

**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, 2021**

**BUTTE COUNTY SCHOOL DISTRICT #111**

**For the year ended June 30, 2021**

**Table of Contents**

	<b>Pages</b>
<b>Independent Auditor's Report</b>	1-2
<b>Basic Financial Statements</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
Statement of Net Position	3
Statement of Activities	4
<b>FUND FINANCIAL STATEMENTS</b>	
Governmental Funds – Balance Sheet	5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Notes to the Basic Financial Statements	9-23
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	24
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Federal Forest Reserve	25
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Food Service Fund	26
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	27
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Project Fund	28
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Plant Facility Fund	29
Schedule of Employer's Share of Net Pension Liability	30
Schedule of Employer Contributions	31
Notes to the Required Supplemental Information	32

**BUTTE COUNTY SCHOOL DISTRICT #111**

**For the year ended June 30, 2021**

**Table of Contents**

**Page 2**

**Supplemental Information**

Combining Balance Sheet – Non-Major Governmental Funds	33-34
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	35-37
Combining Balance Sheet – Capital Projects Funds	38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	39
Combining Schedule of Changes in Cash – Student Activity Accounts	40
Schedule of Cash Receipts and Disbursements – Student Activity Accounts – High School	41

**INDEPENDENT AUDITOR’S REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	42-43
Schedule of Findings and Responses	44
Schedule of Prior Audit Findings and Responses	45

# JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 50700  
185 S. CAPITAL  
IDAHO FALLS, IDAHO 83405-0700

ERNEST M JENSEN, M.B.A., C.P.A.  
ROBERT B. POULSEN, C.P.A.  
SHERI L. POULSEN, C.P.A.

TELEPHONE: (208) 522-2295  
(208) 522-1330  
FAX: (208) 522-2297

## 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, 2021, 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, 2021, 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 20, 2021

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 3,264,050
Receivables:	
Local sources	125,111
Other receivables	437,452
Prepaid expenses	-
Capital assets, non-depreciable - land	18,191
Capital assets, net of depreciation	2,602,848
<b>Total Assets</b>	<b>\$ 6,447,652</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to Pension	581,392
Unspent Grant Allocation	763,666
<b>LIABILITIES</b>	
Accounts payable	7,667
Salaries and benefits payable	379,051
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	1,498,353
<b>Total Liabilities</b>	<b>\$ 1,885,071</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to Pension	48,925
Unspent Grant Allocation	763,666
<b>NET POSITION</b>	
Investment in capital assets - net of related debt	\$ 2,621,039
Restricted for:	
Special programs	780,096
Debt service	93,264
Capital construction projects	797,900
Unrestricted	802,749
<b>Total Net Position</b>	<b>\$ 5,095,048</b>

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

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

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	\$ 983,540	\$ -	\$ 273,589	\$ -	\$ (709,952)
Secondary/alternative programs	916,092	-	172,883	-	(743,210)
Exceptional/preschool programs	371,338	-	-	-	(371,338)
Other instructional programs	59,979	-	16,672	-	(43,307)
Support services:					
Student services	806,293	-	-	-	(806,293)
Educational media	23,282	-	-	-	(23,282)
School administration	221,825	-	-	-	(221,825)
Administration	334,241	-	-	-	(334,241)
Community services	146,924	-	-	-	(146,924)
Plant services	72,309	-	-	-	(72,309)
Pupil transportation	211,736	-	20,994	-	(190,742)
Non Instructional programs:					
Food services	150,742	18,578	128,255	-	(3,909)
Debt service - refunding fees	-	-	-	-	-
Debt service - interest	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 4,298,300</b>	<b>\$ 18,578</b>	<b>\$ 612,392</b>	<b>\$ -</b>	<b>\$ (3,667,330)</b>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					190,754
Property taxes, levied for capital projects					105,717
Property taxes, levied for debt services					214
State revenue in lieu of taxes					48,360
Grants and contributions not restricted to specific programs					
Foundation program					2,864,719
Federal forest lands					51,983
Other state revenue					322,270
Interest and investment earnings					10,429
Miscellaneous revenues					417,873
Current contribution					267,245
Net pension revenue(expense)					(544,632)
					<u>3,734,932</u>
					Changes in net position 67,602
					Net position - beginning 5,027,446
					Prior period adjustment -
					<u>Net position - ending \$ 5,095,048</u>

