

BUTTE COUNTY SCHOOL DISTRICT #111
Arco, Idaho

**Report on Audit of Basic Financial Statements,
Required Supplemental Information,
And Supplemental Information**

For the Year Ended June 30, 2020

BUTTE COUNTY SCHOOL DISTRICT #111

For the year ended June 30, 2020

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BUTTE COUNTY SCHOOL DISTRICT #111

For the year ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Butte County School District #111
Arco, Idaho

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butte County School District #111 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Butte County School District #111 as of June 30, 2020, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24-29 and pension information on pages 30-31 be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the Management's Discussion and Analysis (MD&A) which is management's analysis of the District's financial activities based on currently known facts, decisions, or conditions, that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Butte County School District #111's basic financial statements. The combining and individual nonmajor fund financial statements and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Jensen Poulsen & Company, PLLC

Jensen Poulsen & Company, PLLC
Certified Public Accountants

Idaho Falls, Idaho
September 16, 2020

BUTTE COUNTY SCHOOL DISTRICT #111
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 3,131,509
Receivables:	
Local sources	115,467
Other receivables	259,707
Prepaid expenses	-
Capital assets, non-depreciable - land	18,191
Capital assets, net of depreciation	2,600,573
Total Assets	\$ 6,125,447
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	\$ 395,963
Unspent Grant Allocation	31,721
LIABILITIES	
Accounts payable	\$ 48,092
Salaries and benefits payable	361,407
Interest Payable	-
Long-term debt	
Due within one year:	
Bonds, capital leases, and contracts	-
Due in more than one year:	
Bonds, capital leases, and contracts	-
Net Pension Liability	743,533
Total Liabilities	\$ 1,153,032
DEFERRED INFLOWS OF RESOURCES	
Related to Pension	\$ 340,929
Unspent Grant Allocation	31,721
NET POSITION	
Investment in capital assets - net of related debt	\$ 2,618,764
Restricted for:	
Special programs	835,206
Debt service	208,264
Capital construction projects	797,900
Unrestricted	567,315
Total Net Position	\$ 5,027,449

BUTTE COUNTY SCHOOL DISTRICT #111
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>					
Instructions:					
Elementary programs	\$ 1,177,661	\$ -	\$ 286,795	\$ -	\$ (890,866)
Secondary/alternative programs	938,326	-	174,479	-	(763,847)
Exceptional/preschool programs	279,105	-	-	-	(279,105)
Other instructional programs	8,227	-	15,760	-	7,533
Support services:					
Student services	155,304	-	-	-	(155,304)
Educational media	68,356	-	-	-	(68,356)
School administration	238,603	-	-	-	(238,603)
Administration	293,192	-	-	-	(293,192)
Community services	123,569	-	-	-	(123,569)
Plant services	404,761	-	-	-	(404,761)
Pupil transportation	261,797	-	208,898	-	(52,899)
Non Instructional programs:					
Food services	159,584	60,545	97,160	-	(1,879)
Debt service - refunding fees	-	-	-	-	-
Debt service - interest	532	-	-	-	(532)
Total Governmental Activities	\$ 4,109,016	\$ 60,545	\$ 783,092	\$ -	\$ (3,265,379)

General revenues:

Taxes:

Property taxes, levied for general purposes	191,705
Property taxes, levied for capital projects	104,132
Property taxes, levied for debt services	24,508
State revenue in lieu of taxes	37,735

Grants and contributions not restricted to specific programs

Foundation program	2,884,963
Federal forest lands	67,666
Other state revenue	162,487
Interest and investment earnings	42,685
Miscellaneous revenues	182,753
Net pension revenue(expense)	(315,985)

Total general revenues and special items

Changes in net position

Net position - beginning

Prior period adjustment

Net position - ending

3,382,649
117,270
4,910,179
-
<u>\$ 5,027,449</u>

**BUTTE COUNTY SCHOOL DISTRICT #111
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020**

ASSETS	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Projects	Non Major Governmental Funds	Totals Governmental Funds
ASSETS							
Cash.....	\$ 1,583,426	\$ 383,572	\$ 26,936	\$ 87,323	\$ 772,376	\$ 277,876	\$ 3,131,509
Receivables:							
Local sources.....	75,773	-	-	5,941	33,753	-	115,467
Other receivable.....	105,242	-	9,746	-	-	144,719	259,707
Interfund receivable.....	-	-	-	-	-	-	-
Prepaid Expenses.....	-	-	-	-	-	-	-
Total Assets.....	<u>\$ 1,764,441</u>	<u>\$ 383,572</u>	<u>\$ 36,682</u>	<u>\$ 93,264</u>	<u>\$ 806,129</u>	<u>\$ 422,595</u>	<u>\$ 3,506,683</u>
 LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable.....	\$ 11,997	\$ -	\$ 2,097	\$ -	\$ 8,229	\$ 25,769	\$ 48,092
Salaries payable.....	273,035	-	8,373	-	-	20,756	302,164
Benefits payable.....	53,488	-	1,640	-	-	4,115	59,243
Interfund payable.....	-	-	-	-	-	-	-
Accrued interest payable.....	-	-	-	-	-	-	-
Deferred revenue.....	14,468	-	-	4,809	7,272	-	26,549
Total Liabilities.....	<u>352,988</u>	<u>-</u>	<u>12,110</u>	<u>4,809</u>	<u>15,501</u>	<u>50,640</u>	<u>436,048</u>
 FUND BALANCE							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	-	383,572	24,572	-	-	371,955	780,099
Committed.....	-	-	-	-	-	-	-
Assigned.....	-	-	-	88,455	790,628	-	879,083
Unassigned.....	1,411,453	-	-	-	-	-	1,411,453
Total Fund Balance.....	<u>1,411,453</u>	<u>383,572</u>	<u>24,572</u>	<u>88,455</u>	<u>790,628</u>	<u>371,955</u>	<u>3,070,635</u>
Total Liabilities and Fund Balance.....	<u>\$ 1,764,441</u>	<u>\$ 383,572</u>	<u>\$ 36,682</u>	<u>\$ 93,264</u>	<u>\$ 806,129</u>	<u>\$ 422,595</u>	<u>\$ 3,506,683</u>

The notes to the financial statements are an integral part of this statement.

**BUTTE COUNTY SCHOOL DISTRICT #111
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020**

Total Fund Balances - Governmental Funds \$ 3,070,635

The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in government funds.

Cost of capital assets	8,376,729	
Depreciation expense to date	<u>(5,757,965)</u>	2,618,764

Property taxes received that are not available to pay for current period expenditures are deferred in the funds.		26,549
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable		-
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GASB 68 requires the accrual of net pension assets and liabilities and the deferred inflows and outflows of resources related thereto.

