes				99,706
Federal and State aid not restricted to specific purpose:				10,524,121
Gain (loss) on sale of capital assets				(72,515)
Other				386,472
Earnings on investment				339,654
Total general revenues				<u>11,277,438</u>
Change in net position				<u>1,230,447</u>
Net position - beginning, as previously stated				5,374,496
Correction of an error (See Note 16)				<u>75,766</u>
Net position - beginning, as restated				<u>5,450,262</u>
Net position - ending				<u>\$ 6,680,709</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

GOVERNMENTAL FUNDS**BALANCE SHEET**

June 30, 2024

	ESSER III (ARPA)			
	General	American	Other	Total
	Fund	Rescue	Governmental	Governmental
		Plan Act Fund	Funds	Funds
ASSETS AND DEFERRED OUTFLOWS				
OF RESOURCES				
Assets:				
Cash and cash equivalents	7,110,941	-	962,904	8,073,845
Due from other funds	349,858	-	-	349,858
Taxes receivable	51,108	-	-	51,108
Unbilled taxes receivable	153,973	-	-	153,973
Other receivables:				
Due from other governments	563,450	453,989	123,606	1,141,045
Other receivables	1,059	-	-	1,059
Inventory	-	-	31,187	31,187
Prepaid items	22,632	-	-	22,632
Total assets	<u>8,253,021</u>	<u>453,989</u>	<u>1,117,697</u>	<u>9,824,707</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 8,253,021</u>	<u>\$ 453,989</u>	<u>\$ 1,117,697</u>	<u>\$ 9,824,707</u>
LIABILITIES, DEFERRED INFLOWS OF				
RESOURCES AND FUND BALANCE				
Liabilities:				
Due to other funds	-	318,746	31,112	349,858
Accounts payable	26,069	-	163,426	189,495
Accrued payroll and benefits	1,049,816	135,243	166,264	1,351,323
Total liabilities	<u>1,075,885</u>	<u>453,989</u>	<u>360,802</u>	<u>1,890,676</u>
Deferred inflows of resources:				
Deferred revenue	44,293	-	-	44,293
Unavailable property tax revenue	153,973	-	-	153,973
Total deferred inflows of resources	<u>198,266</u>	<u>-</u>	<u>-</u>	<u>198,266</u>
Fund balance:				
Nonspendable	22,632	-	31,187	53,819
Assigned	1,800,561	-	-	1,800,561
Restricted	21,905	-	725,708	747,613
Unassigned	5,133,772	-	-	5,133,772
Total fund balance	<u>6,978,870</u>	<u>-</u>	<u>756,895</u>	<u>7,735,765</u>
Total liabilities and deferred inflows of resources and fund balance	<u>\$ 8,253,021</u>	<u>\$ 453,989</u>	<u>\$ 1,117,697</u>	<u>\$ 9,824,707</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2024**

Total fund balances - governmental funds	7,735,765
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds:	
Cost of capital assets	14,100,250
Accumulated depreciation	(11,333,307)
Right-of-use lease assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds.	
Cost of right-of-use lease assets	50,821
Accumulated amortization	(5,655)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
	44,293
Total Net OPEB asset for PERSI-sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds	
	303,844
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	3,187,941
Deferred inflow of resources	(270,884)
Certain OPEB related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	17,683
Deferred inflow of resources	(409,484)
Certain Net OPEB-sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	229,694
Deferred inflow of resources	(124,733)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
Long-term financing payable	(1,643)
Compensated absences	(83,391)
Right-of-use lease payable	(48,642)
OPEB liability	(265,964)
Net pension liability	(6,445,879)
Total net position - governmental activities	<u>\$ 6,680,709</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

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

	General Fund	ESSER III (ARPA) American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Local	716,488	-	293,307	1,009,795
State	9,709,214	-	696,430	10,405,644
Federal	-	2,497,358	1,344,815	3,842,173
Total revenues	10,425,702	2,497,358	2,334,552	15,257,612
EXPENDITURES				
Instruction	5,241,804	296,197	911,891	6,449,892
Support	3,462,693	1,918,651	546,293	5,927,637
Non-instruction	-	-	732,754	732,754
Debt service	12,858	-	-	12,858
Total expenditures	8,717,355	2,214,848	2,190,938	13,123,141
Excess (deficiency) of revenue over (under) expenditures	1,708,347	282,510	143,614	2,134,471
Other financing sources (uses)				
Proceeds from right-of-use lease	49,891	-	-	49,891
Transfer in	486,382	-	228,849	715,231
Transfer out	(280,643)	(282,510)	(152,078)	(715,231)
Total other financing sources (uses)	255,630	(282,510)	76,771	49,891
Net change in fund balance	1,963,977	-	220,385	2,184,362
Fund balances - beginning of year, as previously stated	4,258,817	-	436,801	4,695,618
Correction of an error (See Note 16)	756,076	-	99,709	855,785
Fund balances - beginning of year, as restated	5,014,893	-	536,510	5,551,403
Fund balances - end of year	\$ 6,978,870	\$ -	\$ 756,895	\$ 7,735,765

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

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

Net change in fund balances - total governmental funds 2,184,362

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

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

Capital outlays	375,404	
Depreciation expense	<u>(310,809)</u>	
		64,595

Capital outlays to lease right-of-use lease assets are related in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual amortization expense in the Statement of Activities:

Capital outlays	50,821	
Amortization expense	<u>(5,655)</u>	
		45,166

Proceeds from the disposal of capital assets are recorded as a proceeds for governmental funds, however, in the Statement of Activities, the proceeds are reduced by the remaining net depreciable basis associated with the disposed assets. (72,515)

Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are accounted for as deferred tax revenues. They are however, recorded as revenues in the Statement of Activities. (96,965)

Net pension (asset) liability adjustments:

Fiscal year 2023 employer PERSI contributions recognized as pension expense in the current year.	(833,496)	
Fiscal year 2024 employer PERSI contributions deferred to subsequent year	839,750	
Pension related amortization expense	<u>(827,824)</u>	
		(821,570)

Net OPEB - sick leave adjustment:

Fiscal year 2023 employer PERSI Sick Leave contributions recognized as pension expense in the current year	-	
Fiscal year 2024 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization expense	<u>(72,650)</u>	
		(72,650)

OPEB liability adjustment 65,811

Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. this is the amount by which compensated absences incurred was less (greater) than the amount paid during the year. (27,540)

Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position. (49,891)

Proceeds from right-of-use lease

Repayments of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the Statement of Net Position:

Long-term financing principal payments	10,395	
Right-of-use lease principal payments	<u>1,249</u>	

Total change in net position - governmental activities \$ 1,230,447

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Student Scholarship</u>	<u>AFLAC Reimbursement</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	<u>2,022</u>	<u>32,852</u>	<u>34,874</u>
Total assets	<u>2,022</u>	<u>32,852</u>	<u>34,874</u>
DEFERRED OUTFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOW OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted:			
Scholarships	2,022	-	2,022
Held for employee reimbursements	-	32,852	32,852
Total net position	<u>\$ 2,022</u>	<u>\$ 32,852</u>	<u>\$ 34,874</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	<u>Student Scholarship</u>	<u>AFLAC Reimbursement</u>	<u>Total</u>
ADDITIONS	-	-	-
Total additions	-	-	-
DEDUCTIONS			
Employee reimbursements	-	12,682	12,682
Total deductions	-	12,682	12,682
Change in net position	-	(12,682)	(12,682)
Net position - beginning of year	2,022	45,534	47,556
Net position - end of year	<u>\$ 2,022</u>	<u>\$ 32,852</u>	<u>\$ 34,874</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 **Summary of Significant Accounting Policies**

The financial statements of West Bonner County School District No. 83 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

Reporting Entity - West Bonner County School District No. 83 is the basic level of government, which has financial accountability, and control over all activities related to the public-school education within the District. The Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, as amended by GASB 61, which are included in the District's reporting entity.

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

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

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

The District reports the following major governmental funds:

- **General Fund.** This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- **ESSER III (ARPA) American Rescue Plan Act Fund.** To account for restricted Federal revenue to be spent on COVID related expenditures.

Basis of Accounting - 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes, state support, and grant revenues are susceptible to accrual.

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

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

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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

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

Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

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

Interest income is defined as non-operating revenue.