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

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2021**

ASSETS	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Projects	Non Major Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>							
Cash.....	\$ 1,667,427	\$ 392,551	\$ 33,600	\$ 93,820	\$ 920,003	\$ 156,649	\$ 3,264,050
Receivables:							
Local sources.....	86,282	-	-	1,413	37,416	-	125,111
Other receivable.....	55,720	43,004	3,963	-	-	334,765	437,452
Interfund receivable.....	-	-	-	-	-	-	-
Prepaid Expenses.....	-	-	-	-	-	-	-
<b>Total Assets.....</b>	<b>\$ 1,809,429</b>	<b>\$ 435,555</b>	<b>\$ 37,563</b>	<b>\$ 95,233</b>	<b>\$ 957,419</b>	<b>\$ 491,414</b>	<b>\$ 3,826,613</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable.....	\$ 1,910	\$ -	\$ 1,436	\$ -	\$ -	\$ 4,321	\$ 7,667
Salaries payable.....	285,305	-	7,508	-	-	24,933	317,746
Benefits payable.....	54,962	-	1,458	-	-	4,885	61,305
Interfund payable.....	-	-	-	-	-	-	-
Accrued interest payable.....	-	-	-	-	-	-	-
Deferred revenue.....	19,038	-	-	869	10,577	-	30,484
<b>Total Liabilities.....</b>	<b>361,215</b>	<b>-</b>	<b>10,402</b>	<b>869</b>	<b>10,577</b>	<b>34,139</b>	<b>417,202</b>
<b>FUND BALANCE</b>							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	-	435,555	27,161	-	-	457,275	919,991
Committed.....	-	-	-	-	-	-	-
Assigned.....	-	-	-	94,364	946,842	-	1,041,206
Unassigned.....	1,448,214	-	-	-	-	-	1,448,214
<b>Total Fund Balance.....</b>	<b>1,448,214</b>	<b>435,555</b>	<b>27,161</b>	<b>94,364</b>	<b>946,842</b>	<b>457,275</b>	<b>3,409,411</b>
<b>Total Liabilities and Fund Balance.....</b>	<b>\$ 1,809,429</b>	<b>\$ 435,555</b>	<b>\$ 37,563</b>	<b>\$ 95,233</b>	<b>\$ 957,419</b>	<b>\$ 491,414</b>	<b>\$ 3,826,613</b>



**BUTTE COUNTY SCHOOL DISTRICT #111  
RECONCILIATION OF THE GOVERNMENT FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2021**

**Total Fund Balances - Governmental Funds** \$ 3,409,411

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	8,552,187	
Depreciation expense to date	<u>(5,931,148)</u>	2,621,039

Property taxes received that are not available to pay for current period expenditures are deferred in the funds.		30,484
--	--	--------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable -

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

Net pension liability	(1,498,353)	
Pension related deferred inflows	(48,925)	
Pension related deferred outflows	<u>581,392</u>	<u>(965,886)</u>

**Net Position of Governmental Activities** \$ 5,095,048

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Project	Non Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
<b>Local Sources:</b>							
Local taxes.....	\$ 183,667	\$ -	\$ -	\$ 4,154	\$ 103,174	\$ -	\$ 290,995
Other local revenues.....	129,996	-	18,578	1,755	168	190,779	341,276
State Sources.....	3,045,805	-	-	-	99,452	89,408	3,234,665
Federal sources.....	127,498	51,983	128,255	-	-	459,882	767,618
Total Revenues.....	<u>3,486,966</u>	<u>51,983</u>	<u>146,833</u>	<u>5,909</u>	<u>202,794</u>	<u>740,069</u>	<u>4,634,554</u>
<b>EXPENDITURES</b>							
<b>Instruction Programs:</b>							
Elementary.....	841,778	-	-	-	-	141,762	983,540
Secondary.....	834,007	-	-	-	-	84,829	918,836
Exceptional child.....	168,174	-	-	-	-	163,620	331,794
Preschool.....	27,666	-	-	-	-	11,878	39,544
Interscholastic program.....	54,268	-	-	-	-	-	54,268
<b>Support Service Programs:</b>							
Attendance and guidance.....	66,375	-	-	-	-	-	66,375
Special services.....	45,492	-	-	-	-	7,253	52,745
Instruction improvement.....	127,592	-	-	-	-	8,500	136,092
Education media.....	23,282	-	-	-	-	-	23,282
Board of education.....	4,261	-	-	-	-	-	4,261
Administration - district.....	293,987	-	-	-	-	88,637	382,624
Administration - school.....	221,825	-	-	-	-	-	221,825
Janitorial - buildings.....	187,144	-	-	-	-	-	187,144
Building maintenance.....	125,188	-	-	-	132,085	-	257,273
Community services.....	-	-	-	-	-	146,924	146,924
Transportation - pupils.....	191,894	-	-	-	-	-	191,894
Transportation - activity.....	11,031	-	-	-	-	-	11,031
Transportation - other.....	7,315	-	-	-	-	-	7,315
<b>Non-Instructional Programs:</b>							
Food services.....	-	-	150,742	-	-	-	150,742
Debt service.....	-	-	-	-	-	-	-
Capital assets.....	31,525	-	-	-	95,397	1,345	128,267
Total Expenditures.....	<u>3,262,803</u>	<u>-</u>	<u>150,742</u>	<u>-</u>	<u>227,482</u>	<u>654,748</u>	<u>4,295,775</u>
Excess Revenues over expenditures.....	224,163	51,983	(3,909)	5,909	(24,688)	85,321	338,779
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers - To (From).....	(187,402)	-	6,500	-	180,902	-	-
Other Financing Sources.....	-	-	-	-	-	-	-
Excess Revenues and Other Sources.....	36,761	51,983	2,591	5,909	156,214	85,321	338,779
<b>FUND BALANCE</b>							
Beginning Balance.....	1,411,453	383,572	24,570	88,455	790,628	371,954	3,070,632
Prior Period Adjustment.....	-	-	-	-	-	-	-
Ending Balance.....	<u>\$ 1,448,214</u>	<u>\$ 435,555</u>	<u>\$ 27,161</u>	<u>\$ 94,364</u>	<u>\$ 946,842</u>	<u>\$ 457,275</u>	<u>\$ 3,409,411</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, 2021**

