

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, 2022

BUTTE COUNTY SCHOOL DISTRICT #111

For the year ended June 30, 2022

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BUTTE COUNTY SCHOOL DISTRICT #111

For the year ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governments activities, each major fund, and the aggregate remaining fund information of Butte County School District #111, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Butte County School District #111, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Butte County School District #111's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24-29 and the schedules of employer's share of net pension liability and of employer contributions 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 the 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 of 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.

Supplementary 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 non-major fund financial statements and the schedule of changes in student activity funds are the responsibility of management and were derived from and relate directly to the underlying account and other records used to prepare the basic financial

statements. Such information has been subjected to the auditing procedures applies 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 non-major fund financial statements and the schedule of changes in student activity funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022 in our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Butte County School District #111’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Butte County School District #111’s internal control over financial reporting and compliance.

Jensen Poulsen & Company, PLLC

Jensen Poulsen & Company, PLLC
Certified Public Accountants

Idaho Falls, Idaho
October 17, 2022

BUTTE COUNTY SCHOOL DISTRICT #111
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS	
Cash	\$ 3,157,668
Receivables:	
Local sources	101,304
Other receivables	614,399
Prepaid expenses	11,653
Net pension asset	47,743
Capital assets, non-depreciable - land	18,191
Capital assets, net of depreciation	2,778,478
Total Assets	\$ 6,729,436
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pension	\$ 895,382
Unspent Grant Allocation	698,558
LIABILITIES	
Accounts payable	\$ 22,738
Salaries and benefits payable	356,687
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	-
Total Liabilities	\$ 379,425
DEFERRED INFLOWS OF RESOURCES	
Related to Pension	\$ 1,527,330
Unspent Grant Allocation	698,558
NET POSITION	
Investment in capital assets - net of related debt	\$ 2,796,669
Restricted for:	
Special programs	919,991
Debt service	95,233
Capital construction projects	957,419
Unrestricted	948,751
Total Net Position	\$ 5,718,063

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, 2022

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	\$ 1,243,487	\$ -	\$ 311,409	\$ -	\$ (932,079)
Secondary/alternative programs	1,113,821	-	201,024	-	(912,798)
Exceptional/preschool programs	355,262	-	-	-	(355,262)
Other instructional programs	69,027	-	22,180	-	(46,847)
Support services:					
Student services	971,073	-	-	-	(971,073)
Educational media	23,813	-	-	-	(23,813)
School administration	191,210	-	-	-	(191,210)
Administration	377,113	-	-	-	(377,113)
Community services	174,807	-	-	-	(174,807)
Plant services	16,595	-	-	-	(16,595)
Pupil transportation	241,046	-	25,708	-	(215,338)
Non Instructional programs:					
Food services	165,616	20,006	183,236	-	37,626
Debt service - refunding fees	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Total Governmental Activities	\$ 4,942,870	\$ 20,006	\$ 743,556	\$ -	\$ (4,179,308)

General revenues:

Taxes:

Property taxes, levied for general purposes	208,501
Property taxes, levied for capital projects	106,587
Property taxes, levied for debt services	7,337
State revenue in lieu of taxes	59,056

Grants and contributions not restricted to specific programs

Foundation program	3,185,171
Federal forest lands	51,631
Other state revenue	157,034
Interest and investment earnings	5,536
Miscellaneous revenues	639,789
Current contribution	277,008
Net pension revenue(expense)	104,673

Total general revenues and special items

\$ 4,802,323

Changes in net position

623,015

Net position - beginning

\$ 5,095,048

Prior period adjustment

-

Net position - ending

\$ 5,718,063

BUTTE COUNTY SCHOOL DISTRICT #111
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

ASSETS	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Projects	Non Major Governmental Funds	Totals Governmental Funds
ASSETS							
Cash.....	\$ 1,544,666	\$ 442,078	\$ 58,495	\$ 103,098	\$ 1,018,555	\$ (9,224)	\$ 3,157,668
Receivables:							
Local sources.....	64,416	-	-	-	36,888	-	101,304
Other receivable.....	22,430	45,108	17,389	-	-	529,472	614,399
Interfund receivable.....	-	-	-	-	-	-	-
Prepaid expenses.....	4,864	-	-	-	-	6,789	11,653
Total Assets.....	<u>\$ 1,636,376</u>	<u>\$ 487,186</u>	<u>\$ 75,884</u>	<u>\$ 103,098</u>	<u>\$ 1,055,443</u>	<u>\$ 527,037</u>	<u>\$ 3,885,024</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable.....	\$ 19,843	\$ -	\$ 1,084	\$ -	\$ -	\$ 1,811	\$ 22,738
Salaries payable.....	268,903	-	8,373	-	-	21,008	298,284
Benefits payable.....	52,794	-	1,640	-	-	3,969	58,403
Interfund payable.....	-	-	-	-	-	-	-
Accrued interest payable.....	-	-	-	-	-	-	-
Deferred revenue.....	11,015	-	-	-	5,988	-	17,003
Total Liabilities.....	<u>\$ 352,555</u>	<u>\$ -</u>	<u>\$ 11,097</u>	<u>\$ -</u>	<u>\$ 5,988</u>	<u>\$ 26,788</u>	<u>\$ 396,428</u>
FUND BALANCE							
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	487,186	64,787	-	-	500,249	1,052,222
Committed.....	-	-	-	-	-	-	-
Assigned.....	-	-	-	103,098	1,049,455	-	1,152,553
Unassigned.....	1,283,821	-	-	-	-	-	1,283,821
Total Fund Balance.....	<u>\$ 1,283,821</u>	<u>\$ 487,186</u>	<u>\$ 64,787</u>	<u>\$ 103,098</u>	<u>\$ 1,049,455</u>	<u>\$ 500,249</u>	<u>\$ 3,488,596</u>
Total Liabilities and Fund Balance.....	<u>\$ 1,636,376</u>	<u>\$ 487,186</u>	<u>\$ 75,884</u>	<u>\$ 103,098</u>	<u>\$ 1,055,443</u>	<u>\$ 527,037</u>	<u>\$ 3,885,024</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, 2022**