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

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

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 20 to 40 years. Lives for furniture and equipment range from 3 to 20 years. School buses have an estimated life of 8 years. Vehicles have estimated lives of 3 to 5 years.

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

Compensated Absences – The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated personal and vacation leave balances. No liability is recorded for non-vesting accumulated rights to receive sick pay.

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

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

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

Pensions - For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value. All governmental funds with salaries are used to liquidate the net pension liability during the year based on a proportion of salaries in each fund compared to total salaries of the District.

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

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

Encumbrances - The District does not utilize an encumbrance system.

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

Fund Balance - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications. The District applies committed resources, then assigned resources, then unassigned resources when an expense is incurred for purposes for which all fund balances classifications are available.

Restricted balances are as follows:

- **Grant Programs** – Special revenue funds restricted for amounts that can only be spent for specific purposes.
- **Building Maintenance** – Restrict funds that can only be spent on building maintenance.
- **Capital Projects** – These restricted funds are used for capital projects.

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

- **FY2025** – The Board of Trustees has assigned \$1,800,561 of the fiscal year 2024 fund balance to fiscal year 2025 expenditures.

Nonspendable balances are as follows:

- **Inventory** – food supplies
- **Prepaid items** – items determined to be related to future years

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

Deferred Grant Revenue - Deferred grant revenue in the funds represents grant money that has been received but not yet earned.

NOTE 1 Summary of Significant Accounting Policies (Continued)

Unavailable Property Tax Revenue - Unavailable property tax revenue in the general and debt service funds represent the property taxes levied for 2024 that is measurable but unavailable to the District and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

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

NOTE 2 Recently Adopted Accounting Guidance

For the year ended June 30, 2024, there was one new GASB statement that became effective. The adoption of the statement has the following effect for the District:

GASB Statement No. 100, *Account Changes and Error Corrections* - The statement delineates required note disclosures when there is a reposted accounting change or correction of an error. See Note 16 for disclosure of a change within the reporting entity during FY2024.

NOTE 3 Property Tax

The District's property tax is recognized as an asset at the time the District has an enforceable legal claim to the resources (January 1st of each year), and the revenue is recognized in the period for which the taxes are levied. For FY2024, the District has recognized the 2023 levy as revenue and the tax year 2024 levy as an asset.

Tax Year 2023 Levy (FY2024 Revenue)

The market value upon which the 2023 levy was based was \$4,869,322,100. The property tax was levied in October 2023 and was due in two equal installments on December 20th and June 20th.

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

	Percentage	Amount
Tort	0.21190 %	\$103,676

Tax Year 2024 Levy (FY2024 Asset)

The property tax levy for 2024 has been recorded as an asset in the general fund in the amount of \$153,973. This levy is for the FY2025 operations and has been presented as unavailable property tax revenue.

NOTE 3 Property Tax (Continued)

Deferred Revenue

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

	<u>General Fund</u>
Total taxes receivable at June 30, 2024	51,108
Less: Taxes collected by the County Treasurer by August 31, 2024	<u>(6,815)</u>
Deferred revenue	<u>\$ 44,293</u>

NOTE 4 Cash and Investments

	<u>Cash and Investments</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash		
Checking and Savings Accounts	<u>\$ 8,108,719</u>	<u>\$ 8,429,896</u>

Checking and savings accounts were with Columbia Bank, U.S. Bank and Bank of CDA of which \$250,000 of interest bearing and non-interest bearing accounts were covered by Federal Deposit Insurance. The remaining \$885,445 balance is in excess of the FDIC insured limit and uncollateralized.

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

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

NOTE 4 Cash and Investments (Continued)

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

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

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 106 days. The District does not have a policy regarding interest rate risk.

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

The State Treasurer's Local Government Investment Pool issues its own financial statement which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

NOTE 5 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

NOTE 5 Capital Assets (Continued)

	Beginning Balance	Restatement (See Note 16)	Additions	Dispositions	Ending Balance
Capital assets not being depreciated					
Land	191,931	-	-	-	191,931
Construction in progress	-	73,371	153,800	-	227,171
Total capital assets not being depreciated	191,931	73,371	153,800	-	419,102
Capital assets being depreciated					
Buildings and Building Improvements	11,137,248	43,236	84,630	(114,874)	11,150,240
Furniture and Equipment	1,429,622	(685,513)	-	(206,458)	537,651
Transportation	1,901,514	215,851	136,974	(261,082)	1,993,257
Other Vehicles	94,116	(94,116)	-	-	-
Right-of-use	-	-	50,821	-	50,821
Total depreciated assets	14,562,500	(520,542)	272,425	(582,414)	13,731,969
Less: Accumulated Depreciation/Amortization					
Buildings and Building Improvements	(9,177,335)	2,024	(195,798)	113,666	(9,257,443)
Furniture and Equipment	(1,261,050)	635,396	(23,562)	184,650	(464,566)
Transportation	(1,515,580)	(215,852)	(91,449)	211,583	(1,611,298)
Other Vehicles	(94,116)	94,116	-	-	-
Right-of-use	-	-	(5,655)	-	(5,655)
Total accumulated depreciation/amortization	(12,048,081)	515,684	(316,464)	509,899	(11,338,962)
Governmental Activities Assets (Net)	\$ 2,706,350	\$ 68,513	\$ 109,761	\$ (72,515)	\$ 2,812,109

NOTE 6 Long-Term Obligations

The following is a summary of long-term obligations transactions of the District for the year ended June 30, 2024:

	Beginning Balance	Additions	Subtractions	Ending Balance	Due Within One Year
Compensated Absences	55,851	27,540	-	83,391	-
Finance Purchase Agreement	12,038	-	(10,395)	1,643	1,643
Total	\$ 67,889	\$ 27,540	\$ (10,395)	\$ 85,034	\$ 1,643

Finance Purchase Agreement

During 2020, the District entered into an agreement for the purchase of photocopiers. The agreement has a term of five years and calls for monthly payments of \$827, including an implicit interest rate of 5.19%.

NOTE 6 Long-Term Obligations (Continued)

The debt service requirements for the finance purchase agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	1,643	11	1,654
Total	\$ 1,643	\$ 11	\$ 1,654

NOTE 7 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2023. All amounts are as of June 30, 2023 unless otherwise noted.

Plan Description

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

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

Pension Benefits

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

NOTE 7 Pension Plan (Continued)

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 Idaho Legislature.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2024, it was 6.71% for general employees and 7.62% for school members. The employer contribution rate is set by the Retirement Board and was 11.18% of covered compensation for general employees and 12.69% for school members. The District's employer contributions required and paid were \$839,750, for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$6,445,879 for its proportionate share of the net pension (asset) liability. The net pension (asset) liability was measured as of June 30, 2023, and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension (asset) liability was based on the District's share of contributions in the Base Plan relative to the total contributions of all participating PERSI employers. At June 30, 2023, the District's proportional share of the total was 0.16152370%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2024 has not been completed at the time of issuance. The pension expense (revenue) for the year ended June 30, 2023 was calculated at \$1,727,905.

NOTE 7 Pension Plan (Continued)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,104,872	-
Changes in assumptions or other inputs	638,278	-
Net difference between projected and actual earning on pension plan investments	605,041	-
Change in proportionate share	-	270,884
Employer contributions subsequent to the measurement date	839,750	-
Total	<u>\$3,187,941</u>	<u>\$270,884</u>

\$839,750 is reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset) liability in the year ended June 30, 2025.

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

For the Year Ending June 30:	Amount to be Recognized
2025	\$835,068
2026	\$392,421
2027	\$1,220,763
2028	\$(100,061)
Thereafter	(\$270,884)

Actuarial Assumptions

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

NOTE 7 Pension Plan (Continued)

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

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

Contributing Members, Service Retirement Members, and Beneficiaries

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

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

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

NOTE 7 Pension Plan (Continued)

Discount Rate

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

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

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

	1% Decrease <u>(5.35%)</u>	Current Discount Rate <u>(6.35%)</u>	1% Increase <u>(7.35%)</u>
Employer’s proportionate share of the net pension (asset) liability	\$11,593,178	\$6,445,879	\$2,238,927

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2024, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 8 Contingent Liabilities

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District’s financial statements.