**Net Change in Fund Balances - Total Governmental Funds** \$ 338,779

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	237,607	
Depreciation expense	(235,332)	2,275

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 - 2021	30,484	
Deferred revenue - 2020	(26,549)	3,935

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 -

GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions

Current contributions	267,245	
Net pension revenue (expense)	(544,632)	(277,387)

**Change in Net Position of Governmental Activities** \$ 67,602

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2021**

**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, 2021**

**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, 2021

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.

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.

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.

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2021**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Measurement Focus, Basis of Accounting, continued**

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 2<sup>nd</sup> Monday of September. One-half of the property taxes are due on or before the 20<sup>th</sup> of December. The remaining one-half is due on or before June 20<sup>th</sup> 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, 2021**

**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 \$1,671,260 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, 2021, the District had restricted fund balances of \$919,991, assigned fund balances of \$1,041,206, and unassigned fund balances of \$1,448,214. 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, 2021, that amount was \$2,519.

**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, 2021**

**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>
<b>Ireland Bank:</b>				
Money Market – 9315	\$ 927,492	\$ 927,492	\$ 250,000	\$ 677,492
Account 0615	177,881	177,881	-	177,881
Account 9307	347,042	246,869	-	347,042
<b>Total Ireland Bank</b>	<b>1,452,415</b>	<b>1,352,242</b>	<b>250,000</b>	<b>1,202,415</b>
<b>Bank of Commerce:</b>				
Acct 4218	200,213	200,213	200,213	-
Acct 1700	17,799	17,799	17,799	-
<b>Total Bank of Commerce</b>	<b>218,012</b>	<b>218,012</b>	<b>218,012</b>	<b>-</b>
<b>State Treasurer:</b>				
Acct 2121	1,548,734	1,548,734	-	1,548,734
Acct 2591	34,533	34,533	-	34,533
<b>Total State Treasurer</b>	<b>1,583,267</b>	<b>1,583,267</b>	<b>-</b>	<b>1,583,267</b>
<b>East Idaho Credit Union:</b>				
Howe Elementary Savings	55	55	55	-
Howe Elementary Checking	176	176	176	-
Arco Elementary Savings	5	5	5	-
Arco Elementary Checking	9,841	9,841	9,841	-
Butte High School Savings	10	10	10	-
Butte High School Checking	123,572	100,442	123,572	-
<b>Total East Idaho Credit Union</b>	<b>133,659</b>	<b>110,519</b>	<b>133,659</b>	<b>-</b>
<b>Grand Total</b>	<b>\$ 3,387,353</b>	<b>\$ 3,264,050</b>	<b>\$ 601,671</b>	<b>\$ 2,785,682</b>

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 \$3,264,050 and the bank balances were \$3,387,353. Of the bank balances, \$601,671 was covered by federal depository insurance and \$2,785,682 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, 2021, 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, 2021**

**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, 2021 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>Federal Forest</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Plant Facility</u>	<u>Non-Major Funds</u>
<b>Local Sources</b>						
Local Taxes	\$ 65,503	\$ -	\$ -	\$ 1,413	\$ 37,416	\$ -
Other Local	20,779	-	3,963	-	-	-
<b>Total Local</b>	<b>86,282</b>	<b>-</b>	<b>-</b>	<b>1,413</b>	<b>37,416</b>	<b>-</b>
<b>State Sources</b>						
Foundation Program	55,720	-	-	-	-	-
Other State Sources	-	-	-	-	-	334,765
<b>Total State</b>	<b>55,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,765</b>
<b>Federal Sources</b>						
Special Programs	-	-	-	-	-	-
Other Federal	-	43,004	-	-	-	-
<b>Total Federal</b>	<b>-</b>	<b>43,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>\$ 142,002</b>	<b>\$ 43,004</b>	<b>\$ 3,963</b>	<b>\$ 1,413</b>	<b>\$ 37,416</b>	<b>\$ 334,765</b>

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2021**

**NOTE 4 INTERFUND TRANSACTIONS**

**Interfund Transfers**

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

<b>Major Funds:</b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General Fund		\$ 187,402
Capital Construction	\$ 158,500	
Plant Facilities Bus	\$ 30,402	
Plant Facilities		\$ 8,000
Child Nutrition	\$ 6,500	

The interfund transfer from the General Fund to the Plant Facilities Bus Fund in the amount of \$22,402 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, 2021.