Net pension liability	(743,533)	
Pension related deferred inflows	(372,650)	
Pension related deferred outflows	<u>427,684</u>	<u>(688,499)</u>

Net Position of Governmental Activities \$ 5,027,449

BUTTE COUNTY SCHOOL DISTRICT #111
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Project	Non Major Governmental Funds	Total Governmental Funds
REVENUES							
Local Sources:							
Local taxes.....	\$ 187,920	\$ -	\$ -	\$ 13,638	\$ 102,147	\$ -	\$ 303,705
Other local revenues.....	111,991	-	60,545	3,227	687	118,369	294,819
State Sources.....	3,274,136	-	1,051	17,847	49,766	104,120	3,446,920
Federal sources.....	-	67,666	96,109	-	-	337,486	501,261
Total Revenues.....	<u>3,574,047</u>	<u>67,666</u>	<u>157,705</u>	<u>34,712</u>	<u>152,600</u>	<u>559,975</u>	<u>4,546,705</u>
EXPENDITURES							
Instruction Programs:							
Elementary.....	972,531	-	-	-	-	199,287	1,171,818
Secondary.....	821,854	-	-	-	-	121,256	943,110
Exceptional child.....	209,072	-	-	-	-	84,951	294,023
Preschool.....	-	-	-	-	-	13,632	13,632
Interscholastic program.....	73,730	-	-	-	-	-	73,730
Support Service Programs:							
Attendance and guidance.....	89,954	-	-	-	-	-	89,954
Instruction improvement.....	50,739	-	-	-	-	8,227	58,966
Education media.....	23,327	-	-	-	-	-	23,327
Board of education.....	17,198	-	-	-	-	-	17,198
Administration - district.....	295,979	-	-	-	-	-	295,979
Administration - school.....	240,711	-	-	-	-	-	240,711
Janitorial - buildings.....	199,328	-	-	-	-	-	199,328
Building maintenance.....	206,232	-	-	-	32,185	-	238,417
Community services.....	-	-	-	-	-	123,569	123,569
Transportation - pupils.....	213,526	-	-	-	-	-	213,526
Transportation - activity.....	23,475	-	-	-	-	-	23,475
Transportation - other.....	6,746	-	-	-	-	-	6,746
Non-Instructional Programs:							
Food services.....	-	-	165,294	-	-	-	165,294
Debt service.....	-	-	-	115,532	-	-	115,532
Capital assets.....	57,508	-	-	-	454	63,528	121,490
Total Expenditures.....	<u>3,501,910</u>	<u>-</u>	<u>165,294</u>	<u>115,532</u>	<u>32,639</u>	<u>614,450</u>	<u>4,429,825</u>
Excess Revenues over expenditures.....	72,137	67,666	(7,589)	(80,820)	119,961	(54,475)	116,880
OTHER FINANCING SOURCES (USES)							
Transfers - To (From).....	(112,094)	-	5,000	-	107,094	-	-
Other Financing Sources.....	-	-	-	-	-	-	-
Excess Revenues and Other Sources.....	<u>(39,957)</u>	<u>67,666</u>	<u>(2,589)</u>	<u>(80,820)</u>	<u>227,055</u>	<u>(54,475)</u>	<u>116,880</u>
FUND BALANCE							
Beginning Balance.....	1,451,410	315,906	27,161	169,275	563,573	426,430	2,953,755
Prior Period Adjustment.....	-	-	-	-	-	-	-
Ending Balance.....	<u>\$ 1,411,453</u>	<u>\$ 383,572</u>	<u>\$ 24,572</u>	<u>\$ 88,455</u>	<u>\$ 790,628</u>	<u>\$ 371,955</u>	<u>\$ 3,070,635</u>

The notes to the financial statements are an integral part of this statement.

BUTTE COUNTY SCHOOL DISTRICT #111
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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 116,880

Amounts reported for governmental activities in the statement of activities are different because:
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is excess of capital outlays over (under) depreciation expense in the current period.

Capitalized assets	159,953	
Depreciation expense	<u>(239,647)</u>	(79,694)

Property tax revenues are deferred and not recognized in the funds until they are available to pay for current period expenditures. In the statement of activities, however, they are recognized when levied. This is the difference between the amount deferred at the beginning and end of the current period.

Deferred revenue - 2020	26,549	
Deferred revenue - 2019	<u>(30,983)</u>	(4,434)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not result in an expense in the Statement of Activities. The District's debt was reduced with principal payments being made.

Principal payments on bonds		115,000
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GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions

Current contributions	285,503	
Net pension revenue (expense)	<u>(315,985)</u>	<u>(30,482)</u>

Change in Net Position of Governmental Activities \$ 117,270

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Butte County School District #111 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to school districts. The significant accounting policies of the District are described below.

A. Reporting Entity

Butte County School District #111 provides public school educational services as authorized by Section 33 of the Idaho Code. The District's boundaries for taxing and school enrollment purposes are located within Butte and Custer Counties.

Factors used in defining the reporting entity are as follows: Butte County School District #111 was established under the laws of the State of Idaho which designates the Board of Trustees as the governing authority. Members of the Board of Trustees are elected by the public. The Board of Trustees has control over the superintendent and management, and also has the authority to purchase equipment and other capital assets, and to levy taxes. The Board of Trustees has the power to establish annual budgets subject to public input from patrons, is responsible for funding deficits and operating deficiencies, and has the authority to borrow funds or issue bonded indebtedness.

The conclusion of the above criteria is that Butte County School District #111 is an independent school district in the State of Idaho, operating under an autonomous Board of Trustees constituting a Local Education Agency of government.

In the evaluation of how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made using criteria set forth in the accounting principles generally accepted in the United States of America. All funds and activities of Butte County School District #111 are included in the basic financial statements. Using the above criteria, the District has no component units.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the school district. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal balances and transfers. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. All activities of the District are currently classified as governmental activities. No fiduciary funds are included in the *government-wide statements*.

The statement of activities presents a comparison between direct expenses and direct revenues for the different business-type activities of the District and for each 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.

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, Basis of Accounting, continued

Allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program, and object. Accordingly, there is no allocation of indirect costs.

The District reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Thus, it is always considered a major fund.

Federal Forest Reserve

The Federal Forest Reserve accounts for all revenues and expenditures related to federal forest funds received and spent by the District.

Food Service Fund

The Food Service Fund accounts for all revenues and expenditures related to child nutrition within the District.

Capital Projects Fund

The Capital Projects Fund is used to account for the financing and construction of major capital projects.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, long-term bonded debt principal, interest, and related costs.

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements

June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, Basis of Accounting, continued

Plant Facilities Fund

The Plant Facilities Fund is used to account for revenues and expenditures related to the District's buildings, grounds, and equipment.