NOTE 8 **Contingent Liabilities (Continued)**

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes, including reimbursement of mandated costs, which are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

NOTE 9 **Excess of Actual Expenditures Over Budget in Individual Funds**

The following fund had an excess of actual expenditures over budget for the year ended June 30, 2024:

Fund	Excess
Title I-A ESSA - Improving Basic Programs	10,012

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

NOTE 10 **Interfund Receivables, Payables, and Transfers**

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

Interfund Transfers - Transfers to support the operations of other funds are recorded as "Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total transfers are as follows:

	Out	In
General Fund	280,643	486,382
GEAR UP Fund	-	7,204
Federal Forest Fund	42,512	-
Building Maintenance - Lottery	-	581
ESSER III (ARPA) American Rescue Plan Act Fund	282,510	-
Title I-A ESSA - Improving Basic Programs Fund	12,103	97,463
Title IV-A ESSA - Student Support and Academic	49,261	8,842
Title II-A ESEA - Supporting Effective Instruction Fund	48,202	-
Bus Acquisitions Fund	-	114,759
Total	<u>\$ 715,231</u>	<u>\$ 715,231</u>

NOTE 10 Interfund Receivables, Payables, and Transfers (Continued)

The composition of interfund receivables and payables as of June 30, 2024 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	349,858	-
ESSER III (ARPA) American Rescue Plan Act	-	318,746
Perkins IV - Professional Technical Act	-	21,161
Title II-A, ESEA – Supporting Effective Instruction	-	9,951
Total	<u>\$ 349,858</u>	<u>\$ 349,858</u>

NOTE 11 Risk Management

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

NOTE 12 Other Post-Employment Benefits

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

West Bonner School District Employee Group Benefit Plan is a single-employer defined benefit OPEB plan that provides benefits to current and future retirees.

Retirement and Dependent Medical Benefit Eligibility

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

NOTE 12 Other Post-Employment Benefits (Continued)

Eligibility for Retirement

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

Medicare Retirees

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

Funding

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

OPEB Benefits

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

Census Data

As of June 30, 2024, the valuation date, the District had 140 active (future retirees) participants and 12 inactive (current retirees) participants.

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

At June 30, 2024, the Employer reported a liability of \$256,085 of the OPEB liability. The OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

For the year ended June 30, 2024, the Employer recognized OPEB (revenue) expense of \$(34,378). At June 30, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 12 Other Post-Employment Benefits (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	323,329
Changes in assumptions or other inputs	17,683	86,155
Total	<u>\$17,683</u>	<u>\$409,484</u>

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

Year ended June 30:

2025	(79,682)
2026	(79,682)
2027	(64,341)
2028	(63,181)
2029	(52,523)
Thereafter	(52,392)

Actuarial assumptions

Valuation Date June 30, 2023

Measurement Date June 30, 2024

Interest/Discount Rate 4.34%

Projected Payroll Increases 3.75%

Health Care Cost Trend Rate Medical: between 0.0% and 5.6%
Dental: between 0.0% and 3.0%
Prescription Drugs: between 0.0% and 5.6%

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

Participation

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

NOTE 12 Other Post-Employment Benefits (Continued)

Contributing Members, Retired, Surviving Beneficiaries, and Disabled

Contributing PERSI Teachers - Males	Pub-2010 Teacher Tables, adjusted 112%.
Contributing PERSI Teachers - Females	Pub-2010 Teacher Tables, adjusted 121%.
Retired PERSI Teachers - Males	Pub-2010 General Tables, adjusted 112%.
Retired PERSI Teachers - Females	Pub-2010 General Tables, adjusted 121%.
Surviving Beneficiaries PERSI Teachers - Males	Pub-2010 Safety Tables, adjusted 112%.
Surviving Beneficiaries PERSI Teachers - Females	Pub-2010 Safety Tables, adjusted 121%.
Disabled PERSI Members - Males	Pub-2010 Disabled Tables, adjusted 138%.
Disabled PERSI Members - Females	Pub-2010 Disabled Tables, adjusted 136%.

Interest/Discount rate

The interest rate is based on the average of multiple June 30, 2024, municipal bond rate sources.

Sensitivity Disclosures

The following presents the OPEB liability of the Plan as of June 30, 2024, calculated using the discount rate as well as what the 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 rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB liability	\$279,383	\$265,964	\$253,195

The following presents the OPEB liability of the Plan as of June 30, 2024, calculated using the assumed health care cost trend rate, as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
OPEB liability	\$242,496	\$265,964	\$292,707

Summary of the Change in OPEB Liability

Total OPEB Liability – Beginning of Year	\$256,085
Service Cost	34,027
Interest	11,285
Plan Design Changes	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(4,049)
Benefit Payments (Estimated)	(31,384)
Total OPEB Liability – End of Year	<u>\$265,964</u>

NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan

In accordance with GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2023. All amounts are as of June 30, 2023, unless otherwise noted.

Plan Description

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

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

OPEB Benefits

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

Employer Contributions

The contribution rate for employees is set by statute at .065% of the compensation covered for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. Beginning January 1, 2020, PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The holiday was extended to June 30, 2026, therefore the District's contributions required and paid were \$0 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported an asset of \$303,844, for its proportionate share of the net OPEB liability (asset) as of June 30, 2023. The net OPEB liability (asset) was measured as of

NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

June 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2023, the District's proportion was 0.4187113%.

The District's OPEB expense (expense offset) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2024 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ended June 30, 2023, was calculated at \$57,409.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	61,259	3,901
Changes in assumptions or other inputs	72,632	120,832
Change in proportionate share	18,713	-
Net difference between projected and actual earning on pension plan investments	77,090	-
Total	<u>\$229,694</u>	<u>\$124,733</u>

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

For the Year Ending June 30:	Amount to be Recognized
2025	\$23,452
2026	\$11,511
2027	\$53,398
2028	\$(9,569)
2029	\$(1,554)
Thereafter	\$27,723

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.

NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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

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

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

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

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

Capital Market Assumptions

Asset Class	Target Allocation	Expected Real Rate of Return (Arithmetic)
Broad U.S. Equity	39.3%	4.90%
Global EX U.S. Equity	10.7%	4.78%
Fixed Income	50.0%	0.50%

Discount Rate

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 Fund's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

NOTE 13 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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

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

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer's proportionate share of the net OPEB (asset) liability	\$(204,504)	\$(303,844)	\$(394,699)

OPEB plan fiduciary net position

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

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

Payable to the OPEB plan

At June 30, 2024, 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 Right-of-use Lease Asset/Liability

During the year ended June 30, 2024, the following changes occurred in right-of-use lease assets:

	Beginning Balance	Additions	Modifications & Remeasurements	Subtractions	Ending Balance
Right-of-Use Lease Assets					
Equipment	-	50,821	-	-	50,821
Total Right-of-Use Lease Assets	-	50,821	-	-	50,821
Less: Accumulated Amortization					
Equipment	-	(5,655)	-	-	(5,655)
Total Accumulated Amortization	-	(5,655)	-	-	(5,655)
Total Right-of-Use Lease Assets, net	\$ -	\$ 45,166	\$ -	\$ -	\$ 45,166

NOTE 14 Right-of-use Lease Asset/Liability (Continued)

Total lease expense for the year ended June 30, 2024, is as follows:

Lease expense	
Amortization expense by class of underlying asset	
Equipment	5,655
Total amortization	5,655
Interest	1,039
Total	\$ 6,694

During the year ended June 30, 2024, the following changes occurred in the right-of-use lease liability:

	Beginning Balance	Additions	Modifications & Remeasurements	Subtractions	Ending Balance	Amount Due in One Year
Right-of-Use Lease Liabilities	\$ -	\$ 49,891	\$ -	\$ (1,249)	\$ 48,642	\$ 12,706

Future minimum annual payments as of June 30, 2024, are as follows:

FY Ending September 30,	Principal	Interest	Total Payments
2025	12,706	1,611	14,317
2026	9,942	1,230	11,172
2027	10,338	834	11,172
2028	10,750	422	11,172
2029	4,906	51	4,957
Total Future Payments	\$ 48,642	\$ 4,148	\$ 52,790

NOTE 15 Subsequent Event

Subsequent to year-end, the State Department of Education has withheld certain state foundation funds and federal grant funds passed through the State. The release of these funds is contingent upon the completion of the District's fiscal year 2024 and fiscal year 2025 audits.