Total Fund Balances - Governmental Funds \$ 3,488,596

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	9,034,294	
Depreciation expense to date	(6,237,625)	2,796,669

Property taxes received that are not available to pay for current period expenditures are deferred in the funds. 17,003

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 asset	47,743	
Pension related deferred inflows	(1,527,330)	
Pension related deferred outflows	895,382	(584,205)

Net Position of Governmental Activities \$ 5,718,063

BUTTE COUNTY SCHOOL DISTRICT #111
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Project	Non Major Governmental Funds	Total Governmental Funds
REVENUES							
Local Sources:							
Local taxes.....	\$ 215,429	\$ -	\$ -	\$ 8,206	\$ 111,743	\$ -	\$ 335,378
Other local revenues.....	96,853	-	20,008	528	60	223,782	341,231
State Sources.....	3,386,228	-	-	-	41,619	103,945	3,531,792
Federal sources.....	-	51,631	183,234	-	-	754,419	989,284
Total Revenues.....	<u>\$ 3,698,510</u>	<u>\$ 51,631</u>	<u>\$ 203,242</u>	<u>\$ 8,734</u>	<u>\$ 153,422</u>	<u>\$ 1,082,146</u>	<u>\$ 5,197,685</u>
EXPENDITURES							
Instruction Programs:							
Elementary.....	\$ 987,403	\$ -	\$ -	\$ -	\$ -	\$ 275,484	\$ 1,262,887
Secondary.....	900,089	-	-	-	-	223,092	1,123,181
Exceptional child.....	160,962	-	-	-	-	154,988	315,950
Preschool.....	26,658	-	-	-	-	16,974	43,632
Interscholastic program.....	65,156	-	-	-	-	-	65,156
Support Service Programs:							
Attendance and guidance.....	70,348	-	-	-	-	6,607	76,955
Special services.....	25,898	-	-	-	-	13,641	39,539
Instruction improvement.....	13,292	-	-	-	-	-	13,292
Education media.....	23,813	-	-	-	-	-	23,813
Board of education.....	28,142	-	-	-	-	-	28,142
Administration - district.....	288,641	-	-	-	-	60,330	348,971
Administration - school.....	196,719	-	-	-	-	-	196,719
Janitorial - buildings.....	272,485	-	-	-	-	-	272,485
Building maintenance.....	240,749	-	-	-	82,534	95,665	418,948
Community services.....	-	-	-	-	-	174,807	174,807
Transportation - pupils.....	218,512	-	-	-	-	-	218,512
Transportation - activity.....	19,628	-	-	-	-	-	19,628
Transportation - other.....	2,537	-	-	-	-	-	2,537
Non-Instructional Programs:							
Food services.....	-	-	165,616	-	-	-	165,616
Debt service.....	-	-	-	-	-	-	-
Capital assets.....	290,146	-	-	-	-	17,584	307,730
Total Expenditures.....	<u>\$ 3,831,178</u>	<u>\$ -</u>	<u>\$ 165,616</u>	<u>\$ -</u>	<u>\$ 82,534</u>	<u>\$ 1,039,172</u>	<u>\$ 5,118,500</u>
Excess Revenues over expenditures.....	\$ (132,668)	\$ 51,631	\$ 37,626	\$ 8,734	\$ 70,888	\$ 42,974	\$ 79,185
OTHER FINANCING SOURCES (USES)							
Transfers - To (From).....	\$ (31,725)	\$ -	\$ -	\$ -	\$ 31,725	\$ -	\$ -
Other Financing Sources.....	-	-	-	-	-	-	-
Excess Revenues and Other Sources.....	<u>\$ (164,393)</u>	<u>\$ 51,631</u>	<u>\$ 37,626</u>	<u>\$ 8,734</u>	<u>\$ 102,613</u>	<u>\$ 42,974</u>	<u>\$ 79,185</u>
FUND BALANCE							
Beginning Balance.....	\$ 1,448,214	\$ 435,555	\$ 27,161	\$ 94,364	\$ 946,842	\$ 457,275	\$ 3,409,411
Prior Period Adjustment.....	-	-	-	-	-	-	-
Ending Balance.....	<u>\$ 1,283,821</u>	<u>\$ 487,186</u>	<u>\$ 64,787</u>	<u>\$103,098</u>	<u>\$ 1,049,455</u>	<u>\$ 500,249</u>	<u>\$ 3,488,596</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 79,185

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	482,107	
Depreciation expense	(306,477)	175,630

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 period.

Deferred revenue - 2022	17,003	
Deferred revenue - 2021	(30,484)	(13,481)

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

Current contributions	277,008	
Net pension revenue (expense)	104,673	381,681

Change in Net Position of Governmental Activities \$ 623,015

BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements
June 30, 2022

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 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, 2022

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, 2022

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, 2022

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 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, 2022

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 \$1,972,643 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, 2022, the District had restricted fund balances of \$1,052,222, assigned fund balances of \$1,152,553, and unassigned fund balances of \$1,283,821. 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, 2022, that amount was \$13,345.