The District reports the following fund types:

Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. 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 in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue criteria are met, the revenue is recognized. Additionally, for both the government-wide and fund financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditures; any excess revenues are thus reported as deferred revenue.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, continued

All governmental activities of the District follow FASB Statements and Interpretations issued on or after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

The District does maintain an encumbrance system where the District Secretary will encumber the expenditures that are to be paid in the following month.

C. Cash and Investments

The District pools cash of all governmental fund types into a common bank account. The accounting records of each fund reflect the equity in pooled cash. Cash includes all checking accounts held in the District's name and monies invested with the State under the Local Government Investment Pool. This cash earns interest at a variable rate and is available upon demand.

D. Property Taxes

In accordance with Idaho law, ad valorem property taxes are levied in September for each calendar year. Levies are made on or before the 2nd Monday of September. One-half of the property taxes are due on or before the 20th of December. The remaining one-half is due on or before June 20th of the following year. A lien is filed on real property three years from the date of delinquency. Bonneville County bills and collects property taxes for the District.

E. Inventories

The District normally has unused janitorial and food service supplies including food stock on hand at year end. Remaining janitorial supplies, food service supplies, and food stock are deemed immaterial in dollar amount and they are therefore not valued or accounted for in the financial statements.

F. Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of \$3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Butte County School District #111 is a Phase III government meaning that is not required to report infrastructure. Depreciation on all assets (exclusive of land) is provided on the straight-line (SL) method over the following estimated useful lives:

Computer equipment (SL method)	5 years
Equipment, furniture and fixtures (SL method)	7-25 years
Buildings (SL method)	50-99 years

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

G. Net Position

Net position is the difference between assets and liabilities. Net position invested in capital assets, net of related debt, are capital assets, less accumulated depreciation and outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors, grantors, or enabling legislation. In Butte County School District there are restrictions of \$1,841,370 in the special revenue, capital projects, and debt service funds. When expenses are incurred for purposes for which both restricted and unrestricted net position is available, restricted net position is applied first.

H. Fund Balance Reserves

The five categories of fund balance are nonspendable, restricted, committed, assigned, and unassigned. For the year ended June 30, 2020, the District had restricted fund balances of \$780,099, assigned fund balances of \$879,083, and unassigned fund balances of \$1,411,453. Restricted funds are those which are constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation. Assigned funds are those which are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned funds are those which are available for any purpose.

I. Teachers Contracts

Contracts for teacher's salaries are payable in twelve monthly installments beginning in September. At June 30, the liability for the remaining two months of the current contracts and associated contracted benefits are accrued.

J. Nonmonetary Transactions

Items received via the Federal Food Commodities Program are recognized at their stated fair market value. For the fiscal year ending June 30, 2020, that amount was \$13,272.

K. Risk Management

The district is exposed to a considerable number of risks of loss including but not limited to a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) workers compensation, i.e. employee injuries and f) medical insurance costs of its employees. Commercial insurance policies transferring the risk of loss, but for a relatively small deductible amount, are purchased for property and content damage, employee's torts and professional liabilities. Settlement claims resulting from these risks have not exceeded the insurance deductible provided for in the last three years.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

M. Pensions

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

NOTE 2 CASH AND INVESTMENTS

Cash for all funds consist of the following at year end:

<u>Financial Institution</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>FDIC Insured / Collateralized</u>	<u>Uninsured / Uncollateralized</u>
Ireland Bank:				
Money Market – 9315	\$ 901,405	\$ 901,045	\$ 250,000	\$ 651,045
Account 0615	11,518	11,518	-	11,518
Account 9307	799,479	774,491	-	799,479
Total Ireland Bank	1,712,042	1,687,054	250,000	1,462,042
Bank of Commerce:				
Acct 4218	176,006	176,006	176,006	-
Acct 1700	17,799	17,799	17,799	-
Total Bank of Commerce	193,805	193,805	193,805	-
State Treasurer:				
Acct 2121	1,125,030	1,125,030	-	1,125,030
Acct 2591	34,365	34,365	-	34,365
Total State Treasurer	1,159,395	1,159,395	-	1,159,395
East Idaho Credit Union:				
Howe Elementary Savings	55	55	55	-
Howe Elementary Checking	75	75	75	-
Arco Elementary Savings	5	5	5	-
Arco Elementary Checking	10,142	10,142	10,142	-
Butte High School Savings	5	5	5	-
Butte High School Checking	83,392	80,975	83,392	-
Total East Idaho Credit Union	93,674	91,257	93,674	-
Grand Total	\$ 3,158,916	\$ 3,131,511	\$ 537,479	\$ 2,621,437

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. At year end, the carrying amounts of the District's demand deposits and Local Government Investment Pool monies were \$3,131,511 and the bank balances were \$3,158,916. Of the bank balances, \$537,479 was covered by federal depository insurance and \$2,621,437 was uninsured and uncollateralized. Cash held at the Local Government Investment Pool is uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of a bank failure, the district's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. As of June 30, 2020, the District did not have any of their bank balances subject to this risk.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 2 CASH AND INVESTMENTS, continued

Investments

Idaho statutes authorize school districts to invest in obligations of the United States Treasury, agencies and instrumentalities of the United States, repurchase agreements, interest-bearing bonds of any city, county, school district or municipality in Idaho, tax anticipation notes, time deposit accounts in state depositories, accounts in financial institutions, and the State of Idaho's Local Government Investment Pool. The District's investment policy complies with state statutes.

The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U. S. government securities. The certificates of deposits are federally insured. The U. S. government securities and the collateral for the repurchase agreement are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the District in proportion to each fund's respective investment balances.

Statement 3 of the Government Accounting Standards Board requires government entities disclose the level of risk assumed on deposit and investment balances.

Statement 40 of the Government Accounting Standards Board requires more comprehensive disclosure requirements addressing other common risks of the deposits and investments of governmental entities. At June 30, 2020 the District did not hold any investments that require disclosure. The District has chosen to recognize the monies held at the Local Government Investment Pool as cash.

Credit Risk

Per the Local Government Investment Pool, the investment pool itself does not have a credit rating.

