

**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, 2023**

**BUTTE COUNTY SCHOOL DISTRICT #111**

**For the year ended June 30, 2023**

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**BUTTE COUNTY SCHOOL DISTRICT #111**

**For the year ended June 30, 2023**

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# JENSEN POULSEN & COMPANY, PLLC

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### 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, 2023, 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, 2023, 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 Butte County School District #111'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 Butte County School District #111'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 accompanying combining and individual non-major fund financial statements, the schedule of changes in student activity funds, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of

additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of changes in student activity funds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 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 24, 2023

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 3,829,079
Receivables:	
Local sources	90,644
Other receivables	202,205
Prepaid expenses	11,653
Net pension asset	-
Capital assets, non-depreciable - land	18,191
Capital assets, net of depreciation	2,854,773
	<b>Total Assets</b>
	<b>\$ 7,006,545</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to Pension	\$ 1,471,838
Unspent Grant Allocation	324,321
	<b>Total Liabilities</b>
	<b>\$ 2,768,027</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 34,758
Salaries and benefits payable	369,356
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	2,363,913
	<b>Total Liabilities</b>
	<b>\$ 2,768,027</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to Pension	\$ 10,551
Unspent Grant Allocation	324,321
	<b>Total Liabilities</b>
	<b>\$ 334,872</b>
<b>NET POSITION</b>	
Investment in capital assets - net of related debt	\$ 2,872,964
Restricted for:	
Special programs	1,035,112
Debt service	103,099
Capital construction projects	1,055,443
Unrestricted	633,187
	<b>Total Net Position</b>
	<b>\$ 5,699,805</b>

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

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2023

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	\$ 1,226,124	\$ -	\$ 397,186	\$ -	\$ (828,939)
Secondary/alternative programs	1,222,276	-	217,737	-	(1,004,540)
Exceptional/preschool programs	326,529	-	-	-	(326,529)
Other instructional programs	77,497	-	3,966	-	(73,531)
Support services:					
Student services	1,059,079	-	-	-	(1,059,079)
Educational media	31,345	-	-	-	(31,345)
School administration	160,654	-	-	-	(160,654)
Administration	439,540	-	-	-	(439,540)
Community services	193,792	-	-	-	(193,792)
Plant services	46,814	-	-	-	(46,814)
Pupil transportation	300,907	-	222,978	-	(77,929)
Non Instructional programs:					
Food services	188,722	67,162	156,439	-	34,879
Debt service - refunding fees	-	-	-	-	-
Debt service - interest	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>\$ 5,273,279</b>	<b>\$ 67,162</b>	<b>\$ 998,305</b>	<b>\$ -</b>	<b>\$ (4,207,812)</b>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					199,255
Property taxes, levied for capital projects					123,186
Property taxes, levied for debt services					18,838
State revenue in lieu of taxes					37,567
Grants and contributions not restricted to specific programs					
Foundation program					3,223,246
Federal forest lands					125,781
Other state revenue					128,839
Interest and investment earnings					98,912
Miscellaneous revenues					552,348
Current contribution					282,597
Net pension revenue(expense)					(601,018)
<b>Total general revenues and special items</b>					<b>\$ 4,189,551</b>
					Changes in net position
					(18,261)
					Net position - beginning
					\$ 5,718,066
					Prior period adjustment
					-
					Net position - ending
					<b>\$ 5,699,805</b>



**BUTTE COUNTY SCHOOL DISTRICT #111**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
 June 30, 2023

ASSETS	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Projects	Non Major Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>							
Cash.....	\$ 1,774,128	\$ 551,693	\$ 79,094	\$ 122,469	\$ 932,890	\$ 368,805	\$ 3,829,079
Receivables:							
Local sources.....	53,039	-	-	-	37,605	-	90,644
Other receivable.....	14,329	61,274	4,386	-	-	122,216	202,205
Interfund receivable.....	-	-	-	-	-	-	-
Prepaid expenses.....	4,864	-	-	-	-	6,789	11,653
Total Assets.....	<u>\$ 1,846,360</u>	<u>\$ 612,967</u>	<u>\$ 83,480</u>	<u>\$ 122,469</u>	<u>\$ 970,495</u>	<u>\$ 497,810</u>	<u>\$ 4,133,581</u>
 <b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable.....	\$ 21,344	\$ -	\$ -	\$ -	\$ 8,250	\$ 5,164	\$ 34,758
Salaries payable.....	265,196	-	7,531	-	-	36,603	309,330
Benefits payable.....	51,951	-	1,475	-	-	6,600	60,026
Interfund payable.....	-	-	-	-	-	-	-
Accrued interest payable.....	-	-	-	-	-	-	-
Deferred revenue.....	11,444	-	-	-	7,797	-	19,241
Total Liabilities.....	<u>\$ 349,935</u>	<u>\$ -</u>	<u>\$ 9,006</u>	<u>\$ -</u>	<u>\$ 16,047</u>	<u>\$ 48,367</u>	<u>\$ 423,355</u>
 <b>FUND BALANCE</b>							
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	-	612,967	74,474	-	-	449,443	1,136,884
Committed.....	-	-	-	-	-	-	-
Assigned.....	-	-	-	122,469	954,448	-	1,076,917
Unassigned.....	1,496,425	-	-	-	-	-	1,496,425
Total Fund Balance.....	<u>\$ 1,496,425</u>	<u>\$ 612,967</u>	<u>\$ 74,474</u>	<u>\$ 122,469</u>	<u>\$ 954,448</u>	<u>\$ 449,443</u>	<u>\$ 3,710,226</u>
Total Liabilities and Fund Balance....	<u>\$ 1,846,360</u>	<u>\$ 612,967</u>	<u>\$ 83,480</u>	<u>\$ 122,469</u>	<u>\$ 970,495</u>	<u>\$ 497,810</u>	<u>\$ 4,133,581</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**RECONCILIATION OF THE GOVERNMENT FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 3,710,226