Management is currently evaluating the impact of the withholding on the District's financial position, operations, and liquidity. The ultimate resolution of the withheld funds could affect the timing of revenue recognition and cash flow; however, the District believes that the amounts ultimately collectible will be recorded in accordance with applicable accounting principles once the audits are completed.

NOTE 16 Correction of an Error

It was determined that taxes receivable and deferred revenue liability were not calculated correctly in the prior year. Based on this adjustment, in the general fund, taxes receivable increased \$141,258, deferred revenue decreased \$848,532, and beginning fund balance increased \$989,790, on the government wide financial statements, governmental activities taxes receivable and beginning net position increased \$141,258, respectively.

It was determined that a few federal receivables were deemed uncollectable and those expenditures in the prior year would have been covered by the general fund. Based on this adjustment, other governmental funds cash increased, and receivables decreased by \$443,793, general fund cash decreased and beginning fund balance decreased by \$443,793, on the government wide financial statements, governmental activities receivables decreased and beginning net position decreased by \$443,793.

It was determined that a federal receivable was not recorded in the prior year, therefore, the general fund covered the expenditures. Based on this adjustment, other governmental funds receivable increased, and cash decreased \$210,079, in the general fund cash increased and beginning fund balance increased \$210,079, in the government wide financial statements, governmental activities receivable increased and beginning net position increased \$210,079.

It was determined deferred grant revenue was recorded in the prior year when it did not meet the definition of deferred grant revenue. Based on this adjustment, other governmental funds deferred revenue decreased and beginning fund balance increased \$135,921, in the government wide financial statements, governmental activities deferred revenue decreased and beginning net position increased \$135,921.

It was determined that the Medicaid deposit held by the State was not recorded by the District. Based on this adjustment, other governmental funds cash and beginning fund balance increased \$37,198, in the government wide financial statements, governmental activities cash and beginning net position increased \$37,198.

It was determined and accounts receivable amount was uncollectible. Based on this adjustment, other governmental funds receivable and beginning fund balance decreased by \$73,410, in the government wide financial statements, governmental activities receivable and beginning net position decreased \$73,410.

A restatement was recorded to adjust net capital assets to the actual balance. Based on this adjustment, governmental activities non-depreciable assets increased \$73,371, depreciable assets decreased \$520,542, accumulated depreciation decreased \$515,684 and beginning net position increased 68,513.

NOTE 16 Correction of an Error (Continued)

	<u>June 30, 2023, as previously reported</u>	<u>Error correction</u>	<u>June 30, 2023, as restated</u>
Government-Wide			
Governmental Activities	5,374,496	75,766	5,450,262
Total Government-Wide	<u>\$ 5,374,496</u>	<u>\$ 75,766</u>	<u>\$ 5,450,262</u>
 Governmental Funds			
General Fund	4,258,817	756,076	5,014,893
Other governmental funds	436,801	99,709	536,510
Total Governmental Funds	<u>\$ 4,695,618</u>	<u>\$ 855,785</u>	<u>\$ 5,551,403</u>

REQUIRED SUPPLEMENTARY INFORMATION

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variances	
				Favorable (Unfavorable) Original to Actual	Final to Actual
REVENUES					
Local:					
Taxes	4,209,099	4,209,099	196,671	(4,012,428)	(4,012,428)
Earnings on investments	387	387	339,574	339,187	339,187
Other	4,000	4,000	180,243	176,243	176,243
Total local	4,213,486	4,213,486	716,488	(3,496,998)	(3,496,998)
State:					
Base program	4,766,920	4,766,920	7,478,589	2,711,669	2,711,669
Transportation	490,589	490,589	560,594	70,005	70,005
Exceptional child support	-	-	4,694	4,694	4,694
Benefit apportionment	1,882,075	1,882,075	932,133	(949,942)	(949,942)
Other state support	235,162	235,162	392,711	157,549	157,549
Lottery	-	-	106,479	106,479	106,479
Revenue in lieu of taxes	26,521	26,521	15,025	(11,496)	(11,496)
Other state revenue	20,000	20,000	218,989	198,989	198,989
Total state	7,421,267	7,421,267	9,709,214	2,287,947	2,287,947
Federal:					
Unrestricted	36,940	36,940	-	(36,940)	(36,940)
Total revenues	11,671,693	11,671,693	10,425,702	(1,245,991)	(1,245,991)
EXPENDITURES					
Instruction:					
Salaries	3,867,192	3,867,192	3,941,143	(73,951)	(73,951)
Benefits	1,408,248	1,408,248	1,240,326	167,922	167,922
Purchased services	92,219	92,219	6,449	85,770	85,770
Supplies-materials	239,648	239,648	53,886	185,762	185,762
Total instruction	5,607,307	5,607,307	5,241,804	365,503	365,503
Support:					
Salaries	2,551,172	2,551,172	1,528,942	1,022,230	1,022,230
Benefits	952,146	952,146	563,730	388,416	388,416
Purchased services	1,225,398	1,225,398	765,681	459,717	459,717
Supplies-materials	872,233	872,233	380,590	491,643	491,643
Capital objects	249,177	249,177	135,451	113,726	113,726
Insurance-judgment	79,500	79,500	88,299	(8,799)	(8,799)
Total support	5,929,626	5,929,626	3,462,693	2,466,933	2,466,933
Non-instruction:					
Benefits	13,311	13,311	-	13,311	13,311
Debt service:					
Principal	-	-	11,644	(11,644)	(11,644)
Interest	-	-	1,214	(1,214)	(1,214)
Total debt service	-	-	12,858	(12,858)	(12,858)
Total expenditures	11,550,244	11,550,244	8,717,355	2,832,889	2,832,889
Excess (deficiency) of revenues over (under) expenditures	121,449	121,449	1,708,347	1,586,898	1,586,898
Other financing sources (uses)					
Proceeds from right-of-use lease	-	-	49,891	49,891	49,891
Transfer in	2,584,444	2,584,444	486,382	(2,098,062)	(2,098,062)
Transfer out	(3,455,196)	(3,455,196)	(280,643)	3,174,553	3,174,553
Total other financing sources (uses)	(870,752)	(870,752)	255,630	1,126,382	1,126,382
Net change in fund balance	\$ (749,303)	\$ (749,303)	1,963,977	\$ 2,713,280	\$ 2,713,280
Fund balance - beginning of year, as previously stated			4,258,817		
Correction of an error (See Note 16)			756,076		
Fund balance - beginning of year, as restated			5,014,893		
Fund balance - end of year			\$ 6,978,870		

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NET PENSION (ASSET) LIABILITY RELATED SCHEDULES

Schedule of the District's Share of Net Pension (Asset) Liability

PERSI - Base Plan

As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension (asset) liability	Unavailable	0.1615237%	0.1789937%	0.1795266%	0.1828011%	0.1888858%	1.9877180%	0.2033565%	0.0021048%	0.2169167%
Employer's proportionate share of the net pension (asset) liability	Unavailable	6,445,879	7,050,130	(141,786)	4,244,883	2,156,079	2,931,919	3,196,415	4,266,818	2,856,440
Employer's covered employee payroll	6,950,015	6,867,848	7,058,077	6,696,393	6,512,197	6,412,343	6,394,287	6,337,049	6,163,227	6,071,306
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	Unavailable	93.86%	99.89%	-2.12%	65.18%	33.62%	45.85%	50.44%	69.23%	47.05%
Plan fiduciary net position as a percentage of the total	Unavailable	83.83%	83.09%	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Schedule of District Contributions

PERSI - Base Plan

As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution - Class 1 Employees	312,506	270,607	275,054	278,102	263,851	256,593	239,539	238,865	236,727	230,233
Statutorily required contribution - Class 3 Employees	527,243	549,414	558,442	564,632	535,698	520,934	486,338	484,968	480,627	467,445
Statutorily required contribution	839,749	820,021	833,496	842,734	799,549	777,527	725,877	723,833	717,354	697,678
Contributions in relation to the statutorily required contribution	(839,749)	(820,021)	(833,496)	(842,734)	(799,549)	(777,527)	(725,877)	(723,833)	(717,354)	(697,678)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Employer's covered payroll - Class 1 employees	2,795,224	2,266,391	2,303,635	2,329,164	2,209,809	2,266,727	2,116,073	2,110,114	2,091,226	2,033,864
Employer's covered payroll - Class 3 employees	4,154,791	4,601,457	4,677,069	4,728,911	4,486,583	4,601,890	4,296,272	4,284,170	4,245,822	4,129,373
Contributions as a percentage of covered payroll - Class 1	11.18%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%
Contributions as a percentage of covered payroll - Class 3	12.69%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