**NOTE 5 CAPITAL ASSETS**

A summary of Capital Assets is as follows:

	<b><u>Balance</u></b>	<b><u>Capital</u></b>	<b><u>Sales &amp;</u></b>	<b><u>Balance</u></b>
	<b><u>06/30/20</u></b>	<b><u>Acquisitions</u></b>	<b><u>Other</u></b>	<b><u>06/30/21</u></b>
			<b><u>Dispositions</u></b>	
<b>Non-depreciable Assets</b>				
Land	\$ 18,191	\$ -	\$ -	\$ 18,191
Work in Progress	-	-	-	-
Total Cost	<u>\$ 18,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,191</u>
<b>Depreciable Assets</b>				
Buildings/Sites	\$ 4,680,454	\$ 61,650	\$ -	\$ 4,742,104
Building Improvements	1,220,564	14,995	-	1,235,559
Equipment	1,499,752	62,640	-	1,562,392
Transportation	<u>957,768</u>	<u>98,322</u>	<u>62,149</u>	<u>993,941</u>
Total Cost	<u>\$ 8,358,538</u>	<u>\$ 237,607</u>	<u>\$ 62,149</u>	<u>\$ 8,533,996</u>
<b>Accumulated Depreciation</b>				
Buildings/Sites	\$ 3,258,607	\$ 87,385	\$ -	\$ 3,345,992
Building Improvements	562,159	42,757	-	604,916
Equipment	1,194,578	68,378	-	1,262,956
Transportation	<u>742,621</u>	<u>36,812</u>	<u>62,149</u>	<u>717,284</u>
Total Accum. Deprec.	<u>\$ 5,757,965</u>	<u>\$ 235,332</u>	<u>\$ 62,149</u>	<u>\$ 5,931,148</u>
<b>Net Capital Assets</b>	<u>\$ 2,618,764</u>	<u>\$ 2,275</u>	<u>\$ -</u>	<u>\$ 2,621,039</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2021**

**NOTE 5 CAPITAL ASSETS, continued**

Depreciation expense was charged to functions as follows:

Elementary	\$ 79,408
Secondary	79,408
Plant Services	19,852
School Administration	19,852
Pupil Transportation	<u>36,812</u>
Total	<u>\$ 235,332</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, 2021:

	<b>Net Pension Liability</b>	<b>Total</b>
Long-Term Obligations June 30, 2020	\$ 743,533	\$ 743,533
Obligations Incurred/Removed	754,820	754,820
Obligations Paid	<u>-</u>	<u>-</u>
Long-Term Obligations June 30, 2021	<u>\$ 1,498,353</u>	<u>\$ 1,498,353</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](http://www.persi.idaho.gov).

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

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements**

**June 30, 2021**

**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, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Butte County School District's contributions were \$267,245 for the year ended June 30, 2021.

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

At June 30, 2021 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, 2020, 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, 2020, the District's proportion was .0645249%.

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements**

**June 30, 2021**

**NOTE 7 PENSION PLAN (continued)**

For the year ended June 30, 2021, the Butte County School District recognized pension expense of \$544,632. At June 30, 2021, 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	\$ 117,067	\$ 48,925
Changes in assumptions or other inputs	25,340	-
Net difference between projected and actual earnings on pension plan investments	171,740	-
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	267,245	-
<b>TOTAL</b>	<b>\$ 581,392</b>	<b>\$ 48,925</b>

\$267,245 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, 2021.

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, 2019 is 4.8 and 4.7 for the measurement period June 30, 2020.

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, 2021:**

2021	\$ 4,839
2022	\$ 63,117
2023	\$ 85,664
2024	\$ 111,603
2025	\$ -
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, 2021**

**NOTE 7 PENSION PLAN (continued)**

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

Inflation	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, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

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 2020.

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements**

**June 30, 2021**

**NOTE 7 PENSION PLAN (continued)**

**Capital Market Assumptions from Callen 2020**

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%	2.80%	0.55%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	8.55%	6.30%
Developed Foreign Equities	MSCI EAFE / World ex US	15.00%	8.70%	6.45%
Assumed Inflation – Mean			2.25%	2.25%
Assumed Inflation – Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.85%	4.60%
Portfolio Standard Deviation			12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.25%	3.89%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.85%	3.49%

**Investment Policy Assumptions from PERSI November 2019**

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

**Economic/Demographic Assumptions from Milliman 2018**

<b>Valuation Assumptions Chosen by PERSI Board</b>	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric 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)	3,072,713	1,498,353	196,615



**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2021**

**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](http://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 30<sup>th</sup>. Therefore, there is no accrual for compensated absences.

**NOTE 9 NON-MONETARY TRANSACTIONS**

The District received commodities from the U.S. Government valued at \$2,519. 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	\$ 19,038
Property Taxes – Bond Fund	869
Property Taxes – Plant Facility Fund	<u>10,577</u>
 Total Deferred Revenue	 <u>\$ 30,484</u>

**NOTE 11 EXCESS OF EXPENDITURES OVER APPROPRIATION**

The following individual funds have an excess of expenditures over appropriations at June 30, 2021:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Over Budget</u>
Title VI-B IDEA School Age	113,558	138,702	25,144
Medicaid	25,000	28,637	3,637

**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, 2021**

**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 20, 2021 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, 2021:

<u>Fund</u>	<u>Deficit Amount</u>
CARES Act	\$ 1
Title VI-B IDEA School-Age	645
Medicaid	3,090
Perkins III Professional Tech. Act	929
Title II-A Improving Teacher Quality	148

**NOTE 16 ECONOMIC DEPENDENCY**

The District is economically reliant on the State of Idaho, from which it received approximately \$3,234,665 or 70% 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, 2021, 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.