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	9,455,775	
Depreciation expense to date	<u>(6,582,811)</u>	2,872,964

Property taxes received that are not available to pay for current period expenditures are deferred in the funds.		19,241
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

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

Net pension asset / liability	(2,363,913)	
Pension related deferred inflows	(10,551)	
Pension related deferred outflows	<u>1,471,838</u>	<u>(902,626)</u>

**Net Position of Governmental Activities** \$ 5,699,805

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	General Fund	Federal Forest Reserve	Food Service Fund	Debt Service	Capital Project	Non Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
<b>Local Sources:</b>							
Local taxes.....	\$ 197,277	\$ -	\$ -	\$ 18,838	\$ 108,028	\$ -	\$ 324,143
Other local revenues.....	188,376	-	67,282	532	1,039	217,820	475,049
State sources.....	3,632,030	-	29,394	-	39,366	115,070	3,815,860
Federal sources.....	-	125,781	126,925	-	-	689,077	941,783
Total Revenues.....	<u>\$ 4,017,683</u>	<u>\$ 125,781</u>	<u>\$ 223,601</u>	<u>\$ 19,370</u>	<u>\$ 148,433</u>	<u>\$ 1,021,967</u>	<u>\$ 5,556,835</u>
<b>EXPENDITURES</b>							
<b>Instruction Programs:</b>							
Elementary.....	\$ 1,007,761	\$ -	\$ -	\$ -	\$ -	\$ 221,728	\$ 1,229,489
Secondary.....	957,687	-	-	-	-	245,094	1,202,781
Exceptional child.....	185,887	-	-	-	-	118,974	304,861
Preschool.....	7,337	-	-	-	-	14,331	21,668
Interscholastic program.....	74,948	-	-	-	-	-	74,948
<b>Support Service Programs:</b>							
Attendance and guidance.....	71,731	-	-	-	-	15,656	87,387
Special services.....	24,848	-	-	-	-	26,517	51,365
Instruction improvement.....	4,880	-	-	-	-	21,500	26,380
Education media.....	31,345	-	-	-	-	-	31,345
Board of education.....	25,377	-	-	-	-	-	25,377
Administration - district.....	342,325	-	-	-	-	57,093	399,418
Administration - school.....	160,654	-	-	-	-	-	160,654
Janitorial - buildings.....	290,740	-	-	-	-	-	290,740
Building maintenance.....	194,703	-	-	-	250,758	110,960	556,421
Community services.....	-	-	-	-	-	193,792	193,792
Transportation - pupils.....	270,308	-	-	-	-	-	270,308
Transportation - activity.....	25,471	-	-	-	-	-	25,471
Transportation - other.....	5,128	-	-	-	-	-	5,128
<b>Non-Instructional Programs:</b>							
Food services.....	-	-	218,116	-	-	-	218,116
Debt service.....	-	-	-	-	-	-	-
Capital assets.....	105,142	-	-	-	24,407	30,017	159,566
Total Expenditures.....	<u>\$ 3,786,272</u>	<u>\$ -</u>	<u>\$ 218,116</u>	<u>\$ -</u>	<u>\$ 275,165</u>	<u>\$ 1,055,662</u>	<u>\$ 5,335,215</u>
Excess Revenues over expenditures.....	\$ 231,411	\$ 125,781	\$ 5,485	\$ 19,370	\$ (126,732)	\$ (33,695)	\$ 221,620
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers - To (From).....	\$ (35,926)	\$ -	\$ 4,201	\$ -	\$ 31,725	\$ -	\$ -
Other Financing Sources.....	-	-	-	-	-	-	-
Excess Revenues and Other Sources.....	<u>\$ 195,485</u>	<u>\$ 125,781</u>	<u>\$ 9,686</u>	<u>\$ 19,370</u>	<u>\$ (95,007)</u>	<u>\$ (33,695)</u>	<u>\$ 221,620</u>
<b>FUND BALANCE</b>							
Beginning Balance.....	\$ 1,283,829	\$ 487,186	\$ 64,788	\$ 103,099	\$ 1,049,455	\$ 500,249	\$ 3,488,606
Prior Period Adjustment.....	17,111	-	-	-	-	(17,111)	-
Ending Balance.....	<u>\$ 1,496,425</u>	<u>\$ 612,967</u>	<u>\$ 74,474</u>	<u>\$ 122,469</u>	<u>\$ 954,448</u>	<u>\$ 449,443</u>	<u>\$ 3,710,226</u>

**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, 2023**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 221,620**

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	421,480	
Depreciation expense	<u>(345,178)</u>	76,302