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

	<u>General Fund</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Plant Facility</u>	<u>Non-Major Funds</u>
Local Sources					
Local Taxes	\$ 61,306	\$ -	\$ 5,941	\$ 33,753	\$ -
Other Local	14,467	9,746	-	-	-
Total Local	75,773	-	5,941	33,753	-
State Sources					
Foundation Program	105,242	-	-	-	-
Other State Receivable	-	-	-	-	144,719
Total State	105,242	-	-	-	144,719
Federal Sources					
Special Programs	-	-	-	-	-
Other Federal	-	-	-	-	-
Total Federal	-	-	-	-	-
Grand Total	\$ 181,015	\$ 9,746	\$ 5,941	\$ 33,753	\$ 144,719

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 4 INTERFUND TRANSACTIONS

Interfund Transfers

The District has the following interfund operating transfers for the year:

Major Funds:	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		\$ 112,094
Capital Construction	\$ 76,000	
Plant Facilities Bus	\$ 39,094	
Plant Facilities		\$ 8,000
Child Nutrition	\$ 5,000	

The interfund transfer from the General Fund to the Plant Facilities Bus Fund in the amount of \$39,094 is State required bus depreciation. The transfer from the General Fund to the Food Service Fund and the transfer from the Plant Facilities Fund to the Plant Facilities Bus Fund are to cover operations as per the budget. The transfer from the General Fund to the Capital Construction Fund is to cover the costs of future construction or repairs. Interfund transfers and balances are eliminated on the government-wide financial statements.

Interfund Receivables/Payables

There are no interfund receivables/payables as of June 30, 2020.

NOTE 5 CAPITAL ASSETS

A summary of Capital Assets is as follows:

	<u>Balance 07-01-19</u>	<u>Capital Acquisitions</u>	<u>Sales & Other Dispositions</u>	<u>Balance 06-30-20</u>
Non-depreciable Assets				
Land	\$ 18,191	\$ -	\$ -	\$ 18,191
Work in Progress	-	-	-	-
Total Cost	<u>\$ 18,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,191</u>
Depreciable Assets				
Buildings/Sites	\$ 4,622,945	\$ 57,508	\$ -	\$ 4,680,453
Building Improvements	1,192,562	28,003	-	1,220,565
Equipment	1,431,909	67,843	-	1,499,752
Transportation	951,169	6,599	-	957,768
Total Cost	<u>\$ 8,198,585</u>	<u>\$ 159,953</u>	<u>\$ -</u>	<u>\$ 8,358,538</u>
Accumulated Depreciation				
Buildings/Sites	\$ 3,171,593	\$ 87,014	\$ -	\$ 3,258,607
Building Improvements	521,360	40,799	-	562,159
Equipment	1,115,068	79,510	-	1,194,578
Transportation	710,297	32,324	-	742,621
Total Accum. Deprec.	<u>\$ 5,518,318</u>	<u>\$ 239,647</u>	<u>\$ -</u>	<u>\$ 5,757,965</u>
Net Capital Assets	<u>\$ 2,698,458</u>	<u>\$ (79,694)</u>	<u>\$ -</u>	<u>\$ 2,618,764</u>

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 5 CAPITAL ASSETS, continued

Depreciation expense was charged to functions as follows:

Elementary	\$ 82,929
Secondary	82,929
Plant Services	20,732
School Administration	20,732
Pupil Transportation	<u>32,325</u>
Total	<u>\$ 239,647</u>

NOTE 6 CHANGES IN LONG-TERM DEBT

The following is a summary of the District's long-term transactions for the year ended June 30, 2020:

	2015 G.O. Project and <u>Refunding Bonds</u>	Net Pension <u>Liability</u>	<u>Total</u>
Long-Term Obligations June 30, 2019	\$ 115,000	\$ 923,796	\$ 1,038,796
Obligations Incurred/Removed	-	(180,263)	(180,263)
Obligations Paid	<u>(115,000)</u>	-	<u>(115,000)</u>
Long-Term Obligations June 30, 2020	<u>\$ -</u>	<u>\$ 743,533</u>	<u>\$ 743,533</u>
Due Within One Year	\$ -	\$ -	\$ -

NOTE 7 PENSION PLAN

Plan Description

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

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.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 PENSION PLAN (continued)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2019, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The Butte County School District's contributions were \$285,503 for the year ended June 30, 2020.

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

At June 30, 2020 the Butte County School District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Butte County School District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the District's proportion was .0651381%.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 PENSION PLAN (continued)

For the year ended June 30, 2020, the Butte County School District recognized pension expense of \$315,985. At June 30, 2020, 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	\$ (32,307)	\$ 17,860
Changes in assumptions or other inputs	(18,751)	-
Net difference between projected and actual earnings on pension plan investments	-	150,661
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
Contributions subsequent to the measurement date	285,503	-
TOTAL	\$ 234,445	\$ 168,521

\$285,503 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2018 is 4.8 and 4.8 for the measurement period June 30, 2019.

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:

Year ended June 30, 2020:	
2020	\$ (26,774)
2021	\$ (114,707)
2022	\$ (55,876)
2023	\$ (33,114)
2024	\$ -
Thereafter*	\$ -

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Actuarial Assumptions

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

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 PENSION PLAN (continued)

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1.00%

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

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 PENSION PLAN (continued)

Asset Class		Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE / World ex US	15.00%	8.45%	6.20%
Assumed Inflation – Mean			2.25%	2.25%
Assumed Inflation – Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
Valuation Assumptions Chosen by PERSI Board				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses				7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Proportionate share of the net pension liability (asset)	2,245,757	743,533	(498,758)

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2020**

NOTE 7 PENSION PLAN (continued)

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.

NOTE 8 COMPENSATED ABSENCES

The District provides personal and sick leave to its employees, as well as paid vacations depending on job classifications, lengths of service, and other factors. Employees lose their personal leave and vacation if not used by June 30th. Therefore, there is no accrual for compensated absences.

NOTE 9 NON-MONETARY TRANSACTIONS

The District received commodities from the U.S. Government valued at \$13,272. The value was determined by confirmation with the State of Idaho Department of Education.

NOTE 10 DEFERRED REVENUES – FUND FINANCIAL STATEMENTS

Revenues are recognized when they become available to the District. Taxes and other receivables not received soon enough after year end to pay current liabilities do not represent available expendable resources and recognition of revenue is deferred until collection. Deferred revenues at year end consist of the following:

Property Taxes – General Fund	\$ 14,468
Property Taxes – Bond Fund	4,809
Property Taxes – Plant Facility Fund	<u>7,272</u>
Total Deferred Revenue	<u>\$ 26,549</u>

NOTE 11 EXCESS OF EXPENDITURES OVER APPROPRIATION

The following individual funds have an excess of expenditures over appropriations at June 30, 2020:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Over Budget</u>
Technology State	109,950	119,606	9,656
Title VI-B IDEA Preschool	13,386	13,632	246
Title V-A, ESEA Innovative	12,330	12,341	11
Perkins III Professional Tech. Act	29,412	33,221	3,809
Title I Comprehensive Support & Impr.	63,008	64,116	1,108

NOTE 12 CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial.

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements
June 30, 2020

NOTE 13 RELATED PARTY TRANSACTIONS

The District has not been involved in any related party transactions that would violate the Idaho Code or applicable federal regulation.