**NOTE 18 PRIOR-PERIOD ADJUSTMENTS**

Prior period adjustments were made to correct beginning accounts payable balances in the Technology – State and Distance Blended Learning funds. The net effects on fund balances were an increase of \$16,771 in the Technology – State fund and a decrease of \$16,771 in Distance Blended Learning fund.

**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, 2021**

<b>GENERAL FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources.....	\$ 178,686	\$ 178,686	\$ 183,667	\$ 4,981
Other local revenues.....	85,210	85,210	129,996	44,786
State sources.....	3,050,601	3,027,187	3,045,805	18,618
Federal sources.....	-	127,464	127,498	34
Total Revenues.....	<u>3,314,497</u>	<u>3,418,547</u>	<u>3,486,966</u>	<u>68,419</u>
<b>EXPENDITURES</b>				
<b>Instruction Programs:</b>				
Elementary.....	1,044,779	1,116,323	841,778	274,545
Secondary.....	980,145	924,724	834,007	90,717
Exceptional child.....	188,412	198,068	168,174	29,894
Preschool.....	31,774	31,774	27,666	4,108
Interscholastic program.....	77,554	77,554	54,268	23,286
<b>Support Service Programs:</b>				
Attendance and guidance.....	74,128	74,128	66,375	7,753
Special services .....	88,797	314,263	45,492	268,771
Instruction improvement .....	-	127,595	127,592	3
Education media .....	29,832	29,832	23,282	6,550
Board of education .....	22,850	22,850	4,261	18,589
Administration - district .....	415,259	417,767	293,987	123,781
Administration - school .....	284,277	284,277	221,825	62,453
Janitorial - buildings .....	250,033	250,033	187,144	62,889
Building maintenance .....	236,852	250,700	125,188	125,512
Transportation - pupils .....	272,951	279,951	191,894	88,057
Transportation - activity .....	35,068	35,068	11,031	24,037
Transportation - other .....	11,925	14,925	7,315	7,610
<b>Non-Instructional Programs:</b>				
Food services.....	-	-	-	-
Debt service.....	-	-	-	-
Capital assets.....	118,500	188,500	31,525	156,975
Total Expenditures .....	<u>4,163,136</u>	<u>4,638,332</u>	<u>3,262,803</u>	<u>1,375,529</u>
Excess Revenues over expenditures .....	(848,639)	(1,219,785)	224,163	1,443,948
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From) .....	(183,668)	(191,668)	(187,402)	4,266
Other Financing Sources.....	-	-	-	-
Excess Revenues and Other Sources .....	(1,032,307)	(1,411,453)	36,761	1,448,214
<b>FUND BALANCE</b>				
Beginning Balance .....	<u>1,411,453</u>	<u>1,411,453</u>	<u>1,411,453</u>	<u>-</u>
Ending Balance .....	<u>\$ 379,146</u>	<u>\$ -</u>	<u>\$ 1,448,214</u>	<u>\$ 1,448,214</u>

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

**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, 2021**

<b><u>FEDERAL FOREST RESERVE</u></b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Federal sources.....	-	51,982	51,983	1
Total Revenues.....	-	51,982	51,983	1
<b>EXPENDITURES</b>				
Non-Instructional Programs:				
Special services.....	-	-	-	-
Total Expenditures.....	-	-	-	-
Excess Revenues over expenditures.....	-	51,982	51,983	1
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	-	-	-	-
Excess Revenues and Other Sources.....	-	51,982	51,983	1
<b>FUND BALANCE</b>				
Beginning Balance.....	383,572	383,572	383,572	-
Ending Balance.....	\$ 383,572	\$ 435,554	\$ 435,555	\$ 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, 2021**

<b>FOOD SERVICE FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local revenues.....	\$ 53,500	\$ 53,500	\$ 18,578	\$ (34,922)
Federal sources.....	87,000	87,000	128,255	41,255
Total Revenues.....	140,500	140,500	146,833	6,333
<b>EXPENDITURES</b>				
Non-Instructional Programs:				
Food services.....	152,017	152,017	150,742	1,275
Total Expenditures.....	152,017	152,017	150,742	1,275
Excess Revenues over expenditures.....	(11,517)	(11,517)	(3,909)	7,608
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	6,500	6,500	6,500	-
Excess Revenues and Other Sources.....	(5,017)	(5,017)	2,591	7,608
<b>FUND BALANCE</b>				
Beginning Balance.....	24,570	24,570	24,570	-
Ending Balance.....	\$ 19,553	\$ 19,553	\$ 27,161	\$ 7,608