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 - 2023	19,241	
Deferred revenue - 2022	<u>(17,003)</u>	2,238

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	282,597	
Net pension revenue (expense)	<u>(601,018)</u>	<u>(318,421)</u>

**Change in Net Position of Governmental Activities** **\$ (18,261)**

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**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, 2023

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, 2023**

**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, 2023**

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

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

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

**C. Cash and Investments**

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

**D. Property Taxes**

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

**E. Inventories**

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

**F. Capital Assets and Depreciation**

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

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



BUTTE COUNTY SCHOOL DISTRICT #111

Notes to the Basic Financial Statements  
June 30, 2023

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 \$2,193,654 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, 2023, the District had restricted fund balances of \$1,136,884, assigned fund balances of \$1,076,917, and unassigned fund balances of \$1,496,425. 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, 2023, that amount was \$9,904.

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, 2023**

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

**M. Pensions**

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

**NOTE 2 CASH AND INVESTMENTS**

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

<u>Financial Institution</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>FDIC Insured / Collateralized</u>	<u>Uninsured / Uncollateralized</u>
<b>Ireland Bank:</b>				
Money Market – 9315	\$ 423,991	\$ 315,347	\$ 250,000	\$ 173,991
Account 0615	30,967	30,967	-	30,967
Account 9307	148,610	148,610	-	148,610
<b>Total Ireland Bank</b>	<b>\$ 603,568</b>	<b>\$ 494,924</b>	<b>\$ 250,000</b>	<b>\$ 353,568</b>
<b>Bank of Commerce:</b>				
Acct 4218	\$ 282,793	\$ 282,793	\$ 232,201	\$ 50,592
Acct 1700	17,799	17,799	17,799	-
<b>Total Bank of Commerce</b>	<b>\$ 300,593</b>	<b>\$ 300,593</b>	<b>\$ 250,000</b>	<b>\$ 50,592</b>
<b>State Treasurer:</b>				
Acct 2121	\$ 2,843,590	\$ 2,843,590	\$ -	\$ 2,843,590
Acct 2591	35,660	35,660	-	35,660
<b>Total State Treasurer</b>	<b>\$ 2,879,250</b>	<b>\$ 2,879,250</b>	<b>\$ -</b>	<b>\$ 2,879,250</b>
<b>East Idaho Credit Union:</b>				
Howe Elementary Savings	\$ 55	\$ 55	\$ 55	\$ -
Howe Elementary Checking	575	575	575	-
Arco Elementary Savings	5	5	5	-
Arco Elementary Checking	13,487	13,487	13,487	-
Butte High School Savings	5	5	5	-
Butte High School Checking	145,433	140,185	145,433	-
<b>Total East Idaho Credit Union</b>	<b>\$ 159,560</b>	<b>\$ 154,312</b>	<b>\$ 159,560</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 3,942,971</b>	<b>\$ 3,829,079</b>	<b>\$ 659,560</b>	<b>\$ 3,283,410</b>

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. At year end, the carrying amounts of the District's demand deposits and Local Government Investment Pool monies were \$3,829,079 and the bank balances were \$3,942,971. Of the bank balances, \$659,560 was covered by federal depository insurance and \$3,283,410 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, 2023, 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, 2023**

**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, 2023 the District did not hold any investments that require disclosure. The District has chosen to recognize the monies held at the Local Government Investment Pool as cash.

**Credit Risk**

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

**NOTE 3 RECEIVABLES**

Receivables at year end consist of the following:

	<u>General Fund</u>	<u>Federal Forest</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Plant Facility</u>	<u>Non-Major Funds</u>
<b>Local Sources</b>						
Local Taxes	\$ 53,039	\$ -	\$ -	\$ -	\$ 37,605	\$ -
Other Local	-	-	-	-	-	-
<b>Total Local</b>	<b>\$ 53,039</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,605</b>	<b>\$ -</b>
<b>State Sources</b>						
Foundation Program	\$ 14,329	\$ -	\$ -	\$ -	\$ -	\$ -
Other State Sources	-	-	-	-	-	-
<b>Total State</b>	<b>\$ 14,329</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Federal Sources</b>						
Special Programs	\$ -	\$ -	\$ 4,386	\$ -	\$ -	\$ 122,216
Other Federal	-	61,274	-	-	-	-
<b>Total Federal</b>	<b>\$ -</b>	<b>\$ 61,274</b>	<b>\$ 4,386</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122,216</b>
<b>Grand Total</b>	<b>\$ 67,368</b>	<b>\$ 61,274</b>	<b>\$ 4,386</b>	<b>\$ -</b>	<b>\$ 37,605</b>	<b>\$ 122,216</b>

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**NOTE 4 INTERFUND TRANSACTIONS**

**Interfund Transfers**

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

<b>Major Funds:</b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General Fund		\$ 35,926
Plant Facilities Bus	\$ 31,725	
Food Service	\$ 4,201	

The interfund transfer from the General Fund to the Plant Facilities Bus Fund in the amount of \$31,725 is State required bus depreciation. The transfer from the General Fund to the Food Service Fund are to cover operations as per the budget. 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, 2023.