NOTE 14 SUBSEQUENT EVENTS

The District evaluated subsequent events through September 16, 2020 which is the date the financial statements were available to be issued, and no material subsequent events were identified.

NOTE 15 DEFICIT FUND BALANCES

The following funds reported deficit balances as of June 30, 2020

<u>Fund</u>	<u>Deficit Amount</u>
Perkins III Professional Tech. Act	\$ 929
Title I Comprehensive Support & Impr.	890

NOTE 16 ECONOMIC DEPENDENCY

The District is economically reliant on the State of Idaho, from which it received approximately \$3,446,920 or 76% of the District's revenue.

NOTE 17 POST RETIREMENT BENEFITS

Butte County School District #111 funds post-retirement benefits through PERSI. During the school year ended June 30, 2020, the district paid 1.16% of the wages covered by PERSI to the State of Idaho. Upon retirement, one-half of the employee's accumulated sick leave is transferred from the sick leave pool established by PERSI to the individual employee's retirement account. These funds are used to pay post-retirement health insurance premiums.

REQUIRED SUPPLEMENTAL INFORMATION

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2020

GENERAL FUND	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Local sources.....	\$ 177,039	\$ 178,823	\$ 187,920	\$ 9,097
Other local revenues.....	62,846	103,358	111,991	8,633
State sources.....	3,363,486	3,293,498	3,274,136	(19,362)
Federal sources.....	-	-	-	-
Total Revenues.....	<u>3,603,371</u>	<u>3,575,679</u>	<u>3,574,047</u>	<u>(1,632)</u>
EXPENDITURES				
Instruction Programs:				
Elementary.....	952,876	1,042,639	972,531	70,108
Secondary.....	1,042,243	932,877	821,854	111,023
Exceptional child.....	218,408	218,408	209,072	9,336
Interscholastic program.....	90,977	90,977	73,730	17,247
Support Service Programs:				
Attendance and guidance.....	86,246	86,246	89,954	(3,708)
Special services	-	-	-	-
Instruction improvement	67,362	72,313	50,739	21,574
Education media	18,872	28,991	23,327	5,664
Board of education	21,550	22,850	17,198	5,652
Administration - district	453,694	466,756	295,979	170,777
Administration - school	280,523	281,497	240,711	40,786
Janitorial - buildings	251,518	251,518	199,328	52,190
Building maintenance	212,643	238,143	194,340	43,803
Transportation - pupils	275,614	275,614	213,526	62,088
Transportation - activity	34,235	42,235	23,475	18,760
Transportation - other	4,925	4,925	6,746	(1,821)
Non-Instructional Programs:				
Food services.....	-	-	-	-
Debt service.....	-	-	-	-
Capital assets.....	97,000	141,000	69,400	71,600
Total Expenditures	<u>4,108,686</u>	<u>4,196,989</u>	<u>3,501,910</u>	<u>695,079</u>
Excess Revenues over expenditures	(505,315)	(621,310)	72,137	693,447
OTHER FINANCING SOURCES (USES)				
Transfers - To (From)	(111,000)	(111,000)	(112,094)	(1,094)
Other Financing Sources.....	616,315	732,310	-	-
Excess Revenues and Other Sources	-	-	(39,957)	692,353
FUND BALANCE				
Beginning Balance	<u>700,758</u>	<u>832,378</u>	<u>1,451,410</u>	<u>(619,032)</u>
Ending Balance	<u>\$ 700,758</u>	<u>\$ 832,378</u>	<u>\$ 1,411,453</u>	<u>\$ 73,321</u>

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FEDERAL FOREST RESERVE
For the Year Ended June 30, 2020

<u>FEDERAL FOREST RESERVE</u>	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Final Budget</u> <u>Variance -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Federal sources.....	-	67,665	67,666	1
Total Revenues.....	-	67,665	67,666	1
EXPENDITURES				
Non-Instructional Programs:				
Special services.....	-	-	-	-
Total Expenditures.....	-	-	-	-
Excess Revenues over expenditures.....	-	67,665	67,666	1
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	-	-	-	-
Excess Revenues and Other Sources.....	-	67,665	67,666	1
FUND BALANCE				
Beginning Balance.....	251,294	315,906	315,906	-
Ending Balance.....	\$ 251,294	\$ 383,571	\$ 383,572	\$ 1

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOOD SERVICE FUND
For the Year Ended June 30, 2020

FOOD SERVICE FUND	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Other local revenues.....	\$ 53,500	\$ 53,500	\$ 60,545	\$ 7,045
Federal sources.....	91,000	91,000	97,160	6,160
Total Revenues.....	<u>144,500</u>	<u>144,500</u>	<u>157,705</u>	<u>13,205</u>
EXPENDITURES				
Non-Instructional Programs:				
Food services.....	166,000	166,000	165,294	706
Total Expenditures.....	<u>166,000</u>	<u>166,000</u>	<u>165,294</u>	<u>706</u>
Excess Revenues over expenditures.....	(21,500)	(21,500)	(7,589)	13,911
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	5,000	5,000	5,000	-
Excess Revenues and Other Sources.....	(16,500)	(16,500)	(2,589)	13,911
FUND BALANCE				
Beginning Balance.....	<u>16,500</u>	<u>16,500</u>	<u>27,161</u>	<u>10,661</u>
Ending Balance.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,572</u>	<u>\$ 24,572</u>

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2020

<u>DEBT SERVICE FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final		Variance - Positive (Negative)
REVENUES				
Property taxes.....	\$ 5,000	\$ 5,000	\$ 13,638	\$ 8,638
Other local revenues.....	-	-	3,227	3,227
State revenues.....	-	-	17,847	17,847
Total revenues.....	<u>5,000</u>	<u>5,000</u>	<u>34,712</u>	<u>29,712</u>
EXPENDITURES				
Debt service				
Principal.....	116,064	116,064	115,000	1,064
Interest.....	1,064	1,064	532	532
Total expenditures.....	<u>117,128</u>	<u>117,128</u>	<u>115,532</u>	<u>1,596</u>
Excess Revenues over expenditures.....	(112,128)	(112,128)	(80,820)	31,308
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	-	-	-	-
Excess Revenues and Other Sources.....	(112,128)	(112,128)	(80,820)	31,308
FUND BALANCE				
Beginning Balance.....	<u>163,514</u>	<u>163,514</u>	<u>169,275</u>	<u>5,761</u>
Ending Balance.....	<u>\$ 51,386</u>	<u>\$ 51,386</u>	<u>\$ 88,455</u>	<u>\$ 37,069</u>

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL CONSTRUCTION FUND
For the Year Ended June 30, 2020