As of June 30, 2023 (most recently issued PERSI information)

Change of Assumptions. There were no change of assumptions as of June 30, 2023.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

OTHER POST-EMPLOYMENT BENEFITS LIABILITY SCHEDULE

As of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	34,027	30,911	38,153	35,032	37,697	60,446	64,236	68,678
Interest	11,285	12,433	7,769	11,054	14,323	35,268	34,648	33,543
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(25,185)	-	(102,388)	-	(491,091)	-	-
Changes of assumptions or other inputs	(4,049)	(59,428)	-	(13,854)	-	8,608	-	-
Benefit payments	<u>(31,384)</u>	<u>(39,229)</u>	<u>(26,752)</u>	<u>(28,438)</u>	<u>(26,556)</u>	<u>(85,477)</u>	<u>(78,866)</u>	<u>(68,849)</u>
Net change in total OPEB Liability	9,879	(80,498)	19,170	(98,594)	25,464	(472,246)	20,018	33,372
Total OPEB liability - beginning	256,085	336,583	317,413	416,007	390,543	862,789	842,771	809,399
Total OPEB liability-ending	<u>\$ 265,964</u>	<u>\$ 256,085</u>	<u>\$ 336,583</u>	<u>\$ 317,413</u>	<u>\$ 416,007</u>	<u>\$ 390,543</u>	<u>\$ 862,789</u>	<u>\$ 842,771</u>
Covered-employee payroll	6,365,108	6,135,044	6,380,753	5,594,081	6,374,516	6,393,402	6,395,207	6,337,049
Total OPEB liability as a percentage of covered-employee payroll	4.18%	4.17%	5.27%	5.67%	6.53%	6.11%	13.49%	13.30%

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

NOTES TO THE OTHER POST EMPLOYMENT BENEFITS LIABILITY SCHEDULE

As of June 30, 2024

Change of Assumptions. Change of assumptions include aging factors, trend, interest rate, and participation.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES

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

	2024	2023	2022	2021	2020	2019	2018	2017
Employer's portion of the net OPEB asset	Unavailable	0.4187130%	0.4187130%	0.4187130%	0.4187130%	0.4521366%	0.4756087%	0.4958554%
Employer's proportionate share of the net OPEB asset	Unavailable	303,844	318,753	608,054	515,562	433,058	394,493	380,633
Employer's covered payroll	6,950,015	6,867,848	7,021,938	6,696,393	6,481,877	6,393,402	6,395,207	6,337,049
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	4.42%	4.54%	9.08%	7.95%	6.77%	6.17%	6.01%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	124.33%	127.21%	152.61%	152.87%	138.51%	135.69%	136.78%

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

	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	-	-	-	-	37,628	74,164	74,184	73,510
Contributions in relation to the statutorily required contribution	-	-	-	-	(37,628)	(74,164)	(74,184)	(73,510)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-
Employer's covered payroll	6,950,015	6,867,848	7,021,938	6,696,393	6,481,877	6,393,402	6,395,207	6,337,049
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.58%	1.16%	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 use for which information is available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
As of June 30, 2023 (most recently issued PERSI information)

Change of Assumptions. There were no change of assumptions as of June 30, 2023.

SUPPLEMENTARY INFORMATION



WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

OTHER GOVERNMENTAL FUNDS

Bus Acquisitions Fund – To account for financial resources that are restricted for the acquisition of school buses.

School District Facilities – To account for property tax relief funds acquired for plant facility items.

Gear Up Fund – To account for restricted Federal revenue specifically aimed at seventh graders to assist them with gaining early awareness and readiness for undergraduate programs

Federal Forest Fund – To account for Federal revenue received from the U.S. Department of Agriculture.

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

Building Maintenance – Lottery – To account for lottery revenue to be spent on building maintenance.

Driver Education – State Fund – To account for State revenue spent on a driver education program. Financing for the program is provided through funds received and expended for the specific purpose intended.

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

Technology – State Fund – To account for restricted State revenue to be spent on technology projects.

Substance Abuse – State Fund – To account for restricted State revenue to be spent on the substance abuse program.

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

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

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

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR FUNDS (CONTINUED)

IDEA Part B (ARPA) American Rescue Plan Act Fund – To account for restricted Federal revenue related to COVID-19 expenditures.

School-Based Medicaid Fund – To account for Federal revenue reimbursement of qualified Medicaid expenditures.

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

Perkins IV – Professional Technical Act Fund – To account for restricted Federal revenue to be spent on equipment for the vocational program.

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

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

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

OTHER GOVERNMENTAL FUNDS**COMBINING BALANCE SHEET**

June 30, 2024

	Nonmajor Capital Project Funds	Nonmajor Special Revenue Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and cash equivalents	422,040	540,864	962,904
Due from other governments	-	123,606	123,606
Inventory	-	31,187	31,187
Total assets	<u>422,040</u>	<u>695,657</u>	<u>1,117,697</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 422,040</u>	<u>\$ 695,657</u>	<u>\$ 1,117,697</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Due to other funds	-	31,112	31,112
Accounts payable	153,800	9,626	163,426
Accrued payroll and benefits	-	166,264	166,264
Total liabilities	<u>153,800</u>	<u>207,002</u>	<u>360,802</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Nonspendable	-	31,187	31,187
Restricted	268,240	457,468	725,708
Total fund balance	<u>268,240</u>	<u>488,655</u>	<u>756,895</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 422,040</u>	<u>\$ 695,657</u>	<u>\$ 1,117,697</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

OTHER GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Nonmajor Capital Project Funds	Nonmajor Special Revenue Funds	Total
REVENUES			
Local	50,000	243,307	293,307
State	422,040	274,390	696,430
Federal	-	1,344,815	1,344,815
Total revenues	472,040	1,862,512	2,334,552
EXPENDITURES			
Instruction	-	911,891	911,891
Support	290,774	255,519	546,293
Non-instruction	-	732,754	732,754
Total expenditures	290,774	1,900,164	2,190,938
Excess (deficiency) of revenues over (under) expenditures	181,266	(37,652)	143,614
Other financing sources (uses)			
Transfers in	114,759	114,090	228,849
Transfers out	-	(152,078)	(152,078)
Total other financing sources (uses)	114,759	(37,988)	76,771
Net change in fund balance	296,025	(75,640)	220,385
Fund balances - beginning of year, as previously stated	(27,785)	464,586	436,801
Correction of an error (See Note 16)	-	99,709	99,709
Fund balances - beginning of year, as restated	(27,785)	564,295	536,510
Fund balances - end of year	<u>\$ 268,240</u>	<u>\$ 488,655</u>	<u>\$ 756,895</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

OTHER GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
June 30, 2024

	Final Budgeted Revenue	Actual Revenue	Final Budgeted Expenditures	Actual Expenditures	Other Financing Sources (Uses)	Beginning Fund Balances, as Restated	Ending Fund Balances
Nonmajor Capital Project Funds:							
Bus Acquisitions	-	50,000	-	136,974	114,759	(27,785)	-
School District Facilities	-	422,040	-	153,800	-	-	268,240
Nonmajor Special Revenue Funds:							
Gear Up	-	19,356	-	26,560	7,204	-	-
Federal Forest	30,000	42,512	30,000	-	(42,512)	-	-
Student Activity	-	155,239	-	133,476	-	155,557	177,320
Building Maintenance - Lottery	-	74,817	-	75,398	581	-	-
Driver Education - State	-	12,450	-	12,450	-	-	-
Professional Technical - State	39,163	41,087	39,163	25,877	-	22,689	37,899
Technology - State	108,447	129,950	108,447	(5)	-	56,684	186,639
Substance Abuse - State	13,701	16,086	48,914	-	-	56,548	72,634
Title I-A, ESSA - Improving Basic Programs	549,251	473,903	549,251	559,263	85,360	-	-
IDEA Part B (611 School Age 3-21)	362,096	283,500	362,096	283,500	-	-	-
IDEA Part B (619 Pre-School Age 3-5)	13,291	-	13,291	-	-	-	-
IDEA Part B (ARPA)	54,160	-	54,160	-	-	-	-
School - Based Medicaid	580,245	118,557	580,245	149,671	-	37,198	6,084
Title IV-A ESSA - Student Support and Academic Enrichment	37,427	40,419	46,269	-	(40,419)	-	-
Perkins IV - Professional Technical Act	33,820	-	33,820	-	-	-	-
Title II-A ESSA Supporting Effective Instruction	81,576	82,898	81,576	34,696	(48,202)	-	-
Child Nutrition	608,849	371,738	612,849	599,278	-	235,619	8,079
Total	<u>\$ 2,512,026</u>	<u>\$ 2,334,552</u>	<u>\$ 2,560,081</u>	<u>\$ 2,190,938</u>	<u>\$ 76,771</u>	<u>\$ 536,510</u>	<u>\$ 756,895</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