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, 2022**

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	\$ 540,996	\$ 519,620	\$ 250,000	\$ 290,996
Account 0615	12,849	12,849	-	12,849
Account 9307	171,124	171,124	-	171,124
Total Ireland Bank	\$ 724,969	\$ 703,593	\$ 250,000	\$ 474,969
Bank of Commerce:				
Acct 4218	\$ 242,368	\$ 242,368	\$ 232,201	\$ 10,167
Acct 1700	17,799	17,799	17,799	-
Total Bank of Commerce	\$ 260,167	\$ 260,167	\$ 250,000	\$ 10,167
State Treasurer:				
Acct 2121	\$ 2,022,076	\$ 2,022,076	\$ -	\$ 2,022,076
Acct 2591	34,605	34,605	-	34,605
Total State Treasurer	\$ 2,056,681	\$ 2,056,681	\$ -	\$ 2,056,681
East Idaho Credit Union:				
Howe Elementary Savings	\$ 55	\$ 55	\$ 55	\$ -
Howe Elementary Checking	275	275	275	-
Arco Elementary Savings	5	5	5	-
Arco Elementary Checking	9,160	9,160	9,160	-
Butte High School Savings	5	-	5	-
Butte High School Checking	153,283	127,732	153,283	-
Total East Idaho Credit Union	\$ 162,783	\$ 137,227	\$ 162,783	\$ -
Grand Total	\$ 3,204,600	\$ 3,157,668	\$ 662,783	\$ 2,541,817

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 \$3,157,668 and the bank balances were \$3,204,600. Of the bank balances, \$662,783 was covered by federal depository insurance and \$2,541,817 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, 2022, 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, 2022**

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, 2022 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>
Local Sources						
Local Taxes	\$ 64,416	\$ -	\$ -	\$ -	\$ 36,888	\$ -
Other Local	-	-	-	-	-	-
Total Local	\$ 64,416	\$ -	\$ -	\$ -	\$ 36,888	-
State Sources						
Foundation Program	\$ 22,430	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	-	-	-	-	-	529,472
Total State	\$ 22,430	\$ -	\$ -	\$ -	\$ -	529,472
Federal Sources						
Special Programs	\$ -	\$ -	\$ 17,389	\$ -	\$ -	\$ -
Other Federal	-	45,108	-	-	-	-
Total Federal	\$ -	\$ 45,108	\$ 17,389	\$ -	\$ -	-
Grand Total	\$ 86,846	\$ 45,108	\$ 17,389	\$ -	\$ 36,888	\$ 521,472

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2022**

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		\$ 31,725
Plant Facilities Bus	\$ 39,725	
Plant Facilities		\$ 8,000

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, 2022.

NOTE 5 CAPITAL ASSETS

A summary of Capital Assets is as follows:

	<u>Balance 06/30/21</u>	<u>Capital Acquisitions</u>	<u>Sales & Other Dispositions</u>	<u>Balance 06/30/22</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	\$ 4,742,104	\$ 294,254	\$ -	\$ 5,036,358
Building Improvements	1,235,559	84,794	-	1,320,353
Equipment	1,562,392	103,059	-	1,665,451
Transportation	993,941	-	-	993,941
Total Cost	<u>\$ 8,533,996</u>	<u>\$ 482,107</u>	<u>\$ -</u>	<u>\$ 9,016,103</u>
Accumulated Depreciation				
Buildings/Sites	\$ 3,345,992	\$ 133,866	\$ -	\$ 3,479,858
Building Improvements	604,916	53,661	-	658,577
Equipment	1,262,956	77,020	-	1,339,976
Transportation	717,284	41,930	-	759,214
Total Accum. Deprec.	<u>\$ 5,931,148</u>	<u>\$ 306,477</u>	<u>\$ -</u>	<u>\$ 6,237,625</u>
Net Capital Assets	<u>\$ 2,621,039</u>	<u>\$ 175,630</u>	<u>\$ -</u>	<u>\$ 2,796,669</u>

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 5 CAPITAL ASSETS, continued

Depreciation expense was charged to functions as follows:

Elementary	\$ 105,819
Secondary	105,819
Plant Services	26,455
School Administration	26,454
Pupil Transportation	<u>41,930</u>
Total	<u>\$ 306,477</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, 2022:

	<u>Net Pension Liability</u>	<u>Total</u>
Long-Term Obligations June 30, 2021	\$ 1,498,353	\$ 1,498,353
Obligations Incurred/Removed	(1,498,353)	(1,498,353)
Obligations Paid	<u>-</u>	<u>-</u>
Long-Term Obligations June 30, 2022	\$ -	\$ -
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, 2022

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, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Butte County School District's contributions were \$277,008 for the year ended June 30, 2022.

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

At June 30, 2022 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, 2021, 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, 2021, the District's proportion was .0604514%.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 7 PENSION PLAN (continued)

For the year ended June 30, 2022, the Butte County School District recognized pension expense of \$104,673. At June 30, 2022, 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	\$ 70,343	\$ 27,751
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	548,031	1,499,579
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	277,008	-
TOTAL	\$ 895,382	\$ 1,527,330

\$277,008 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, 2022.