**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, 2021**

<b>DEBT SERVICE FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes.....	\$ -	\$ -	\$ 5,909	\$ 5,909
Other local revenues.....	-	-	-	-
State revenues.....	-	-	-	-
Total revenues.....	-	-	5,909	5,909
<b>EXPENDITURES</b>				
Debt service				
Principal.....	-	-	-	-
Interest.....	-	-	-	-
Total expenditures.....	-	-	-	-
Excess Revenues over expenditures.....	-	-	5,909	5,909
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	-	-	-	-
Excess Revenues and Other Sources.....	-	-	5,909	5,909
<b>FUND BALANCE</b>				
Beginning Balance.....	-	-	-	-
Ending Balance.....	\$ -	\$ -	\$ 5,909	\$ 5,909

**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, 2021**

<u>CAPITAL CONSTRUCTION FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Interest and Proceeds.....	-	-	-	-
Total Revenues.....	-	-	-	-
<b>EXPENDITURES</b>				
Operations.....	-	-	-	-
Capital outlay.....	-	-	-	-
Total Expenditures.....	-	-	-	-
Excess Revenues over expenditures.....	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	100,000	158,500	158,500	-
Excess Revenues and Other Sources.....	100,000	158,500	158,500	-
<b>FUND BALANCE</b>				
Beginning Balance.....	86,731	86,731	86,731	-
Ending Balance.....	<u>\$ 186,731</u>	<u>\$ 245,231</u>	<u>\$ 245,231</u>	<u>\$ -</u>



**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, 2021**

<b>PLANT FACILITY FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive - (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes.....	\$ 103,000	\$ 103,000	\$ 103,174	\$ 174
Earnings on investments.....	-	-	168	168
State sources.....	41,577	41,577	99,452	57,875
Other revenues.....	-	-	-	-
Total Revenues.....	<u>144,577</u>	<u>144,577</u>	<u>202,794</u>	<u>58,217</u>
<b>EXPENDITURES</b>				
Operations.....	-	-	-	-
Capital outlay.....	196,042	264,042	227,482	36,560
Total Expenditures.....	<u>196,042</u>	<u>264,042</u>	<u>227,482</u>	<u>36,560</u>
Excess Revenues over expenditures.....	(51,465)	(119,465)	(24,688)	94,777
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	18,668	(92,374)	22,402	114,776
Excess Revenues and Other Sources.....	(32,797)	(211,839)	(2,286)	209,553
<b>FUND BALANCE</b>				
Beginning Balance.....	<u>703,897</u>	<u>703,897</u>	<u>703,897</u>	-
Ending Balance.....	<u>\$ 671,100</u>	<u>\$ 492,058</u>	<u>\$ 701,611</u>	<u>\$ 209,553</u>

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Employer's portion of the net pension liability	0.0626295%	0.0651381%	0.0645249%
Employer's proportionate share of the net pension liability	\$ 923,796	\$ 743,533	\$ 1,498,353
Employer's covered-employee payroll	\$ 2,217,409	\$ 2,316,405	\$ 2,256,675
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	41.66%	32.10%	66.40%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	93.79%	88.22%

- Data reported is measured as of June 30, 2020

\* *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>	<u>2018</u>
Employer's portion of the net pension liability	0.0661965%	0.0609341%	0.0608423%	0.0608815%
Employer's proportionate share of the net pension liability	\$ 487,310	\$ 802,403	\$ 1,233,367	\$ 956,953
Employer's covered-employee payroll	\$ 1,705,668	\$ 1,779,452	\$ 1,890,936	\$ 2,065,523
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	28.57%	50.81%	65.23%	46.33%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%	90.68%

- Data reported is measured as of June 30, 2020

\* *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\***

	<b>2019</b>	<b>2020</b>	<b>2021</b>
Statutorily required contribution	\$ 243,216	\$ 249,245	\$ 253,158
Contributions in relation to the statutorily required contribution	\$ 231,190	\$ 254,091	\$ 277,869
Contribution (deficiency) excess	\$ (12,026)	\$ 4,847	\$ 24,711
Employer's covered-employee payroll	\$ 2,004,392	\$ 2,203,004	\$ 2,288,074
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	12.14%

- Data reported is measured as of June 30, 2020

*\* 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.*

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Statutorily required contribution	\$ 215,139	\$ 199,317	\$ 180,861	\$ 205,300
Contributions in relation to the statutorily required contribution	\$ 193,082	\$ 201,434	\$ 214,054	\$ 216,962
Contribution (deficiency) excess	\$ (22,057)	\$ 2,117	\$ 33,193	\$ 11,662
Employer's covered-employee payroll	\$ 1,705,668	\$ 1,779,452	\$ 1,890,936	\$ 1,880,968
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%	11.53%

- Data reported is measured as of June 30, 2020

*\* 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, 2021**

**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, 2021, 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, 2021

ASSETS	Albertson Grant	Building Capacity	Data Systems Grant	Student Occupied Buildings	Drivers Education State	Professional Technical State	Technology State	Student Activity Fund	Substance Abuse State	ESSER III
Cash.....	\$ -	\$ -	\$ 30,587	\$ 211,398	\$ 1,753	\$ 23,098	\$ 53,321	\$ 110,498	\$ 25,520	\$ -
Other receivable.....	-	-	-	-	-	-	-	-	-	-
Total Assets.....	\$ -	\$ -	\$ 30,587	\$ 211,398	\$ 1,753	\$ 23,098	\$ 53,321	\$ 110,498	\$ 25,520	\$ -