NONMAJOR CAPITAL PROJECT FUNDS**COMBINING BALANCE SHEET**

June 30, 2024

	Bus Acquisitions	School District Facilities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and cash equivalents	-	422,040	422,040
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ 422,040</u>	<u>\$ 422,040</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	153,800	153,800
Deferred inflows of resources:	-	-	-
Fund balance:			
Restricted	-	268,240	268,240
Total liabilities, deferred inflows of resources and fund balance	<u>\$ -</u>	<u>\$ 422,040</u>	<u>\$ 422,040</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83**Priest River, Idaho**

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Bus Acquisitions	School District Facilities	Total
REVENUES			
Local:			
Other local revenue	<u>50,000</u>	<u>-</u>	<u>50,000</u>
State:			
Other state revenue	<u>-</u>	<u>422,040</u>	<u>422,040</u>
Total revenues	<u>50,000</u>	<u>422,040</u>	<u>472,040</u>
EXPENDITURES			
Support:			
Capital objects	<u>136,974</u>	<u>153,800</u>	<u>290,774</u>
Total expenditures	<u>136,974</u>	<u>153,800</u>	<u>290,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,974)</u>	<u>268,240</u>	<u>181,266</u>
Other financing sources (uses)			
Transfers in	<u>114,759</u>	<u>-</u>	<u>114,759</u>
Net change in fund balance	27,785	268,240	296,025
Fund balances - beginning of year	<u>(27,785)</u>	<u>-</u>	<u>(27,785)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 268,240</u>	<u>\$ 268,240</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2024**

	Gear Up	Federal Forest	Student Activity	Building Maintenance - Lottery	Driver Education- State
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and cash equivalents	4,404	-	177,320	-	2,850
Other receivables:					
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>4,404</u>	<u>-</u>	<u>177,320</u>	<u>-</u>	<u>2,850</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 4,404</u>	<u>\$ -</u>	<u>\$ 177,320</u>	<u>\$ -</u>	<u>\$ 2,850</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	-	-	-	-	-
Accounts payable	-	-	-	-	2,850
Accrued payroll and benefits	4,404	-	-	-	-
Total liabilities	<u>4,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,850</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	-	-	177,320	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>177,320</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,404</u>	<u>\$ -</u>	<u>\$ 177,320</u>	<u>\$ -</u>	<u>\$ 2,850</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2024

	Professional Technical - State	Technology - State	Substance Abuse - State	Title I-A ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and cash equivalents	38,232	188,102	72,634	34,733	-
Other receivables:					
Due from other governments	-	-	-	58,519	-
Inventory	-	-	-	-	-
Total assets	<u>38,232</u>	<u>188,102</u>	<u>72,634</u>	<u>93,252</u>	<u>-</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 38,232</u>	<u>\$ 188,102</u>	<u>\$ 72,634</u>	<u>\$ 93,252</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	-	-	-	-	-
Accounts payable	-	-	-	-	-
Accrued payroll and benefits	333	1,463	-	93,252	-
Total liabilities	<u>333</u>	<u>1,463</u>	<u>-</u>	<u>93,252</u>	<u>-</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	37,899	186,639	72,634	-	-
Total fund balance	<u>37,899</u>	<u>186,639</u>	<u>72,634</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 38,232</u>	<u>\$ 188,102</u>	<u>\$ 72,634</u>	<u>\$ 93,252</u>	<u>\$ -</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2024

	School - Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins IV - Professional Technical Act	Title II-A ESSA Supporting Effective Instruction	Child Nutrition	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Assets:						
Cash and cash equivalents	1,706	-	-	-	20,883	540,864
Other receivables:						
Due from other governments	30,783	-	21,161	9,951	3,192	123,606
Inventory	-	-	-	-	31,187	31,187
Total assets	32,489	-	21,161	9,951	55,262	695,657
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 32,489	\$ -	\$ 21,161	\$ 9,951	\$ 55,262	\$ 695,657
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities:						
Due to other funds	-	-	21,161	9,951	-	31,112
Accounts payable	6,776	-	-	-	-	9,626
Accrued payroll and benefits	19,629	-	-	-	47,183	166,264
Total liabilities	26,405	-	21,161	9,951	47,183	207,002
Deferred inflows of resources	-	-	-	-	-	-
Fund balance:						
Nonspendable	-	-	-	-	31,187	31,187
Restricted	6,084	-	-	-	(23,108)	457,468
Total fund balance	6,084	-	-	-	8,079	488,655
Total liabilities, deferred inflows of resources and fund balance	\$ 32,489	\$ -	\$ 21,161	\$ 9,951	\$ 55,262	\$ 695,657

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2024

	Gear Up	Federal Forest	Student Activity	Building Maintenance - Lottery	Driver Education- State
REVENUES					
Local:					
Earnings on investments	-	-	-	-	-
Lunch sales	-	-	-	-	-
Other local revenue	-	-	155,239	-	-
Total local	-	-	155,239	-	-
State:					
Driver education program	-	-	-	-	12,450
Other state revenue	-	-	-	74,817	-
Total state	-	-	-	74,817	12,450
Federal:					
School lunch reimbursement	-	-	-	-	-
Restricted	19,356	42,512	-	-	-
Total federal	19,356	42,512	-	-	-
Total revenues	19,356	42,512	155,239	74,817	12,450
EXPENDITURES					
Instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	12,450
Supplies-materials	-	-	-	75,398	-
Total instruction	-	-	-	75,398	12,450
Support:					
Salaries	16,876	-	-	-	-
Benefits	7,120	-	-	-	-
Purchased services	524	-	-	-	-
Supplies-materials	2,040	-	-	-	-
Total support	26,560	-	-	-	-
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies-materials	-	-	133,476	-	-
Total non-instruction	-	-	133,476	-	-
Total expenditures	26,560	-	133,476	75,398	12,450
Excess (deficiency) of revenues over (under) expenditures	(7,204)	42,512	21,763	(581)	-
Other financing sources (uses)					
Transfers in	7,204	-	-	581	-
Transfers out	-	(42,512)	-	-	-
Total other financing sources (uses)	7,204	(42,512)	-	581	-
Net change in fund balance	-	-	21,763	-	-
Fund balances - beginning of year, as previously stated	-	-	155,557	-	-
Correction of an error (See Note 16)	-	-	-	-	-
Fund balances - beginning of year, as restated	-	-	155,557	-	-
Fund balances - end of year	\$ -	\$ -	\$ 177,320	\$ -	\$ -