<u>CAPITAL CONSTRUCTION FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Interest and Proceeds.....	-	-	-	-
Total Revenues.....	-	-	-	-
EXPENDITURES				
Operations.....	-	-	-	-
Capital outlay.....	81,185	87,185	454	86,731
Total Expenditures.....	81,185	87,185	454	86,731
Excess Revenues over expenditures.....	(81,185)	(87,185)	(454)	86,731
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	70,000	76,000	76,000	-
Excess Revenues and Other Sources.....	(11,185)	(11,185)	75,546	86,731
FUND BALANCE				
Beginning Balance.....	11,185	11,185	11,185	-
Ending Balance.....	\$ -	\$ -	\$ 86,731	\$ 86,731

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - PLANT FACILITY FUND
For the Year Ended June 30, 2020

<u>PLANT FACILITY FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes.....	\$ (100,000)	\$ 100,000	\$ 102,147	\$ 2,147
Earnings on investments.....	-	-	687	687
State sources.....	31,122	49,766	49,766	-
Other revenues.....	-	-	-	-
Total Revenues.....	<u>(68,878)</u>	<u>149,766</u>	<u>152,600</u>	<u>2,834</u>
EXPENDITURES				
Operations.....	55,000	55,000	32,185	22,815
Capital outlay.....	48,000	94,374	-	94,374
Total Expenditures.....	<u>103,000</u>	<u>149,374</u>	<u>32,185</u>	<u>117,189</u>
Excess Revenues over expenditures.....	(171,878)	392	120,415	120,023
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	30,000	30,000	31,094	1,094
Excess Revenues and Other Sources.....	(141,878)	30,392	151,509	121,117
FUND BALANCE				
Beginning Balance.....	<u>386,517</u>	<u>432,891</u>	<u>552,388</u>	<u>119,497</u>
Ending Balance.....	<u>\$ 244,639</u>	<u>\$ 463,283</u>	<u>\$ 703,897</u>	<u>\$ 240,614</u>

BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Employer's portion of the net pension liability	0.0608815%	0.0626295%	0.0651381%
Employer's proportionate share of the net pension liability	\$ 956,953	\$ 923,796	\$ 743,533
Employer's covered-employee payroll	\$ 2,065,523	\$ 2,217,409	\$ 2,316,405
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	46.33%	41.66%	32.10%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	91.69%	93.79%

- Data reported is measured as of June 30, 2019

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's portion of the net pension liability	0.0661965%	0.0609341%	0.0608423%
Employer's proportionate share of the net pension liability	\$ 487,310	\$ 802,403	\$ 1,233,367
Employer's covered-employee payroll	\$ 1,705,668	\$ 1,779,452	\$ 1,890,936
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	28.57%	50.81%	65.23%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%

- Data reported is measured as of June 30, 2019

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

**BUTTE COUNTY SCHOOL DISTRICT #111
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - Base Plan
Last 10 Fiscal Years***

	2018	2019	2020
Statutorily required contribution	\$ 205,300	\$ 243,216	\$ 249,245
Contributions in relation to the statutorily required contribution	\$ 216,962	\$ 231,190	\$ 254,091
Contribution (deficiency) excess	\$ 11,662	\$ (12,026)	\$ 4,847
Employer's covered-employee payroll	\$ 1,880,968	\$ 2,004,392	\$ 2,203,004
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	11.53%

- Data reported is measured as of June 30, 2019

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

	2015	2016	2017
Statutorily required contribution	\$ 215,139	\$ 199,317	\$ 180,861
Contributions in relation to the statutorily required contribution	\$ 193,082	\$ 201,434	\$ 214,054
Contribution (deficiency) excess	\$ (22,057)	\$ 2,117	\$ 33,193
Employer's covered-employee payroll	\$ 1,705,668	\$ 1,779,452	\$ 1,890,936
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%

- Data reported is measured as of June 30, 2019

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

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Required Supplemental Information
June 30, 2020**

NOTE 1 BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all governmental fund types.

NOTE 2 LEGAL COMPLIANCE – BUDGETS

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The District annually prepares a budget by estimating the probable amount of money necessary for all purposes for which an appropriation is to be made (including interest and principal due on the bonded debt) and by itemizing and classifying the proposed expenditures as nearly as may be practicable. To support such proposed expenditures, the District prepares an estimate of the total revenue anticipated during the ensuing fiscal year for which a budget is being prepared and classifies such receipts by source as nearly as may be possible and practicable.
2. The proposed budget is published.
3. A public hearing is conducted to obtain citizen comments.
4. The budget is formally adopted through approval by the board of trustees.
5. The District may, after school starts and actual enrollment figures are known, amend the budget using the same procedures which were used in adopting the original budget. A budget may be amended downward in any instance. However, amendment to a greater amount than adopted can only happen if the District receives additional revenues in that fiscal year as a result of an increase in non-property tax related receipts. Once the change is justified, the process for formal adoption is as described above.
6. Budgetary integration is employed as a management control device during the year for all funds. Legal budgetary control is established based upon total revenues and expenditures.
7. The level of control (level at which expenditures may not exceed budget) is the fund.
8. All annual appropriations lapse at fiscal year-end.

NOTE 3 PENSIONS

The Butte County School District contributes to 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.

During the fiscal year ended June 30, 2020, there were no changes of benefit terms, neither was there any significant change in the composition of the population covered by the benefit terms. All assumptions used in actuarial calculations were not significantly different from those used in the past.

SUPPLEMENTAL INFORMATION

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
June 30, 2020

ASSETS	Data Systems Grant	Student Occupied Buildings	Drivers Education State	Professional Technical State	Technology State	Student Activity Fund	Substance Abuse State
Cash.....	\$ 16,262	\$ 211,398	\$ 1,773	\$ 23,859	\$ 25,400	\$ 91,257	\$ 22,904
Other receivable.....	-	-	-	-	-	-	-
Total Assets.....	\$ 16,262	\$ 211,398	\$ 1,773	\$ 23,859	\$ 25,400	\$ 91,257	\$ 22,904
 LIABILITIES AND FUND BALANCE							
 LIABILITIES							
Accounts payable.....	\$ -	\$ -	\$ -	\$ 2,242	\$ 18,271	\$ -	\$ -
Salaries payable.....	-	-	-	-	-	-	-
Benefits payable.....	-	-	-	-	-	-	-
Interfund payable.....	-	-	-	-	-	-	-
Total Liabilities.....	-	-	-	2,242	18,271	-	-
 FUND BALANCE							
Undesignated.....	16,262	211,398	1,773	21,617	7,129	91,257	22,904
Total Liabilities and Fund Balance.....	\$ 16,262	\$ 211,398	\$ 1,773	\$ 23,859	\$ 25,400	\$ 91,257	\$ 22,904

The notes to the financial statements are an integral part of this statement.