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 100	\$ -	\$ -	\$ -
Salaries payable.....	-	-	-	-	-	-	-	-	-	-
Benefits payable.....	-	-	-	-	-	-	-	-	-	-
Interfund payable.....	-	-	-	-	-	-	-	-	-	-
Total Liabilities.....	-	-	-	-	-	1	100	-	-	-

FUND BALANCE

Undesignated.....	-	-	30,587	211,398	1,753	23,097	53,321	110,498	25,520	-
Total Liabilities and Fund Balance.....	\$ -	\$ -	\$ 30,587	\$ 211,398	\$ 1,753	\$ 23,098	\$ 53,321	\$ 110,498	\$ 25,520	\$ -

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

Title I-A, ESEA Imp. Basic Programs	Title VI-B IDEA		Title IV Student Support & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA		Distance Blended Learning	Title I Comprehensive Support & Impr.	Totals
	CARES Act	School-Age Preschool			IDEA Medicaid	Imp. Teacher Quality			
\$ (83,656)	\$ (17,985)	\$ (134,425)	\$ (13,971)	\$ -	\$ (8,500)	\$ (4,521)	\$ -	\$ (28,595)	\$156,649
95,313	22,968	152,411	15,311	-	8,500	4,723	-	28,595	334,765
\$ 11,657	\$ 4,983	\$ 17,986	\$ 1,340	\$ -	\$ -	\$ 202	\$ -	\$ -	\$491,414

\$ -	\$ -	\$ 4,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,321
5,839	4,167	12,051	-	-	-	293	-	-	24,933
1,144	817	2,360	-	-	-	57	-	-	4,885
6,983	4,984	18,631	-	-	-	350	-	-	34,139

4,674	(1)	(645)	1,340	(3,090)	-	(148)	-	-	457,275
\$ 11,657	\$ 4,983	\$ 17,986	\$ 1,340	\$ -	\$ -	\$ (929)	\$ 202	\$ -	\$491,414

**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, 2021**

	Albertson Grant	Building Capacity	Data System Grant	Student Occupied Buildings	Drivers Education State	Professional Technical State
<b>REVENUES</b>						
Other local revenues.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources.....	-	-	-	-	-	22,505
Federal sources.....	-	-	14,825	-	-	-
Total Revenues.....	-	-	14,825	-	-	22,505
<b>EXPENDITURES</b>						
Elementary.....	-	-	-	-	-	-
Secondary.....	-	-	500	-	20	21,025
Exceptional child.....	-	-	-	-	-	-
Preschool.....	-	-	-	-	-	-
Capital assets.....	-	-	-	-	-	-
Special services.....	-	-	-	-	-	-
Instructional improvement.....	-	-	-	-	-	-
Administration - district.....	-	-	-	-	-	-
Community services.....	-	-	-	-	-	-
Building maintenance.....	-	-	-	-	-	-
Total Expenditures.....	-	-	500	-	20	21,025
Excess Revenues over Expenditures.....	-	-	14,325	-	(20)	1,480
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers - To (From).....	-	-	-	-	-	-
Excess Revenues and Other Sources.....	-	-	14,325	-	(20)	1,480
<b>FUND BALANCE</b>						
Beginning Balance.....	-	-	16,262	211,398	1,773	21,617
Prior Period Adjustment.....	-	-	-	-	-	-
Ending Balance.....	\$ -	\$ -	\$ 30,587	\$ 211,398	\$ 1,753	\$ 23,097

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



Title VI-B IDEA		Title IV Student Support & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA Imp. Teacher Quality	Learning Loss	Distance Blended Learning	Title I Comprehensive Support & Impr.	Totals
Preschool	Medicaid							
\$ -	\$ 24,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,779
-	-	-	-	-	-	-	-	89,408
13,218	-	8,500	33,747	4,626	-	105,408	28,595	459,882
13,218	24,114	8,500	33,747	4,626	-	105,408	28,595	740,069
-	-	-	-	4,774	-	-	27,705	141,762
-	-	-	33,747	-	-	-	-	84,829
-	28,637	-	-	-	-	-	-	163,620
11,878	-	-	-	-	-	-	-	11,878
-	-	-	-	-	-	-	-	1,345
-	-	-	-	-	-	-	-	7,253
-	-	8,500	-	-	-	-	-	8,500
-	-	-	-	-	-	88,637	-	88,637
-	-	-	-	-	-	-	-	146,924
-	-	-	-	-	-	-	-	-
11,878	28,637	8,500	33,747	4,774	-	88,637	27,705	654,748
1,340	(4,523)	-	-	(148)	-	16,771	890	85,321
-	-	-	-	-	-	-	-	-
1,340	(4,523)	-	-	(148)	-	16,771	890	85,321
-	1,433	-	(929)	-	-	-	(890)	371,954
-	-	-	-	-	-	(16,771)	-	-
\$ 1,340	\$ (3,090)	\$ -	\$ (929)	\$ (148)	\$ -	\$ -	\$ -	\$ 457,275