**NOTE 5 CAPITAL ASSETS**

A summary of Capital Assets is as follows:

	<b><u>Balance</u></b>	<b><u>Capital</u></b>	<b><u>Sales &amp;</u></b>	<b><u>Balance</u></b>
	<b><u>06/30/22</u></b>	<b><u>Acquisitions</u></b>	<b><u>Other</u></b>	<b><u>06/30/23</u></b>
			<b><u>Dispositions</u></b>	
<b>Non-depreciable Assets</b>				
Land	\$ 18,191	\$ -	\$ -	\$ 18,191
Work in Progress	-	-	-	-
Total Cost	<u>\$ 18,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,191</u>
<b>Depreciable Assets</b>				
Buildings/Sites	\$ 5,036,358	\$ 207,018	\$ -	\$ 5,243,376
Building Improvements	1,320,353	41,180	-	1,361,533
Equipment	1,665,451	173,282	-	1,838,733
Transportation	<u>993,941</u>	<u>-</u>	<u>-</u>	<u>993,941</u>
Total Cost	<u>\$ 9,016,103</u>	<u>\$ 421,480</u>	<u>\$ -</u>	<u>\$ 9,455,773</u>
<b>Accumulated Depreciation</b>				
Buildings/Sites	\$ 3,479,858	\$ 151,662	\$ -	\$ 3,631,520
Building Improvements	658,577	61,615	-	720,191
Equipment	1,339,984	89,971	-	1,429,955
Transportation	<u>759,214</u>	<u>41,930</u>	<u>-</u>	<u>801,145</u>
Total Accum. Deprec.	<u>\$ 6,237,633</u>	<u>\$ 345,178</u>	<u>\$ -</u>	<u>\$ 6,582,811</u>
<b>Net Capital Assets</b>	<u>\$ 2,796,661</u>	<u>\$ 76,302</u>	<u>\$ -</u>	<u>\$ 2,872,963</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**NOTE 5 CAPITAL ASSETS, continued**

Depreciation expense was charged to functions as follows:

Elementary	\$ 121,299
Secondary	121,299
Plant Services	30,325
School Administration	30,325
Pupil Transportation	<u>41,930</u>
Total	<u>\$ 345,178</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, 2023:

	<u>Net Pension Liability</u>	<u>Total</u>
Long-Term Obligations June 30, 2022	\$ -	\$ -
Obligations Incurred/Removed	2,363,913	2,363,913
Obligations Paid	<u>-</u>	<u>-</u>
Long-Term Obligations June 30, 2023	\$ <u>2,363,913</u>	\$ <u>2,363,913</u>
Due Within One Year	\$ -	\$ -

**NOTE 7 PENSION PLAN**

*Plan Description*

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

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

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**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, 2022, 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 \$282,597 for the year ended June 30, 2023.

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

At June 30, 2023 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, 2022, 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, 2022, the District's proportion was .06001671%.

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**NOTE 7 PENSION PLAN (continued)**

For the year ended June 30, 2023, the Butte County School District recognized pension expense of \$601,018. At June 30, 2023, 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	\$ 259,944	\$ 10,551
Changes in assumptions or other inputs	385,389	-
Net difference between projected and actual earnings on pension plan investments	543,908	-
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	282,597	-
<b>TOTAL</b>	<b>\$ 1,471,838</b>	<b>\$ 10,551</b>

\$282,597 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, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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, 2023:**

2023	\$ 281,868
2024	\$ 305,994
2025	\$ 141,522
2026	\$ 449,306
2027	\$ -
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, 2023**

**NOTE 7 PENSION PLAN (continued)**

The total pension liability in the June 30, 2023 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%

**Contributing Members, Service Retirement Members, and Beneficiaries**

- General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
- General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
- Teachers – Males Pub-2010 Teacher Tables, increased 12%
- Teachers – Females Pub-2010 Teacher Tables, increased 21%
- Fire & Police – Males Pub-2010 Safety Tables, increased 21%
- Fire & Police – Females Pub-2010 Safety Tables, increased 26%
- 5% of Fire and Police active member deaths are assumed to be duty
- Disabled Members – Males Pub-2010 Disabled Tables, increased 38%
- Disabled Members – Females Pub-2010 Disabled Tables, increased 36%=  
=

Assumptions used to calculate the enclosed figures are described in our 2021 Experience Study. The Total Pension Liability as of June 30, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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.



**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**NOTE 7 PENSION PLAN (continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25)%
TIPS	10.00%	(0.30)%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

*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:

	<b>1% Decrease (5.35%)</b>	<b>Current Discount Rate (6.35%)</b>	<b>1% Increase (7.35%)</b>
Proportionate share of the net pension liability (asset)	4,172,074	2,363,913	883,979

*Pension plan fiduciary net position*

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

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

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Notes to the Basic Financial Statements  
June 30, 2023**

**NOTE 8 COMPENSATED ABSENCES**

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

**NOTE 9 NON-MONETARY TRANSACTIONS**

The District received commodities from the U.S. Government valued at \$9,904. 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	\$ 11,444
Property Taxes – Bond Fund	0
Property Taxes – Plant Facility Fund	<u>7,797</u>
 Total Deferred Revenue	 <u>\$ 19,241</u>

**NOTE 11 EXCESS OF EXPENDITURES OVER APPROPRIATION**

The following individual funds have an excess of expenditures over appropriations at June 30, 2023:

<u>Fund</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Actual</u> <u>Expenditures</u>	<u>Excess Over</u> <u>Budget</u>
ARPA IDEA	\$ -	\$ 17,714	\$ 17,714
Learning Loss	45,933	82,892	36,959
Title I – CSI UP	27,553	41,178	13,625

**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, 2023**

**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 24, 2023 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, 2023:

<u>Fund</u>	<u>Deficit Amount</u>
Perkins III Professional Tech. Act	\$ 15,000

**NOTE 16 ECONOMIC DEPENDENCY**

The District is economically reliant on the State of Idaho, from which it received approximately \$3,815,860 or 69% 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, 2023, the district paid 1.16% of the wages covered by PERSI to the State of Idaho. Upon retirement, one-half of the employee's accumulated sick leave is transferred from the sick leave pool established by PERSI to the individual employee's retirement account. These funds are used to pay post-retirement health insurance premiums.

**NOTE 18 PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were made in the general fund and in the non-major special revenue funds to correct the prior year ending fund balances. The fund balances in the non-major special revenue funds decreased by \$17,111, while the fund balance in the general fund increased by \$17,111.

**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, 2023**

<b>GENERAL FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Local sources.....	\$ 178,686	\$ 208,326	\$ 197,277	\$ (11,049)
Other local revenues.....	85,210	167,477	188,376	20,899
State sources.....	3,050,601	3,631,070	3,632,030	960
Federal sources.....	-	-	-	-
Total Revenues.....	<u>\$ 3,314,497</u>	<u>\$ 4,006,873</u>	<u>\$ 4,017,683</u>	<u>\$ 10,810</u>
<b>EXPENDITURES</b>				
Instruction Programs:				
Elementary.....	\$ 1,044,529	\$ 1,132,998	\$ 1,007,761	\$ 125,237
Secondary.....	980,145	1,044,224	957,687	86,537
Exceptional child.....	188,412	198,226	185,887	12,339
Preschool.....	31,674	18,887	7,337	11,550
Interscholastic program.....	77,554	86,022	74,948	11,074
Support Service Programs:				
Attendance and guidance.....	74,128	74,831	71,731	3,100
Special services.....	88,797	83,078	24,848	58,230
Instruction improvement.....	-	-	4,880	(4,880)
Education media.....	29,832	31,661	31,345	316
Board of education.....	22,850	33,612	25,377	8,235
Administration - district.....	415,259	461,801	342,325	119,476
Administration - school.....	284,277	230,818	160,654	70,164
Janitorial - buildings.....	250,033	321,108	290,740	30,368
Building maintenance.....	236,852	279,504	194,703	84,801
Transportation - pupils.....	272,951	317,762	270,308	47,454
Transportation - activity.....	35,068	29,870	25,471	4,399
Transportation - other.....	11,925	12,025	5,128	6,897
Non-Instructional Programs:				
Food services.....	-	-	-	-
Debt service.....	-	-	-	-
Capital assets.....	118,500	169,895	105,142	64,753
Total Expenditures.....	<u>\$ 4,162,786</u>	<u>\$ 4,526,322</u>	<u>\$ 3,786,272</u>	<u>\$ 740,050</u>
Excess Revenues over expenditures.....	\$ (848,289)	\$ (519,449)	\$ 231,411	\$ 750,860
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ (183,668)	\$ (300,000)	\$ (35,926)	\$ 264,074
Other Financing Sources.....	-	-	-	-
Excess Revenues and Other Sources.....	<u>\$ (1,031,957)</u>	<u>\$ (819,449)</u>	<u>\$ 195,485</u>	<u>\$ 1,014,934</u>
<b>FUND BALANCE</b>				
Beginning Balance.....	1,300,940	1,300,940	1,300,940	-
Ending Balance.....	<u>\$ 268,983</u>	<u>\$ 481,491</u>	<u>\$ 1,496,425</u>	<u>\$ 1,014,934</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, 2023**

<b><u>FEDERAL FOREST RESERVE</u></b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Federal sources.....	-	103,434	125,781	22,347
Total Revenues.....	\$ -	\$ 103,434	\$ 125,781	\$ 22,347
<b>EXPENDITURES</b>				
Non-Instructional Programs:				
Special services.....	\$ -	\$ -	\$ -	\$ -
Total Expenditures.....	\$ -	\$ -	\$ -	\$ -
Excess Revenues over expenditures.....	\$ -	\$ 103,434	\$ 125,781	\$ 22,347
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ -	\$ 103,434	\$ 125,781	\$ 22,347
<b>FUND BALANCE</b>				
Beginning Balance.....	487,186	487,186	487,186	-
Ending Balance.....	\$ 487,186	\$ 590,620	\$ 612,967	\$ 22,347

**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, 2023

<b>FOOD SERVICE FUND</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local revenues.....	\$ 53,500	\$ 93,095	\$ 96,676	\$ 3,581
Federal sources.....	87,000	110,000	126,925	16,925
Total Revenues.....	\$ 140,500	\$ 203,095	\$ 223,601	\$ 20,506
<b>EXPENDITURES</b>				
Non-Instructional Programs:				
Food services.....	\$ 152,017	\$ 272,084	\$ 218,116	\$ 53,968
Total Expenditures.....	\$ 152,017	\$ 272,084	\$ 218,116	\$ 53,968
Excess Revenues over expenditures.....	\$ (11,517)	\$ (68,989)	\$ 5,485	\$ 74,474
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ 8,500	\$ 4,201	\$ 4,201	\$ -
Excess Revenues and Other Sources.....	\$ (3,017)	\$ (64,788)	\$ 9,686	\$ 74,474
<b>FUND BALANCE</b>				
Beginning Balance.....	64,788	64,788	64,788	-
Ending Balance.....	\$ 61,771	\$ -	\$ 74,474	\$ 74,474