Title I-A, ESEA Imp. Basic Programs	Title VI-B IDEA School-Age	Title VI-B IDEA Preschool	Medicaid	Title IV Student Support & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA Imp. Teacher Quality	Title I Comprehensive Support & Impr.	Totals
\$ (15)	\$ (42,081)	\$ (6,825)	\$ 3,608	\$ (12,341)	\$ (5,850)	\$ (12,685)	\$ (38,788)	\$ 277,876
8,208	56,434	8,918	-	12,341	7,247	12,783	38,788	144,719
<u>\$ 8,193</u>	<u>\$ 14,353</u>	<u>\$ 2,093</u>	<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 1,397</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 422,595</u>
\$ -	\$ 2,930	\$ -	\$ -	\$ -	\$ 2,326	\$ -	\$ -	\$ 25,769
6,851	9,552	1,750	1,818	-	-	41	744	20,756
1,342	1,871	343	356	-	-	57	146	4,115
-	-	-	-	-	-	-	-	-
<u>8,193</u>	<u>14,353</u>	<u>2,093</u>	<u>2,174</u>	<u>-</u>	<u>2,326</u>	<u>98</u>	<u>890</u>	<u>50,640</u>
-	-	-	1,434	-	(929)	-	(890)	371,955
<u>\$ 8,193</u>	<u>\$ 14,353</u>	<u>\$ 2,093</u>	<u>\$ 3,608</u>	<u>\$ -</u>	<u>\$ 1,397</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 422,595</u>

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Data System Grant	Student Occupied Buildings	Drivers Education State	Professional Technical State
REVENUES				
Other local revenues.....	\$ -	\$ -	\$ 4,500	\$ -
State sources.....	-	-	2,000	22,319
Federal sources.....	11,460	-	-	-
Total Revenues.....	<u>11,460</u>	<u>-</u>	<u>6,500</u>	<u>22,319</u>
EXPENDITURES				
Elementary.....	-	-	-	-
Secondary.....	-	-	13,877	15,943
Exceptional child.....	-	-	-	-
Preschool.....	-	-	-	-
Capital assets.....	-	-	-	1,682
Special services.....	-	-	-	-
Instructional improvement.....	8,227	-	-	-
Administration - district.....	-	-	-	-
Community services.....	-	-	-	-
Building maintenance.....	-	-	-	-
Total Expenditures.....	<u>8,227</u>	<u>-</u>	<u>13,877</u>	<u>17,625</u>
Excess Revenues over Expenditures.....	3,233	-	(7,377)	4,694
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	-	-	-	(15,556)
Excess Revenues and Other Sources.....	3,233	-	(7,377)	(10,862)
FUND BALANCE				
Beginning Balance.....	13,029	211,398	9,150	32,479
Prior Period Adjustment.....	-	-	-	-
Ending Balance.....	<u>\$ 16,262</u>	<u>\$ 211,398</u>	<u>\$ 1,773</u>	<u>\$ 21,617</u>

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Student Activity Fund	Technology State	Substance Abuse State	Title I-A, ESEA Imp. Basic Programs	Title VI-B IDEA School-Age
REVENUES					
Other local revenues.....	\$ 113,319	\$ -	\$ 550	\$ -	\$ -
State sources.....	-	72,670	7,131	-	-
Federal sources.....	-	-	-	87,978	84,951
Total Revenues.....	<u>113,319</u>	<u>72,670</u>	<u>7,681</u>	<u>87,978</u>	<u>84,951</u>
EXPENDITURES					
Elementary.....	-	2,585	-	87,978	-
Secondary.....	-	58,215	-	-	-
Exceptional child.....	-	-	-	-	84,951
Preschool.....	-	-	-	-	-
Capital assets.....	-	58,806	3,040	-	-
Special services.....	-	-	-	-	-
Instructional improvement.....	-	-	-	-	-
Administration - district.....	-	-	-	-	-
Community services.....	123,569	-	-	-	-
Building maintenance.....	-	-	-	-	-
Total Expenditures.....	<u>123,569</u>	<u>119,606</u>	<u>3,040</u>	<u>87,978</u>	<u>84,951</u>
Excess Revenues over Expenditures.....	(10,250)	(46,936)	4,641	-	-
OTHER FINANCING SOURCES (USES)					
Transfers - To (From).....	-	15,556	-	-	-
Excess Revenues and Other Sources.....	(10,250)	(31,380)	4,641	-	-
FUND BALANCE					
Beginning Balance.....	101,507	38,509	18,263	-	-
Prior Period Adjustment.....	-	-	-	-	-
Ending Balance.....	<u>\$ 91,257</u>	<u>\$ 7,129</u>	<u>\$ 22,904</u>	<u>\$ -</u>	<u>\$ -</u>

Title VI-B IDEA Preschool	Medicaid	Title IV Student Support & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA Imp. Teacher Quality	Title I Comprehensive Support & Impr.	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,369
-	-	-	-	-	-	104,120
13,632	18,344	12,341	29,717	15,867	63,196	337,486
13,632	18,344	12,341	29,717	15,867	63,196	559,975
-	16,400	12,341	-	15,867	64,116	199,287
-	-	-	33,221	-	-	121,256
-	-	-	-	-	-	84,951
13,632	-	-	-	-	-	13,632
-	-	-	-	-	-	63,528
-	-	-	-	-	-	-
-	-	-	-	-	-	8,227
-	-	-	-	-	-	-
-	-	-	-	-	-	123,569
-	-	-	-	-	-	-
13,632	16,400	12,341	33,221	15,867	64,116	614,450
-	1,944	-	(3,504)	-	(920)	(54,475)
-	-	-	-	-	-	-
-	1,944	-	(3,504)	-	(920)	(54,475)
-	(510)	-	2,575	-	30	426,430
-	-	-	-	-	-	-
\$ -	\$ 1,434	\$ -	\$ (929)	\$ -	\$ (890)	\$ 371,955

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND
June 30, 2020

ASSETS	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
Cash.....	\$ 550,792	\$ 134,853	\$ 86,731	\$ 772,376
Receivables:				
Local sources.....	33,753	-	-	33,753
Total Assets.....	\$ 584,545	\$ 134,853	\$ 86,731	\$ 806,129
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable.....	\$ 8,229	\$ -	\$ -	\$ 8,229
Deferred revenue.....	7,272	-	-	7,272
Total Liabilities.....	15,501	-	-	15,501
FUND BALANCE				
Assigned.....	569,044	134,853	86,731	790,628
Total Liabilities and Fund Balance.....	\$ 584,545	\$ 134,853	\$ 86,731	\$ 806,129