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, 2020 the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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

Year ended June 30, 2022:	
2022	\$ (213,817)
2023	\$ (192,692)
2024	\$ (168,392)
2025	\$ (334,055)
2026	\$ -
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, 2022

NOTE 7 PENSION PLAN (continued)

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 7 PENSION PLAN (continued)

Capital Market Assumptions from Callan 2021

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%	1.80%	(0.20)%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	8.00%	6.00%
Developed Foreign Equities	MSCI EAFE / World ex US	15.00%	8.25%	6.25%
Assumed Inflation – Mean			2.00%	2.00%
Assumed Inflation – Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.18%	4.18%
Portfolio Standard Deviation			12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return			5.55%	3.46%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.15%	3.06%

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 2021

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

Discount Rate

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

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Proportionate share of the net pension liability (asset)	1,659,658	(47,743)	(1,447,334)

BUTTE COUNTY SCHOOL DISTRICT #111

**Notes to the Basic Financial Statements
June 30, 2022**

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 \$13,345. 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	\$ 11,015
Property Taxes – Bond Fund	0
Property Taxes – Plant Facility Fund	<u>5,988</u>
Total Deferred Revenue	<u>\$ 17,003</u>

NOTE 11 EXCESS OF EXPENDITURES OVER APPROPRIATION

The following individual funds have an excess of expenditures over appropriations at June 30, 2022:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Over Budget</u>
Title II-A, Teacher Quality	29,280	29,676	396
Food Service	155,500	165,616	10,116

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, 2022**

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 October 17, 2022 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, 2022:

<u>Fund</u>	<u>Deficit Amount</u>
CARES Act	\$ 93,681
Title VI-B IDEA School-Age	41,186
Title VI-B IDEA Pre-School	3,887
Perkins III Professional Tech. Act	8,751
Title II-A Improving Teacher Quality	3,604
Learning Loss	500
Title I Comprehensive Support & Improvement	24,318

NOTE 16 ECONOMIC DEPENDENCY

The District is economically reliant on the State of Idaho, from which it received approximately \$3,531,792 or 68% 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, 2022, 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, 2022

GENERAL FUND	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Local sources.....	\$ 203,771	\$ 203,771	\$ 215,429	\$ 11,658
Other local revenues.....	127,781	127,781	96,853	(30,928)
State sources.....	3,411,725	3,411,725	3,386,228	(25,497)
Federal sources.....	-	-	-	-
Total Revenues.....	<u>\$ 3,743,277</u>	<u>\$ 3,743,277</u>	<u>\$ 3,698,510</u>	<u>\$ (44,767)</u>
EXPENDITURES				
Instruction Programs:				
Elementary.....	\$ 1,071,780	\$ 1,071,780	\$ 987,403	\$ 84,377
Secondary.....	971,361	971,361	900,089	71,272
Exceptional child.....	201,172	201,172	160,962	40,210
Preschool.....	31,774	31,774	26,658	5,116
Interscholastic program.....	79,201	79,201	65,156	14,045
Support Service Programs:				
Attendance and guidance.....	74,552	74,552	70,348	4,204
Special services	139,078	139,078	25,898	113,180
Instruction improvement	13,292	13,292	13,292	-
Education media	29,901	29,901	23,813	6,088
Board of education	33,000	33,000	28,142	4,858
Administration - district	445,064	445,064	288,641	156,423
Administration - school	253,853	253,853	196,719	57,134
Janitorial - buildings	277,635	277,635	272,485	5,150
Building maintenance	273,642	273,642	240,749	32,893
Transportation - pupils	278,345	278,345	218,512	59,833
Transportation - activity	25,268	25,268	19,628	5,640
Transportation - other	12,025	12,025	2,537	9,488
Non-Instructional Programs:				
Food services.....	-	-	-	-
Debt service.....	-	-	-	-
Capital assets.....	430,476	430,476	290,146	140,330
Total Expenditures	<u>\$ 4,641,419</u>	<u>\$ 4,641,419</u>	<u>\$ 3,831,178</u>	<u>\$ 810,241</u>
Excess Revenues over expenditures	\$ (898,142)	\$ (898,142)	\$ (132,668)	\$ 765,474
OTHER FINANCING SOURCES (USES)				
Transfers - To (From)	\$ (48,000)	\$ (48,000)	\$ (31,725)	\$ 16,275
Other Financing Sources.....	-	-	-	-
Excess Revenues and Other Sources	<u>\$ (946,142)</u>	<u>\$ (946,142)</u>	<u>\$ (164,393)</u>	<u>\$ 781,749</u>
FUND BALANCE				
Beginning Balance	1,448,214	1,448,214	1,448,214	-
Ending Balance	<u>\$ 502,072</u>	<u>\$ 502,072</u>	<u>\$ 1,283,821</u>	<u>\$ 781,749</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, 2022

<u>FEDERAL FOREST RESERVE</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Final Budget Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Federal sources.....	43,004	43,004	51,631	8,627
Total Revenues.....	<u>\$ 43,004</u>	<u>\$ 43,004</u>	<u>\$ 51,631</u>	<u>\$ 8,627</u>
EXPENDITURES				
Non-Instructional Programs:				
Special services.....	\$ -	\$ -	\$ -	\$ -
Total Expenditures.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenues over expenditures.....	\$ 43,004	\$ 43,004	\$ 51,631	\$ 8,627
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ 43,004	\$ 43,004	\$ 51,631	\$ 8,627
FUND BALANCE				
Beginning Balance.....	435,555	435,555	435,555	-
Ending Balance.....	<u><u>\$ 478,559</u></u>	<u><u>\$ 478,559</u></u>	<u><u>\$ 487,186</u></u>	<u><u>\$ 8,627</u></u>

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, 2022

<u>FOOD SERVICE FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Other local revenues.....	\$ 53,500	\$ 53,500	\$ 20,008	\$ (33,492)
Federal sources.....	87,000	87,000	183,234	96,234
Total Revenues.....	<u>\$ 140,500</u>	<u>\$ 140,500</u>	<u>\$ 203,242</u>	<u>\$ 62,742</u>
EXPENDITURES				
Non-Instructional Programs:				
Food services.....	\$ 155,500	\$ 155,500	\$ 165,616	\$ (10,116)
Total Expenditures.....	<u>\$ 155,500</u>	<u>\$ 155,500</u>	<u>\$ 165,616</u>	<u>\$ (10,116)</u>
Excess Revenues over expenditures.....	\$ (15,000)	\$ (15,000)	\$ 37,626	\$ 52,626
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ 6,500	\$ 6,500	\$ -	\$ (6,500)
Excess Revenues and Other Sources.....	\$ (8,500)	\$ (8,500)	\$ 37,626	\$ 46,126
FUND BALANCE				
Beginning Balance.....	<u>27,161</u>	<u>27,161</u>	<u>27,161</u>	<u>-</u>
Ending Balance.....	<u><u>\$ 18,661</u></u>	<u><u>\$ 18,661</u></u>	<u><u>\$ 64,787</u></u>	<u><u>\$ 46,126</u></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, 2022