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2024

	Professional Technical - State	Technology - State	Substance Abuse - State	Title I-A ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)
REVENUES					
Local:					
Earnings on investments	-	-	-	-	-
Lunch sales	-	-	-	-	-
Other local revenue	-	-	-	-	-
Total local	-	-	-	-	-
State:					
Driver education program	-	-	-	-	-
Other state revenue	41,087	129,950	16,086	-	-
Total state	41,087	129,950	16,086	-	-
Federal:					
School lunch reimbursement	-	-	-	-	-
Restricted	-	-	-	473,903	283,500
Total federal	-	-	-	473,903	283,500
Total revenues	41,087	129,950	16,086	473,903	283,500
EXPENDITURES					
Instruction:					
Salaries	1,622	-	-	350,673	211,113
Benefits	373	-	-	141,543	71,588
Purchased services	-	-	-	-	799
Supplies-materials	23,882	-	-	22,450	-
Total instruction	25,877	-	-	514,666	283,500
Support:					
Salaries	-	-	-	16,029	-
Benefits	-	(5)	-	5,178	-
Purchased services	-	-	-	14,053	-
Supplies-materials	-	-	-	9,337	-
Total support	-	(5)	-	44,597	-
Non-instruction:					
Salaries	-	-	-	-	-
Benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies-materials	-	-	-	-	-
Total non-instruction	-	-	-	-	-
Total expenditures	25,877	(5)	-	559,263	283,500
Excess (deficiency) of revenues over (under) expenditures	15,210	129,955	16,086	(85,360)	-
Other financing sources (uses)					
Transfers in	-	-	-	97,463	-
Transfers out	-	-	-	(12,103)	-
Total other financing sources (uses)	-	-	-	85,360	-
Net change in fund balance	15,210	129,955	16,086	-	-
Fund balances - beginning of year, as previously stated	-	-	-	-	-
Correction of an error (See Note 16)	22,689	56,684	56,548	-	-
Fund balances - beginning of year, as restated	22,689	56,684	56,548	-	-
Fund balances - end of year	\$ 37,899	\$ 186,639	\$ 72,634	\$ -	\$ -

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2024

	School - Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins IV - Professional Technical Act	Title II-A ESSA Supporting Effective Instruction	Child Nutrition	Total
REVENUES						
Local:						
Earnings on investments	80	-	-	-	-	80
Lunch sales	-	-	-	-	86,998	86,998
Other local revenue	-	-	-	-	990	156,229
Total local	80	-	-	-	87,988	243,307
State:						
Driver education program	-	-	-	-	-	12,450
Other state revenue	-	-	-	-	-	261,940
Total state	-	-	-	-	-	274,390
Federal:						
School lunch reimbursement	-	-	-	-	283,750	283,750
Restricted	118,477	40,419	-	82,898	-	1,061,065
Total federal	118,477	40,419	-	82,898	283,750	1,344,815
Total revenues	118,557	40,419	-	82,898	371,738	1,862,512
EXPENDITURES						
Instruction:						
Salaries	-	-	-	-	-	563,408
Benefits	-	-	-	-	-	213,504
Purchased services	-	-	-	-	-	13,249
Supplies-materials	-	-	-	-	-	121,730
Total instruction	-	-	-	-	-	911,891
Support:						
Salaries	67,601	-	-	32,883	-	133,389
Benefits	37,984	-	-	1,797	-	52,074
Purchased services	44,086	-	-	-	-	58,663
Supplies-materials	-	-	-	16	-	11,393
Total support	149,671	-	-	34,696	-	255,519
Non-instruction:						
Salaries	-	-	-	-	253,207	253,207
Benefits	-	-	-	-	91,737	91,737
Purchased services	-	-	-	-	16,839	16,839
Supplies-materials	-	-	-	-	237,495	370,971
Total non-instruction	-	-	-	-	599,278	732,754
Total expenditures	149,671	-	-	34,696	599,278	1,900,164
Excess (deficiency) of revenues over (under) expenditures	(31,114)	40,419	-	48,202	(227,540)	(37,652)
Other financing sources (uses)						
Transfers in	-	8,842	-	-	-	114,090
Transfers out	-	(49,261)	-	(48,202)	-	(152,078)
Total other financing sources (uses)	-	(40,419)	-	(48,202)	-	(37,988)
Net change in fund balance	(31,114)	-	-	-	(227,540)	(75,640)
Fund balances - beginning of year, as previously stated	-	-	-	-	309,029	464,586
Correction of an error (See Note 16)	37,198	-	-	-	(73,410)	99,709
Fund balances - beginning of year, as restated	37,198	-	-	-	235,619	564,295
Fund balances - end of year	\$ 6,084	\$ -	\$ -	\$ -	\$ 8,079	\$ 488,655

SINGLE AUDIT SECTION

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024**

	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Grant Number	Expenditures
U. S. Department of Agriculture				
Passed through State Department of Education:				
Child Nutrition Cluster				
National School Lunch Program				
National School Lunch Program	10.555	83	Not Available	190,641
COVID-19 National School Lunch Program	10.555	83	Not Available	26,847
National School Lunch Program (Commodities)	10.555	83	Not Available	22,227
Total National School Lunch Program				<u>239,715</u>
Summer Food Service Program	10.559	83	Not Available	1,768
Fresh Fruit and Vegetable Program	10.582	83	Not Available	40,843
Total Child Nutrition Cluster				<u>282,326</u>
 COVID-19 Technology innovation Grant	10.541	83	Not Available	<u>1,424</u>
 Direct through U.S. Department of Agriculture:				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	Not Available	<u>42,512</u>
Total U.S. Department of Agriculture				<u>326,262</u>
 U.S. Department of Education				
Passed through State Department of Education:				
Special Education Cluster				
Special Education Grants to States	84.027	83	H027A230088	<u>283,500</u>
Total Special Education Cluster				<u>283,500</u>
 COVID-19 Education Stabilization Fund	84.425U	83	S425U210043	<u>2,497,358</u>
 Other Programs				
Title I Grants to Local Educational Agencies	84.010	83	S010A230012	473,903
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	83	P334S180012	19,356
Supporting Effective Instruction State Grants	84.367	83	S367A230011	82,898
Student support and Academic Enrichment Program	84.424	83	S424A230013	<u>40,419</u>
Total Other Programs				<u>616,576</u>
Total U.S. Department of Education				<u>3,397,434</u>
 Total Expenditures of Federal Awards				<u>\$ 3,723,696</u>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

NOTE 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of West Bonner County School District No. 83 under programs of the federal government for the year ended June 30, 2024. 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 West Bonner County School District No. 83, it is not intended to and does not present the financial position, changes in fund balances, or cash flows of West Bonner County School District No. 83.

NOTE 2 Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) West Bonner County School District No. 83 has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 Food Distribution

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance for the year ended June 30, 2024, was \$22,227.

NOTE 4 Sub-Recipients

There were no awards passed through to subrecipients.



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

To the Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho 83837

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise West Bonner County School District No. 83's basic financial statements, and have issued our report thereon dated July 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Bonner County School District No. 83's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Bonner County School District No. 83's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Bonner County School District No. 83's internal control.

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

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

that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 that we considered to be a material weakness 2024-002 and 2024-003 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Bonner County School District No. 83'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*.

West Bonner County School District No. 83's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on West Bonner County School District No. 83's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. West Bonner County School District No. 83's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hayden Ross, PLLC

Moscow, Idaho
July 7, 2026



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

To the Board of Trustees
West Bonner County School District No. 83
Priest River, Idaho 83837

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Bonner County School District No. 83'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 West Bonner County School District No. 83's major federal programs for the year ended June 30, 2024. West Bonner County School District No. 83'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, West Bonner County School District No. 83 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of West Bonner County School District No. 83 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 West Bonner County School District No. 83'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 West Bonner County School District No. 83's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on West Bonner County School District No. 83's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about West Bonner County School District No. 83's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding West Bonner County School District No. 83'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 West Bonner County School District No. 83'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 West Bonner County School District No. 83'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in

the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

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

Hayden Ross, PLLC

Moscow, Idaho
July 7, 2026

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

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

Type of auditor's report issued:

Opinion Unit

Governmental Activities	Qualified
General Fund	Qualified
ESSER III (ARPA) American Rescue Plan Act Fund	Qualified
Aggregate Remaining Fund Information	Qualified

Internal control over financial reporting:

- material weakness(es) identified?	<u> x </u> yes	<u> </u> no
- significant deficiency(ies) identified?	<u> x </u> yes	<u> </u> none reported

Noncompliance material to financial statements
noted?

<u> </u> yes	<u> x </u> no
-------------------	-----------------

Federal Awards

Internal control over major programs:

- material weakness(es) identified?	<u> </u> yes	<u> x </u> no
- significant deficiency(ies) identified?	<u> x </u> yes	<u> </u> none reported

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

Unmodified

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

<u> x </u> yes	<u> </u> no
------------------	------------------

*Identification of major programs:*Federal Assistance Listing Number

84.425

Name of Federal Program or Cluster

COVID-19: Education Stabilization Fund

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

\$750,000

Auditee qualified as a low-risk auditee?