**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, 2023**

<b><u>DEBT SERVICE FUND</u></b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes.....	\$ -	\$ 19,370	\$ 19,370	\$ -
Other local revenues.....	-	-	-	-
State revenues.....	-	-	-	-
Total revenues.....	\$ -	\$ 19,370	\$ 19,370	\$ -
<b>EXPENDITURES</b>				
Debt service				
Principal.....	\$ -	\$ -	\$ -	\$ -
Interest.....	-	-	-	-
Total expenditures.....	\$ -	\$ -	\$ -	\$ -
Excess Revenues over expenditures.....	\$ -	\$ 19,370	\$ 19,370	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ -	\$ 19,370	\$ 19,370	\$ -
<b>FUND BALANCE</b>				
Beginning Balance.....	-	-	-	-
Ending Balance.....	\$ -	\$ 19,370	\$ 19,370	\$ -



**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, 2023**

<b><u>CAPITAL CONSTRUCTION FUND</u></b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local revenues.....	\$ -	\$ -	\$ -	\$ -
Interest and Proceeds.....	-	-	-	-
<b>Total Revenues.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>				
Operations.....	\$ -	\$ -	\$ -	\$ -
Capital outlay.....	-	245,231	16,500	228,731
<b>Total Expenditures.....</b>	<b>\$ -</b>	<b>\$ 245,231</b>	<b>\$ 16,500</b>	<b>\$ 228,731</b>
Excess Revenues over expenditures.....	\$ -	\$ (245,231)	\$ (16,500)	\$ 228,731
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ (100,000)	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ (100,000)	\$ (245,231)	\$ (16,500)	\$ 228,731
<b>FUND BALANCE</b>				
Beginning Balance.....	245,231	245,231	245,231	-
Ending Balance.....	<b>\$ 145,231</b>	<b>\$ -</b>	<b>\$ 228,731</b>	<b>\$ 228,731</b>

**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, 2023**

<b><u>PLANT FACILITY FUND</u></b>	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes.....	\$ 103,000	\$ 105,000	\$ 108,028	\$ 3,028
Earnings on investments.....	-	800	1,039	239
State sources.....	41,577	41,577	39,366	(2,211)
Other revenues.....	-	-	-	-
Total Revenues.....	<u>\$ 144,577</u>	<u>\$ 147,377</u>	<u>\$ 148,433</u>	<u>\$ 1,056</u>
<b>EXPENDITURES</b>				
Operations.....	\$ -	\$ -	\$ -	\$ -
Capital outlay.....	196,042	441,987	258,665	183,322
Total Expenditures.....	<u>\$ 196,042</u>	<u>\$ 441,987</u>	<u>\$ 258,665</u>	<u>\$ 183,322</u>
Excess Revenues over expenditures.....	\$ (51,465)	\$ (294,610)	\$ (110,232)	\$ 184,378
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ 34,668	\$ 57,500	\$ 31,725	\$ (25,775)
Excess Revenues and Other Sources.....	\$ (16,797)	\$ (237,110)	\$ (78,507)	\$ 158,603
<b>FUND BALANCE</b>				
Beginning Balance.....	804,224	804,224	804,224	-
Ending Balance.....	<u>\$ 787,427</u>	<u>\$ 567,114</u>	<u>\$ 725,717</u>	<u>\$ 158,603</u>

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

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Employer's portion of the net pension liability	0.0645249%	0.0604514%	0.0600167%
Employer's proportionate share of the net pension liability	\$ 1,498,353	\$ (47,743)	\$ 2,363,913
Employer's covered-employee payroll	\$ 2,288,074	\$ 2,246,812	\$ 2,356,580
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	65.49%	-2.12%	100.31%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	100.36%	83.09%

- Data reported is measured as of June 30, 2022

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Employer's portion of the net pension liability	0.0608815%	0.0626295%	0.0651381%
Employer's proportionate share of the net pension liability	\$ 956,953	\$ 923,796	\$ 743,533
Employer's covered-employee payroll	\$ 1,880,968	\$ 2,004,392	\$ 2,203,004
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	50.88%	46.09%	33.75%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	91.69%	93.79%

- Data reported is measured as of June 30, 2022

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

	<b>2015</b>	<b>2016</b>	<b>2017</b>
Employer's portion of the net pension liability	0.0661965%	0.0609341%	0.0608423%
Employer's proportionate share of the net pension liability	\$ 487,310	\$ 802,403	\$ 1,233,367
Employer's covered-employee payroll	\$ 1,789,255	\$ 1,700,737	\$ 1,761,646
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	28.57%	50.81%	65.23%
Plan fiduciary net position as a percentage of the total pension liability	94.95%	91.38%	87.26%