<u>DEBT SERVICE FUND</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Final Budget Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes.....	\$ 9,268	\$ 9,268	\$ 8,734	\$ (534)
Other local revenues.....	-	-	-	-
State revenues.....	-	-	-	-
Total revenues.....	<u>\$ 9,268</u>	<u>\$ 9,268</u>	<u>\$ 8,734</u>	<u>\$ (534)</u>
EXPENDITURES				
Debt service				
Principal.....	\$ -	\$ -	\$ -	\$ -
Interest.....	-	-	-	-
Total expenditures.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenues over expenditures.....	\$ 9,268	\$ 9,268	\$ 8,734	\$ (534)
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ 9,268	\$ 9,268	\$ 8,734	\$ (534)
FUND BALANCE				
Beginning Balance.....	-	-	-	-
Ending Balance.....	<u><u>\$ 9,268</u></u>	<u><u>\$ 9,268</u></u>	<u><u>\$ 8,734</u></u>	<u><u>\$ (534)</u></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 - CAPITAL CONSTRUCTION FUND
For the Year Ended June 30, 2022

<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.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Operations.....	\$ -	\$ -	\$ -	\$ -
Capital outlay.....	245,231	245,231	-	245,231
Total Expenditures.....	<u>\$ 245,231</u>	<u>\$ 245,231</u>	<u>\$ -</u>	<u>\$ 245,231</u>
Excess Revenues over expenditures.....	\$ (245,231)	\$ (245,231)	\$ -	\$ 245,231
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ (245,231)	\$ (245,231)	\$ -	\$ 245,231
FUND BALANCE				
Beginning Balance.....	245,231	245,231	245,231	-
Ending Balance.....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 245,231</u></u>	<u><u>\$ 245,231</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, 2022

<u>PLANT FACILITY FUND</u>	Budgeted Amounts		Actual Amounts	Final Budget Variance - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes.....	\$ 103,000	\$ 103,000	\$ 111,743	\$ 8,743
Earnings on investments.....	-	-	60	60
State sources.....	41,577	41,577	41,619	42
Other revenues.....	-	-	-	-
Total Revenues.....	<u>\$ 144,577</u>	<u>\$ 144,577</u>	<u>\$ 153,422</u>	<u>\$ 8,845</u>
EXPENDITURES				
Operations.....	-	-	-	-
Capital outlay.....	326,986	326,986	82,534	244,452
Total Expenditures.....	<u>\$ 326,986</u>	<u>\$ 326,986</u>	<u>\$ 82,534</u>	<u>\$ 244,452</u>
Excess Revenues over expenditures.....	\$ (182,409)	\$ (182,409)	\$ 70,888	\$ 253,297
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ 57,500	\$ 57,500	\$ 31,725	\$ (25,775)
Excess Revenues and Other Sources.....	\$ (124,909)	\$ (124,909)	\$ 102,613	\$ 227,522
FUND BALANCE				
Beginning Balance.....	701,611	701,611	701,611	-
Ending Balance.....	<u><u>\$ 576,702</u></u>	<u><u>\$ 576,702</u></u>	<u><u>\$ 804,224</u></u>	<u><u>\$ 227,522</u></u>

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

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>	<u>2022</u>
Employer's portion of the net pension liability	0.0626295%	0.0651381%	0.0645249%	0.0604514%
Employer's proportionate share of the net pension liability	\$ 923,796	\$ 743,533	\$ 1,498,353	\$ (47,743)
Employer's covered-employee payroll	\$ 2,004,392	\$ 2,203,004	\$ 2,288,074	\$ 2,246,812
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	46.09%	33.75%	65.49%	-2.12%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	93.79%	88.22%	100.36%

- Data reported is measured as of June 30, 2021

* 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	\$ 1,880,968
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	28.57%	50.81%	65.23%	50.88%
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, 2021

* 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*

	2019	2020	2021	2022
Statutorily required contribution	\$ 243,216	\$ 249,245	\$ 253,158	\$ 238,680
Contributions in relation to the statutorily required contribution	\$ 231,190	\$ 254,091	\$ 277,869	\$ 272,606
Contribution (deficiency) excess	\$ (12,026)	\$ 4,847	\$ 24,711	\$ 33,927
Employer's covered-employee payroll	\$ 2,004,392	\$ 2,203,004	\$ 2,288,074	\$ 2,246,812
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	12.14%	12.13%

- Data reported is measured as of June 30, 2021

** 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	2018
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, 2021

** 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, 2022**

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, 2022, 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, 2022

ASSETS	Albertson Grant	Building Capacity	Grants Fund	Student Occupied Buildings	Drivers Education State	Mastery Grant	Professional Technical State	Technology State
Cash.....	\$ -	\$ -	\$ 34,945	\$ 211,398	\$ 1,723	\$ -	\$ 28,770	\$ 41,011
Other receivable.....	-	-	-	-	-	-	-	-
Prepaid expenses.....	-	-	-	-	-	-	-	6,789
Total Assets.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,945</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 28,770</u>	<u>\$ 47,800</u>
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
Salaries payable.....	-	-	-	-	-	-	-	-
Benefits payable.....	-	-	-	-	-	-	-	-
Interfund payable.....	-	-	-	-	-	-	-	-
Total Liabilities.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
FUND BALANCE								
Undesignated.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,945</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 28,769</u>	<u>\$ 47,800</u>
Total Liabilities and Fund Balance....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,945</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 28,770</u>	<u>\$ 47,800</u>