<u> </u> yes	<u> x </u> no
-------------------	-----------------

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION II – FINANCIAL STATEMENT
FINDINGS
June 30, 2024**

Finding 2024-001 Lack of Proper Oversight on Year-end Closing Procedures

Type of finding: Material Weakness in Internal Control over Financial Reporting

Criteria	An effective system of internal control over financial reporting should be in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP including the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements. Thus, management should have the adequate skill, knowledge and experience with financial reporting and governmental accounting to perform or properly oversee year-end closing procedures to prepare the financial statements.
Condition	During our testing, we noted several areas where due to heavy turnover at the District there was a lack of adequate skill, knowledge or experience with financial reporting and governmental accounting nor adequate controls in place to properly oversee year-end closing procedures to prepare the financial statements prior to hiring a consultant for assistance.
Cause	The District had turnover in several key areas and lacked formalized, documented procedures over year-end closing, journal entries and compensating control procedures to overcome lack of segregation of duties.
Potential effect of Condition	Several audit adjustments were made due to material misstatements in the various financial statement accounts and a lack of internal controls to prevent and/or detect them.
Recommendation	We recommend the District design procedures and controls to ensure adequate procedures are in place over year-end closing procedures, journal entry procedures and compensating controls to overcome lack of segregation of duties.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION II – FINANCIAL STATEMENT
FINDINGS (CONTINUED)
June 30, 2024

Finding 2024-001 Lack of Proper Oversight on Year-end Closing Procedures (Continued)

**Management's
Response**

There is no disagreement with the audit finding. The Business Office will implement formal year-end procedures, which clearly assign responsibilities and proper support documentation. The business office plans to develop and implement a formal closing checklist to include an electronic Auditor Book which will store all backup documentation for all fiscal year end closing entries. The business office will develop office process documents which will clearly state all necessary tasks, responsible staff and any timeline information. Business office staff are currently training in governmental accounting, Microsoft Excel and other Microsoft and Google platforms to increase business operations competency and ensure accountability. The business office will continue to work with outside contract with school fund accounting experience for training and learning.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83

Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION II – FINANCIAL STATEMENT

FINDINGS (CONTINUED)

June 30, 2024

Finding 2024-002 Payroll Documentation

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria	Payroll expenditures should have proper documentation of authorized pay rates of all employees hired. Internal controls should be in place to ensure all the necessary and required documentation is obtained and recorded in the system accurately, including authorized pay rates.
Condition	During our testing, we noted not all employees had documentation of their authorized pay rate in the system and that no noted internal controls were in place to ensure documentation was obtained and recorded properly for any of the employees tested.
Cause	The District had turnover in several key areas and lacked formalized, documented procedures over payroll documentation.
Potential effect of Condition	This has the potential of payroll expenses being paid inappropriately and recorded inaccurately.
Recommendation	We recommend the District design procedures and controls to ensure that all necessary and required documentation is maintained including authorized pay rates for all employees.
Management's Response	There is no disagreement with the audit finding. The business office will develop a comprehensive checklist of all required hiring documents to include, but not limited to: application, approval to hire forms, pay rates, contract type, annual gross pay and monthly gross pay, pay start month and pay end month, hire dates, seniority dates, offer letter, background check clearance, W-4, I-9, direct deposit form, policy sign off, retirement, all applicable insurance plans, voluntary deductions, contracts, certificates, transcripts, evaluations, and any other pertinent human resources personnel file information. The checklist will begin when an offer is made and will be filed within the personnel file once all required documentation has been submitted and entered into the human resources database.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION II – FINANCIAL STATEMENT
FINDINGS (CONTINUED)
June 30, 2024

Finding 2024-003 Inaccurate Census Data

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria	To determine the amount for the other postemployment benefits (OPEB) asset/liability, the District utilized an actuary to perform the calculation. The actuary relies on payroll and financial data provided by the District in performing their calculation known as the census data. Internal controls should be in place to ensure information provided on the census data is complete and accurate.
Condition	During our discussions with management, the census data errors from FY2023 had not been corrected.
Cause	The District had turnover in several key areas and lacked formalized, documented procedures over reporting requirements.
Potential effect of Condition	This allows for the potential of the actuary calculation and District reporting of the OPEB asset/liability to be misstated.
Recommendation	We recommend the District design procedures and controls to ensure that payroll and financial data provided to the actuary is complete and accurate.
Management's Response	There is no disagreement with the audit finding. The business office will develop a comprehensive payroll reconciliation tool. This tool will help ensure payroll and financial data are accurately stated. Staff responsible for reviewing census data will receive training on the importance of accuracy and the impact on District financial statements. Supporting documents and approval signoffs will be retained to provide assurance of the integrity of the review process.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION III – MAJOR FEDERAL PROGRAMS
June 30, 2024

2024-004: Education Stabilization Fund (ESF) Equipment Inventory

Criteria	2 CFR Part 200 <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> require compliance with the provision of equipment management. These provisions require maintaining records of the property purchased including but not limited to source of the funding for the property, acquisition date and cost. The District should have internal controls designed to ensure compliance with those requirements.
Condition	During our testing, the District maintenance documentation did not include the source of the funding for the property. Thus, we were unable to verify any equipment inventory from prior years.
Questioned costs	None
Context	There were no equipment expenditures made with ESSER grants under the ESF program in the current year that would be subject to the equipment requirements.
Cause	The District had turnover in several key areas and lacked formalized, documented procedures and controls over inventory maintenance record documentation requirements.
Potential effect of Condition	The District was unable to provide documentation of compliance with the equipment requirements of the ESSER grant.
Recommendation	We recommend the District design procedures and controls to ensure that equipment requirements for federal grant programs are met and documented.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION III – MAJOR FEDERAL PROGRAMS
(CONTINUED)
June 30, 2024

2024-004: Education Stabilization Fund (ESF) Equipment Inventory (Continued)

**Management's
Response**

The District concurs with the audit finding and is taking immediate steps to strengthen internal controls regarding federal equipment inventory. The following corrective actions will be implemented:

- **Collaboration & Compliance:** The Business Office is currently working closely with the Federal Programs Director/Coordinator to ensure all federal compliance measures are rigorously met.
- **Inventory Tracking System:** The Business Office has developed and implemented a robust inventory tracking and asset-tagging system to accurately monitor all items purchased with federal funds. At a minimum, the system will track item descriptions, physical locations, useful lives, and disposal dates.
- **Policy Review:** The Board of Trustees will review and update current board policy to ensure full alignment with Uniform Guidance procurement and equipment standards.
- **Annual Oversight:** The Federal Programs Director will maintain all inventory records and provide them in their entirety to the Business Manager at the end of each fiscal year. The Business Manager will conduct a comprehensive review of these records to verify accuracy and completeness.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2024

Finding 2023-001 Lack of Proper Oversight on year-end Closing Procedures.

Condition During our testing, we noted several areas where due to heavy turnover in the District there was a lack of adequate skill, knowledge or experience with financial reporting and governmental accounting nor adequate controls in place to properly oversee year-end closing procedures to prepare the financial statements prior to hiring a consultant for assistance.

Status This finding still exists and is reported as Finding 2024-001.

Finding 2023-002 Payroll Documentation

Condition During our testing, we noted not all employees had documentation of their authorized pay rate in the system and that no noted internal controls were in place to ensure documentation was obtained and recorded properly for any of the employees tested.

Status This finding still exists and is reported as Finding 2024-002.

Finding 2023-003 Inaccurate Census Data

Condition During our testing, we noted that four employees were not included in the census data provided to the actuary that should have been included and no noted internal controls were in place to ensure complete and accurate data is provided.

Status This finding still exists and is reported as Finding 2024-003.

Finding 2023-004 Education Stabilization Fund (ESF) Equipment Inventory

Condition During our testing, the District maintenance documentation did not include the source of the funding for the property. Thus, we were unable to verify any equipment inventory from prior years.

Status This finding still exists and is reported as Finding 2024-004.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83
Priest River, Idaho

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (CONTINUED)
June 30, 2024

Finding 2023-005 Education Stabilization Fund (ESF) Reporting

Condition During our testing, the District was unable to provide copies or documentation of the required annual performance reports being submitted to the State Department of Education.

Status This finding was resolved during FY2024.