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2020

	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
REVENUES				
Local Taxes.....	\$ 102,147	\$ -	\$ -	\$ 102,147
Other local revenues.....	-	687	-	687
State sources.....	49,766	-	-	49,766
Federal sources.....	-	-	-	-
Total Revenues.....	151,913	687	-	152,600
EXPENDITURES				
Elementary.....	-	-	-	-
Secondary.....	-	-	-	-
Exceptional child.....	-	-	-	-
Preschool.....	-	-	-	-
Capital assets.....	-	-	454	454
Special services.....	-	-	-	-
Instructional improvement.....	-	-	-	-
Administration - district.....	-	-	-	-
Building maintenance.....	32,185	-	-	32,185
Total Expenditures.....	32,185	-	454	32,639
Excess Revenues over Expenditures.....	119,728	687	(454)	119,961
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	(8,000)	39,094	76,000	107,094
Excess Revenues and Other Sources.....	111,728	39,781	75,546	227,055
FUND BALANCE				
Beginning Balance.....	457,316	95,072	11,185	563,573
Prior Period Adjustment.....	-	-	-	-
Ending Balance.....	\$ 569,044	\$ 134,853	\$ 86,731	\$ 790,628

BUTTE COUNTY SCHOOL DISTRICT #111
Combining Schedule of Changes in Cash
Student Activity Accounts
For the Twelve Month Period Ending June 30, 2020

<u>Account Name</u>	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Balance</u>
Butte County High School.....	\$ 90,781	\$ 112,310	\$ 122,111	\$ 80,980
Arco Elementary.....	10,586	1,009	1,448	10,147
Howe Elementary.....	140	-	10	130
	<u>\$ 101,507</u>	<u>\$ 113,319</u>	<u>\$ 123,569</u>	<u>\$ 91,257</u>

BUTTE COUNTY SCHOOL DISTRICT #111
Statement of Cash Receipts and Disbursements
Student Activity Accounts - High School
For the Twelve Month Period Ending June 30, 2020

<u>Account Name</u>	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Balance</u>
Athletics.....	\$ 10,755	\$ 20,638	\$ 20,073	\$ 11,320
Boys Basketball.....	271	-	1,075	(804)
Charlie Huggins Memorial Fund...	-	1,360	-	1,360
Cheerleaders.....	821	98	232	687
Class of 2018.....	817	-	250	567
Class of 2019.....	320	-	-	320
Class of 2020.....	1,075	431	179	1,327
Class of 2021.....	576	456	146	886
Class of 2022.....	1,372	1,433	323	2,482
Class of 2023.....	25	809	115	719
Class of 2024.....	-	1,190	-	1,190
Cross Country.....	3,285	2,542	1,958	3,869
Diane's Technology.....	192	-	-	192
Diversity Club.....	85	-	-	85
Driver's ED.....	2,700	4,350	4,350	2,700
Football.....	4,552	19,841	26,656	(2,263)
General Fund.....	3,893	343	543	3,693
Girls Basketball.....	7,334	2,891	7,560	2,665
IDLA.....	3,210	6,095	9,960	(655)
Journalism.....	193	-	-	193
Laptop.....	10,051	4,738	1,183	13,606
Lost Book Fund.....	-	30	-	30
Math & Science Department.....	-	581	-	581
MS Boys Basketball.....	1,014	1,805	1,628	1,191
MS Football.....	86	-	-	86
MS Girls Basketball.....	(199)	630	-	431
MS Volleyball.....	177	-	-	177
Music.....	1,063	550	1,841	(228)
Sales Tax.....	(331)	1,565	1,715	(481)
Savings.....	5	-	-	5
Scholarships.....	2	-	-	2
Scholastic.....	228	-	-	228
Science Grant.....	1,000	2,110	-	3,110
Senior Project.....	643	120	78	685
Ski Club.....	955	1,470	1,615	810
Slurpy Athletic Fund.....	936	-	-	936
Student Activities.....	1,100	-	1,100	-
Student Council HS.....	1,369	10,484	8,505	3,348
Testing Funds.....	182	112	-	294
Track & Field.....	1,412	550	470	1,492
Travel.....	17,205	13,925	17,455	13,675
Uniforms.....	3,373	-	1,629	1,744
Volleyball.....	2,588	1,374	3,533	429
Welding.....	3,813	2,125	1,855	4,083
Wrestling.....	10	-	-	10
X Country Travel.....	(66)	66	-	-
Yearbook.....	2,688	7,598	6,084	4,202
	<u>\$ 90,781</u>	<u>\$ 112,310</u>	<u>\$ 122,111</u>	<u>\$ 80,980</u>

The notes to the financial statements are an integral part of this statement.

JENSEN POULSEN & COMPANY, PLLC

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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*

Board of Trustees
Butte County School District #111
Arco, Idaho 83213

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 *Governments Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butte County School District #111 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Butte County School District's basic financial statements and have issued our report thereon dated September 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Butte County School District #111's internal control over financial reporting (internal control) to determine the 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 Butte County School District #111's internal control. Accordingly, we do not express an opinion on the effectiveness of Butte County School District #111'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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with government.

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 have not been identified. Given these limitations, during our audit we did not identify and deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2020-01 that we consider to be significant deficiencies.

To the Board of Trustees
Butte County School District #111

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Butte County School District #111's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Butte County School District #111's Response to Findings

Butte County School District #111's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Butte County School District #111's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 of the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
September 16, 2020

BUTTE COUNTY SCHOOL DISTRICT #111

**Schedule of Findings and Responses
June 30, 2020**

A. Reportable Conditions

2020-01 - Segregation of Duties

CONDITION:

The District is experiencing a lack of segregation of duties over cash and the reporting of transactions in these accounts.

CRITERIA:

Inherent in an adequate internal control structure is a segregation of duties governing the overall administration and stewardship of assets.

EFFECT:

The lack of an ideal segregation of duties may increase the risk that loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

CAUSE:

The above noted situation is the result of staffing limitations necessitated by budget constraints common to a school district this size.

RECOMMENDATION:

It is simply requested that the District take note that this situation exists. However, substantial changes cannot be expected until the above noted situation is adequately mitigated.

RESPONSE:

The District recognizes the lack of segregation of duties but feels the level of participation from the Superintendent and Board of Trustees provides the appropriate controls to mitigate the potential of material misstatements due to error or fraud.

BUTTE COUNTY SCHOOL DISTRICT #111

**Schedule of Prior Audit Findings and Responses
June 30, 2020**

A. Reportable Conditions

2019-01 - Segregation of Duties

CONDITION:

The District is experiencing a lack of segregation of duties over cash and the reporting of transactions in these accounts.

CURRENT STATUS:

The District still has only one person responsible for the duties over cash and the reporting of transactions in the accounts.