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

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
June 30, 2022

ASSETS	Student Activity Fund	Substance Abuse State	ESSER III	Title I-A ESEA Imp. Basic Programs	CARES Act	ESSER II	Title VI-B IDEA School-Age
Cash.....	\$ 137,227	\$ 21,886	\$ (120,415)	\$ (80,051)	\$ (152,942)	\$ -	\$ (94,886)
Other receivable.....	-	-	157,262	94,185	59,261	136,219	65,123
Prepaid expenses.....	-	-	-	-	-	-	-
Total Assets.....	<u>\$ 137,227</u>	<u>\$ 21,886</u>	<u>\$ 36,847</u>	<u>\$ 14,134</u>	<u>\$ (93,681)</u>	<u>\$ 136,219</u>	<u>\$ (29,763)</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable.....	\$ -	\$ 610	\$ -	\$ 1,200	\$ -	\$ -	\$ -
Salaries payable.....	-	-	-	6,851	-	-	9,552
Benefits payable.....	-	-	-	1,342	-	-	1,871
Interfund payable.....	-	-	-	-	-	-	-
Total Liabilities.....	<u>\$ -</u>	<u>\$ 610</u>	<u>\$ -</u>	<u>\$ 9,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,423</u>

FUND BALANCE

Undesignated.....	<u>\$ 137,227</u>	<u>\$ 21,276</u>	<u>\$ 36,847</u>	<u>\$ 4,741</u>	<u>\$ (93,681)</u>	<u>\$ 136,219</u>	<u>\$ (41,186)</u>
Total Liabilities and Fund Balance.....	<u>\$ 137,227</u>	<u>\$ 21,886</u>	<u>\$ 36,847</u>	<u>\$ 14,134</u>	<u>\$ (93,681)</u>	<u>\$ 136,219</u>	<u>\$ (29,763)</u>

BUTTE COUNTY SCHOOL DISTRICT #111
 COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
 June 30, 2022

Title VI-B IDEA		Title IV Student Supp. & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA Imp. Teacher Quality	Learning Loss	SLFRF	Distance Blended Learning	Title I Comprehensive Support & Impr.	Totals
Preschool	Medicaid								
\$ (9,116)	\$ 17,405	\$ -	\$ (8,751)	\$ (12,610)	\$ (500)	\$ -	\$ -	\$ (24,318)	\$ (9,224)
7,322	-	-	-	10,100	-	-	-	-	529,472
-	-	-	-	-	-	-	-	-	6,789
<u>\$ (1,794)</u>	<u>\$ 17,405</u>	<u>\$ -</u>	<u>\$ (8,751)</u>	<u>\$ (2,510)</u>	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,318)</u>	<u>\$ 527,037</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,811
1,750	1,818	-	-	1,037	-	-	-	-	21,008
343	356	-	-	57	-	-	-	-	3,969
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,093</u>	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,788</u>
<u>\$ (3,887)</u>	<u>\$ 15,231</u>	<u>\$ -</u>	<u>\$ (8,751)</u>	<u>\$ (3,604)</u>	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,318)</u>	<u>\$ 500,249</u>
<u>\$ (1,794)</u>	<u>\$ 17,405</u>	<u>\$ -</u>	<u>\$ (8,751)</u>	<u>\$ (2,510)</u>	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,318)</u>	<u>\$ 527,037</u>

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

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, 2022

	Albertson Grant	Building Capacity	Grants Fund	Student Occupied Buildings	Drivers Education State	Mastery Grant	Professional Technical State
REVENUES							
Other local revenues.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources.....	-	-	-	-	-	14,814	23,690
Federal sources.....	-	-	19,299	-	-	-	-
Total Revenues.....	\$ -	\$ -	\$ 19,299	\$ -	\$ -	\$ 14,814	\$ 23,690
EXPENDITURES							
Elementary.....	\$ -	\$ -	\$ 3,146	\$ -	\$ -	\$ 4,749	\$ -
Secondary.....	-	-	5,460	-	30	10,065	15,993
Exceptional child.....	-	-	-	-	-	-	-
Preschool.....	-	-	-	-	-	-	-
Capital assets.....	-	-	-	-	-	-	2,025
Attendance and guidance.....	-	-	-	-	-	-	-
Special services.....	-	-	-	-	-	-	-
Instructional improvement.....	-	-	-	-	-	-	-
Administration - district.....	-	-	6,335	-	-	-	-
Community services.....	-	-	-	-	-	-	-
Building maintenance.....	-	-	-	-	-	-	-
Total Expenditures.....	\$ -	\$ -	\$ 14,941	\$ -	\$ 30	\$ 14,814	\$ 18,018
Excess Revenues over Expenditures.....	\$ -	\$ -	\$ 4,358	\$ -	\$ (30)	\$ -	\$ 5,672
OTHER FINANCING SOURCES (USES)							
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ -	\$ -	\$ 4,358	\$ -	\$ (30)	\$ -	\$ 5,672
FUND BALANCE							
Beginning Balance.....	\$ -	\$ -	\$ 30,587	\$ 211,398	\$ 1,753	\$ -	\$ 23,097
Prior Period Adjustment.....	-	-	-	-	-	-	-
Ending Balance.....	\$ -	\$ -	\$ 34,945	\$ 211,398	\$ 1,723	\$ -	\$ 28,769