- Data reported is measured as of June 30, 2022

\* 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\***

	2021		2022		2023
Statutorily required contribution	\$ 253,158	\$	238,680	\$	277,917
Contributions in relation to the statutorily required contribution	\$ 277,869	\$	272,606	\$	285,930
Contribution (deficiency) excess	\$ 24,711	\$	33,927	\$	8,012
Employer's covered-employee payroll	\$ 2,288,074	\$	2,246,812	\$	2,356,580
Contributions as a percentage of covered-employee payroll	12.14%		12.13%		12.13%

- Data reported is measured as of June 30, 2022

*\* 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.*

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

- Data reported is measured as of June 30, 2022

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

	2015		2016		2017
Statutorily required contribution	\$ 215,166	\$	199,317	\$	180,861
Contributions in relation to the statutorily required contribution	\$ 205,862	\$	204,501	\$	203,234
Contribution (deficiency) excess	\$ (9,304)	\$	5,184	\$	22,373
Employer's covered-employee payroll	\$ 1,789,255	\$	1,700,737	\$	1,761,646
Contributions as a percentage of covered-employee payroll	11.51%		12.02%		11.54%

- Data reported is measured as of June 30, 2022

*\* 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, 2023**

**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, 2023, 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, 2023**

ASSETS	Albertson Grant	Building Capacity	Grants Fund	Student Occupied Buildings	Drivers Education State	Mastery Grant	Professional Technical State	Technology State
Cash.....	\$ -	\$ -	\$ 18,961	\$ 211,398	\$ 1,723	\$ -	\$ 23,099	\$ 22,261
Other receivable.....	-	-	-	-	-	-	-	-
Prepaid expenses.....	-	-	-	-	-	-	-	6,789
Total Assets.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,961</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 23,099</u>	<u>\$ 29,050</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>\$ 18,961</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 23,098</u>	<u>\$ 29,050</u>
Total Liabilities and Fund Balance....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,961</u>	<u>\$ 211,398</u>	<u>\$ 1,723</u>	<u>\$ -</u>	<u>\$ 23,099</u>	<u>\$ 29,050</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2023**

ASSETS	Student Activity Fund	Substance Abuse State	ESSER III	Title I-A ESEA Imp. Basic Programs	CARES Act	ARPA IDEA	Title VI-B IDEA School-Age
Cash.....	\$ 154,312	\$ 16,982	\$ (30,758)	\$ (14,925)	\$ (44,855)	\$ -	\$ 11,422
Other receivable.....	-	-	30,758	24,044	58,497	-	8,725
Prepaid expenses.....	-	-	-	-	-	-	-
Total Assets.....	<u>\$ 154,312</u>	<u>\$ 16,982</u>	<u>\$ -</u>	<u>\$ 9,119</u>	<u>\$ 13,642</u>	<u>\$ -</u>	<u>\$ 20,147</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,163
Salaries payable.....	-	-	-	7,625	11,407	-	12,529
Benefits payable.....	-	-	-	1,494	2,235	-	2,455
Interfund payable.....	-	-	-	-	-	-	-
Total Liabilities.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,119</u>	<u>\$ 13,642</u>	<u>\$ -</u>	<u>\$ 20,147</u>

**FUND BALANCE**

Undesignated.....	\$ 154,312	\$ 16,982	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balance....	<u>\$ 154,312</u>	<u>\$ 16,982</u>	<u>\$ -</u>	<u>\$ 9,119</u>	<u>\$ 13,642</u>	<u>\$ -</u>	<u>\$ 20,147</u>



**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS**  
**June 30, 2023**

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								
\$ 2,093	\$ 2,174	\$ -	\$ (15,000)	\$ 999	\$ -	\$ -	\$ -	\$ 8,919	\$ 368,805
192	-	-	-	-	-	-	-	-	122,216
-	-	-	-	-	-	-	-	-	6,789
<u>\$ 2,285</u>	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919</u>	<u>\$ 497,810</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,164
1,911	2,173	-	-	958	-	-	-	-	36,603
374	1	-	-	41	-	-	-	-	6,600
-	-	-	-	-	-	-	-	-	-
<u>\$ 2,285</u>	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,367</u>
\$ -	\$ -	\$ -	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ 8,919	\$ 449,443
<u>\$ 2,285</u>	<u>\$ 2,174</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,919</u>	<u>\$ 497,810</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**NON MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	Albertson Grant	Building Capacity	Grants Fund	Student Occupied Buildings	Drivers Education State	Mastery Grant	Professional Technical State
<b>REVENUES</b>							
Other local revenues.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources.....	-	-	-	-	-	40,000	14,031
Federal sources.....	-	-	-	-	-	-	-
Total Revenues.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 14,031
<b>EXPENDITURES</b>							
Elementary.....	\$ -	\$ -	\$ 770	\$ -	\$ -	\$ 7,012	\$ -
Secondary.....	-	-	15,214	-	-	32,988	17,584
Exceptional child.....	-	-	-	-	-	-	-
Preschool.....	-	-	-	-	-	-	-
Capital assets.....	-	-	-	-	-	-	2,118
Attendance and guidance.....	-	-	-	-	-	-	-
Special services.....	-	-	-	-	-	-	-
Instructional improvement.....	-	-	-	-	-	-	-
Administration - district.....	-	-	-	-	-	-	-
Community services.....	-	-	-	-	-	-	-
Building maintenance.....	-	-	-	-	-	-	-
Total Expenditures.....	\$ -	\$ -	\$ 15,984	\$ -	\$ -	\$ 40,000	\$ 19,702
Excess Revenues over Expenditures.....	\$ -	\$ -	\$ (15,984)	\$ -	\$ -	\$ -	\$ (5,671)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ -	\$ -	\$ (15,984)	\$ -	\$ -	\$ -	\$ (5,671)
<b>FUND BALANCE</b>							
Beginning Balance.....	\$ -	\$ -	\$ 34,945	\$ 211,398	\$ 1,723	\$ -	\$ 28,769
Prior Period Adjustment.....	-	-	-	-	-	-	-
Ending Balance.....	\$ -	\$ -	\$ 18,961	\$ 211,398	\$ 1,723	\$ -	\$ 23,098