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2021**

	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
<b>REVENUES</b>				
Local Taxes.....	\$ 103,174	\$ -	\$ -	\$ 103,174
Other local revenues.....	-	168	-	168
State sources.....	99,452	-	-	99,452
Federal sources.....	-	-	-	-
Total Revenues.....	<u>202,626</u>	<u>168</u>	<u>-</u>	<u>202,794</u>
<b>EXPENDITURES</b>				
Elementary.....	-	-	-	-
Secondary.....	-	-	-	-
Exceptional child.....	-	-	-	-
Preschool.....	-	-	-	-
Capital assets.....	1,875	93,522	-	95,397
Special services.....	-	-	-	-
Instructional improvement.....	-	-	-	-
Administration - district.....	-	-	-	-
Building maintenance.....	132,085	-	-	132,085
Total Expenditures.....	<u>133,960</u>	<u>93,522</u>	<u>-</u>	<u>227,482</u>
Excess Revenues over Expenditures.....	68,666	(93,354)	-	(24,688)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	(8,000)	30,402	158,500	180,902
Excess Revenues and Other Sources.....	60,666	(62,952)	158,500	156,214
<b>FUND BALANCE</b>				
Beginning Balance.....	569,044	134,853	86,731	790,628
Prior Period Adjustment.....	-	-	-	-
Ending Balance.....	<u>\$ 629,710</u>	<u>\$ 71,901</u>	<u>\$ 245,231</u>	<u>\$ 946,842</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**Statement of Cash Receipts and Disbursements Student Activity Accounts - High School**  
**For the Year Ended June 30, 2021**

Account Name	Beginning Balance	Cash Receipts	Cash Disbursed	Ending Balance
Athletics.....	\$ 11,320	\$ 33,377	\$ 27,764	\$ 16,933
Boys Basketball.....	(804)	14,730	4,549	9,377
Charlie Huggins Memorial Fund...	1,360	-	-	1,360
Cheerleaders.....	687	6,637	5,743	1,581
Class of 2018.....	567	-	567	-
Class of 2019.....	320	-	320	-
Class of 2020.....	1,327	-	1,327	-
Class of 2021.....	886	1,668	2,102	452
Class of 2022.....	2,482	1,319	1,246	2,555
Class of 2023.....	719	371	-	1,090
Class of 2024.....	1,190	144	71	1,263
Class of 2025.....	-	446	-	446
Cross Country.....	3,869	2,083	1,322	4,630
Diane's Technology.....	192	-	-	192
Diversity Club.....	85	-	-	85
Driver's ED.....	2,700	-	-	2,700
Football.....	(2,263)	10,177	7,761	153
General Fund.....	3,693	517	1,138	3,072
Girls Basketball.....	2,665	12,170	8,867	5,968
IDLA.....	(655)	2,205	1,285	265
Journalism.....	193	-	-	193
Laptop.....	13,606	1,950	3,005	12,551
Lost Book Fund.....	30	-	-	30
Math & Science Department.....	581	1,000	-	1,581
MS Boys Basketball.....	1,191	1,957	1,861	1,287
MS Football.....	86	-	-	86
MS Girls Basketball.....	431	664	657	438
MS Volleyball.....	177	1,925	1,543	559
Music.....	(228)	1,100	663	209
Sales Tax.....	(481)	2,579	2,025	73
Savings.....	5	-	-	5
Scholarships.....	2	-	-	2
Scholastic.....	228	-	-	228
Science Grant.....	3,110	220	-	3,330
Senior Project.....	685	-	-	685
Ski Club.....	810	-	-	810
Slurpy Athletic Fund.....	936	-	-	936
Student Council HS.....	3,348	6,253	5,958	3,643
Testing Funds.....	294	-	219	75
Track & Field.....	1,492	4,568	3,362	2,698
Travel.....	13,675	31,199	44,874	-
Uniforms.....	1,744	-	1,369	375
Shannon Barnes Memorial Fund....	-	750	-	750
Dale Jardine Memorial Fund.....	-	950	100	850
Volleyball.....	429	4,645	4,071	1,003
Welding.....	4,083	2,075	1,717	4,441
Wrestling.....	10	-	-	10
Yearbook.....	4,202	8,317	10,137	2,382
Weight Room.....	-	150	-	150
HUDL.....	-	9,179	260	8,919
	<u>\$ 80,980</u>	<u>\$ 165,325</u>	<u>\$ 145,883</u>	<u>\$ 100,422</u>

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

# JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 50700

185 S. CAPITAL

IDAHO FALLS, IDAHO 83405-0700

ERNEST M. JENSEN, M.B.A., C.P.A.

ROBERT B. POULSEN, C.P.A.

SHERI L. POULSEN, C.P.A.

TELEPHONE: (208) 522-2295

(208) 522-1330

FAX: (208) 522-2297

## 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, 2021, 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 20, 2021.

### 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 2021-01 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 20, 2021

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Schedule of Findings and Responses  
June 30, 2021**

**A. Reportable Conditions**

**2021-01 - 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, 2021**

**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.

**CURRENT STATUS:**

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