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

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, 2022

	Student Activity Fund	Technology State	Substance Abuse State	ESSER III	Title I-A, ESEA Imp. Basic Programs	CARES Act	ESSER II	Title VI-B IDEA School-Age
REVENUES								
Other local revenues.....	\$201,536	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources.....	-	59,082	6,359	-	-	-	-	-
Federal sources.....	-	-	-	157,262	113,487	59,859	136,219	114,854
Total Revenues.....	\$201,536	\$ 59,122	\$ 6,359	\$157,262	\$ 113,487	\$ 59,859	\$136,219	\$ 114,854
EXPENDITURES								
Elementary.....	\$ -	\$ -	\$ 1,254	\$ 23,775	\$ 113,420	\$ 54,278	\$ -	\$ -
Secondary.....	-	48,984	-	975	-	99,261	-	-
Exceptional child.....	-	-	-	-	-	-	-	151,103
Preschool.....	-	-	-	-	-	-	-	-
Capital assets.....	-	15,559	-	-	-	-	-	-
Attendance and guidance.....	-	-	-	-	-	-	-	-
Special services.....	-	-	9,349	-	-	-	-	4,292
Instructional improvement.....	-	-	-	-	-	-	-	-
Administration - district.....	-	-	-	-	-	-	-	-
Community services.....	174,807	-	-	-	-	-	-	-
Building maintenance.....	-	-	-	95,665	-	-	-	-
Total Expenditures.....	\$174,807	\$ 64,543	\$ 10,603	\$120,415	\$ 113,420	\$153,539	\$ -	\$ 155,395
Excess Revenues over Expenditures.....	\$ 26,729	\$ (5,421)	\$ (4,244)	\$ 36,847	\$ 67	\$ (93,680)	\$136,219	\$ (40,541)
OTHER FINANCING SOURCES (USES)								
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ 26,729	\$ (5,421)	\$ (4,244)	\$ 36,847	\$ 67	\$ (93,680)	\$136,219	\$ (40,541)
FUND BALANCE								
Beginning Balance.....	\$110,498	\$ 53,221	\$ 25,520	\$ -	\$ 4,674	\$ (1)	\$ -	\$ (645)
Prior Period Adjustment.....	-	-	-	-	-	-	-	-
Ending Balance.....	\$137,227	\$ 47,800	\$ 21,276	\$ 36,847	\$ 4,741	\$ (93,681)	\$136,219	\$ (41,186)

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

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, 2022

Title VI-B IDEA		Title IV Student Supp. & Enrichment	Perkins III Professional Tech. Act	Title II-A, ESEA Imp. Teacher Quality		Learning Loss	SLFRF	Distance Blended Learning	Title I Comp. Supp. & Impr.	Totals
Preschool	Medicaid									
\$ -	\$ 22,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,782
-	-	-	-	-	-	-	-	-	-	103,945
11,747	-	-	21,160	26,220	40,317	53,995	-	-	-	754,419
\$ 11,747	\$ 22,206	\$ -	\$ 21,160	\$ 26,220	\$ 40,317	\$ 53,995	\$ -	\$ -	\$ -	\$ 1,082,146
\$ -	\$ -	\$ -	\$ -	\$ 29,226	\$ 21,318	\$ -	\$ -	\$ -	\$ 24,318	\$ 275,484
-	-	-	28,982	450	12,892	-	-	-	-	223,092
-	3,885	-	-	-	-	-	-	-	-	154,988
16,974	-	-	-	-	-	-	-	-	-	16,974
-	-	-	-	-	-	-	-	-	-	17,584
-	-	-	-	-	6,607	-	-	-	-	6,607
-	-	-	-	-	-	-	-	-	-	13,641
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	53,995	-	-	-	60,330
-	-	-	-	-	-	-	-	-	-	174,807
-	-	-	-	-	-	-	-	-	-	95,665
\$ 16,974	\$ 3,885	\$ -	\$ 28,982	\$ 29,676	\$ 40,817	\$ 53,995	\$ -	\$ -	\$ 24,318	\$ 1,039,172
\$ (5,227)	\$ 18,321	\$ -	\$ (7,822)	\$ (3,456)	\$ (500)	\$ -	\$ -	\$ -	\$ (24,318)	\$ 42,974
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (5,227)	\$ 18,321	\$ -	\$ (7,822)	\$ (3,456)	\$ (500)	\$ -	\$ -	\$ -	\$ (24,318)	\$ 42,974
\$ 1,340	\$ (3,090)	\$ -	\$ (929)	\$ (148)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457,275
-	-	-	-	-	-	-	-	-	-	-
\$ (3,887)	\$ 15,231	\$ -	\$ (8,751)	\$ (3,604)	\$ (500)	\$ -	\$ -	\$ -	\$ (24,318)	\$ 500,249

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

BUTTE COUNTY SCHOOL DISTRICT #111
 COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND
 June 30, 2022

ASSETS	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
Cash.....	\$ 661,637	\$ 111,687	\$ 245,231	\$ 1,018,555
Receivables:				
Local sources.....	36,888	-	-	36,888
Total Assets.....	<u>\$ 698,525</u>	<u>\$ 111,687</u>	<u>\$ 245,231</u>	<u>\$ 1,055,443</u>
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable.....	-	-	-	-
Deferred revenue.....	5,988	-	-	5,988
Total Liabilities.....	<u>\$ 5,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,988</u>
 FUND BALANCE				
Assigned.....	<u>\$ 692,537</u>	<u>\$ 111,687</u>	<u>\$ 245,231</u>	<u>\$ 1,049,455</u>
 Total Liabilities and Fund Balance.....	 <u>\$ 698,525</u>	 <u>\$ 111,687</u>	 <u>\$ 245,231</u>	 <u>\$ 1,055,443</u>

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

BUTTE COUNTY SCHOOL DISTRICT #111
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-
CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
REVENUES				
Local Taxes.....	\$ 111,743	\$ -	\$ -	\$ 111,743
Other local revenues.....	(1)	61	-	60
State sources.....	41,619	-	-	41,619
Federal sources.....	-	-	-	-
Total Revenues.....	\$ 153,361	\$ 61	\$ -	\$ 153,422
EXPENDITURES				
Elementary.....	\$ -	\$ -	\$ -	\$ -
Secondary.....	-	-	-	-
Exceptional child.....	-	-	-	-
Preschool.....	-	-	-	-
Capital assets.....	-	-	-	-
Special services.....	-	-	-	-
Instructional improvement.....	-	-	-	-
Administration - district.....	-	-	-	-
Building maintenance.....	82,534	-	-	82,534
Total Expenditures.....	\$ 82,534	\$ -	\$ -	\$ 82,534
Excess Revenues over Expenditures.....	\$ 70,827	\$ 61	\$ -	\$ 70,888
OTHER FINANCING SOURCES (USES)				
Transfers - To (From).....	\$ (8,000)	\$ 39,725	\$ -	\$ 31,725
Excess Revenues and Other Sources.....	\$ 62,827	\$ 39,786	\$ -	\$ 102,613
FUND BALANCE				
Beginning Balance.....	\$ 629,710	\$ 71,901	\$ 245,231	\$ 946,842
Prior Period Adjustment.....	-	-	-	-
Ending Balance.....	\$ 692,537	\$ 111,687	\$ 245,231	\$ 1,049,455

BUTTE COUNTY SCHOOL DISTRICT #111
Combining Schedule of Changes in Cash
Student Activity Accounts
For the Year Ended June 30, 2022

<u>Account Name</u>	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Balance</u>
Butte County High School.....	\$ 100,422	\$ 200,902	\$ 173,592	\$ 127,732
Arco Elementary.....	9,846	534	1,215	9,165
Howe Elementary.....	230	100	-	330
	<u>\$ 110,498</u>	<u>\$ 201,536</u>	<u>\$ 174,807</u>	<u>\$ 137,227</u>

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

BUTTE COUNTY SCHOOL DISTRICT #111
Statement of Cash Receipts and Disbursements Student Activity Accounts - High School
For the Year Ended June 30, 2022

<u>Account Name</u>	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Balance</u>
Athletics.....	\$ 15,744	\$ 42,379	\$ 38,824	\$ 19,299
Boys Basketball.....	9,376	12,357	14,843	6,890
Cheerleaders.....	1,581	2,474	2,660	1,395
5th/6th Dust Tournament Funds.....	-	1,000	36	964
Wish Upon A Star.....	505	10,000	505	10,000
Class of 2021.....	452	-	452	-
Class of 2022.....	2,555	1,938	2,569	1,924
Class of 2023.....	1,090	2,268	1,618	1,740
Class of 2024.....	1,263	1,915	1,033	2,145
Class of 2025.....	446	584	-	1,030
Class of 2026 - 2028.....	-	40	-	40
Cross Country.....	4,629	1,792	1,725	4,696
Diane's Technology.....	192	-	-	192
Diversity Club.....	85	5	-	90
Driver's ED.....	2,700	-	-	2,700
Football.....	153	9,990	8,829	1,314
General Fund.....	3,071	310	1,212	2,169
Girls Basketball.....	5,968	13,372	13,643	5,697
IDLA.....	265	2,400	1,065	1,600
Laptop.....	12,691	1,825	1,260	13,256
Lost Book Fund.....	-	33	-	33
Math & Science Department.....	1,581	600	-	2,181
MS Boys Basketball.....	1,286	1,770	704	2,352
MS Football.....	86	-	-	86
MS Girls Basketball.....	438	1,213	974	677
MS Volleyball.....	559	1,519	1,961	117
Music.....	742	12,944	4,023	9,663
Sales Tax.....	72	2,961	2,980	53
Scholarships.....	2	-	-	2
Scholastic / Journalism.....	422	-	-	422
Science Grant.....	3,330	-	-	3,330
Senior Project.....	685	-	-	685
Ski Club.....	810	-	-	810
Slurpy Athletic Fund.....	936	-	-	936
Student Council HS.....	3,669	6,724	7,085	3,308
Testing Funds.....	74	144	113	105
Track & Field.....	2,697	7,135	7,406	2,426
Travel.....	25	25,233	25,185	73
Uniforms.....	375	765	322	818
Memorial Funds.....	2,960	-	-	2,960
Volleyball.....	1,004	11,200	10,477	1,727
Welding.....	4,442	4,765	4,919	4,288
Wrestling.....	10	-	-	10
Yearbook.....	2,382	7,177	9,169	390
Weight Room.....	150	-	-	150
HUDL.....	8,919	12,070	8,000	12,989
	<u>\$ 100,422</u>	<u>\$ 200,902</u>	<u>\$ 173,592</u>	<u>\$ 127,732</u>

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

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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185 S. CAPITAL

IDAHO FALLS, IDAHO 83405-0700

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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, 2022, 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 October 17, 2022.

Report on 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 2022-01 that we consider to be significant deficiencies.

To the Board of Trustees
Butte County School District #111

Report on 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
October 17, 2022

BUTTE COUNTY SCHOOL DISTRICT #111

Schedule of Findings and Responses
June 30, 2022

A. Reportable Conditions

2022-01 - 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, 2022**

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.

CURRENT STATUS:

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