**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, 2023**

	Student Activity Fund	Technology State	Substance Abuse State	ESSER III	Title I-A, ESEA Imp. Basic Programs	CARES Act	ARPA IDEA	Title VI-B IDEA School-Age
<b>REVENUES</b>								
Other local revenues.....	\$ 210,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources.....	-	54,496	6,543	-	-	-	-	-
Federal sources.....	-	-	-	61,109	105,130	142,798	17,714	115,294
Total Revenues.....	\$ 210,877	\$ 54,496	\$ 6,543	\$ 61,109	\$ 105,130	\$ 142,798	\$ 17,714	\$ 115,294
<b>EXPENDITURES</b>								
Elementary.....	\$ -	\$ -	\$ 2,112	\$ -	\$ 105,076	\$ 16,323	\$ -	\$ -
Secondary.....	-	64,165	1,748	5,434	54	63,518	-	-
Exceptional child.....	-	-	-	-	-	-	16,277	95,754
Preschool.....	-	-	-	-	-	-	1,437	-
Capital assets.....	-	9,081	-	-	-	7,672	-	-
Attendance and guidance.....	-	-	-	-	-	-	-	-
Special services.....	-	-	6,977	-	-	-	-	19,540
Instructional improvement.....	-	-	-	-	-	-	-	-
Administration - district.....	-	-	-	-	-	-	-	-
Community services.....	193,792	-	-	-	-	-	-	-
Building maintenance.....	-	-	-	55,675	-	55,285	-	-
Total Expenditures.....	\$ 193,792	\$ 73,246	\$ 10,837	\$ 61,109	\$ 105,130	\$ 142,798	\$ 17,714	\$ 115,294
Excess Revenues over Expenditures.....	\$ 17,085	\$ (18,750)	\$ (4,294)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers - To (From).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess Revenues and Other Sources.....	\$ 17,085	\$ (18,750)	\$ (4,294)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>								
Beginning Balance.....	\$ 137,227	\$ 47,800	\$ 21,276	\$ 36,847	\$ 4,741	\$ 42,538	\$ -	\$ (41,186)
Prior Period Adjustment.....	-	-	-	(36,847)	(4,741)	(42,538)	-	41,186
Ending Balance.....	\$ 154,312	\$ 29,050	\$ 16,982	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2023**

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
\$ -	\$ 6,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,820
-	-	-	-	-	-	-	-	-	115,070
12,894	-	21,500	-	22,557	82,891	57,093	-	50,097	689,077
\$ 12,894	\$ 6,943	\$ 21,500	\$ -	\$ 22,557	\$ 82,891	\$ 57,093	\$ -	\$ 50,097	\$ 1,021,967
\$ -	\$ -	\$ -	\$ -	\$ 15,101	\$ 34,156	\$ -	\$ -	\$ 41,178	\$ 221,728
-	-	-	3,854	7,456	33,079	-	-	-	245,094
-	6,943	-	-	-	-	-	-	-	118,974
12,894	-	-	-	-	-	-	-	-	14,331
-	-	-	11,146	-	-	-	-	-	30,017
-	-	-	-	-	15,656	-	-	-	15,656
-	-	-	-	-	-	-	-	-	26,517
-	-	21,500	-	-	-	-	-	-	21,500
-	-	-	-	-	-	57,093	-	-	57,093
-	-	-	-	-	-	-	-	-	193,792
-	-	-	-	-	-	-	-	-	110,960
\$ 12,894	\$ 6,943	\$ 21,500	\$ 15,000	\$ 22,557	\$ 82,891	\$ 57,093	\$ -	\$ 41,178	\$ 1,055,662
\$ -	\$ -	\$ -	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ 8,919	\$ (33,695)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ 8,919	\$ (33,695)
\$ (3,887)	\$ 15,231	\$ -	\$ (8,751)	\$ (3,604)	\$ (500)	\$ -	\$ -	\$ (24,318)	\$ 500,249
3,887	(15,231)	-	8,751	3,604	500	-	-	24,318	(17,111)
\$ -	\$ -	\$ -	\$ (15,000)	\$ -	\$ -	\$ -	\$ -	\$ 8,919	\$ 449,443

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND**  
**June 30, 2023**

<b>ASSETS</b>	<b>Plant Facility</b>	<b>Plant Facility Bus</b>	<b>Capital Construction</b>	<b>Total Capital Projects</b>
Cash.....	\$ 551,458	\$ 144,451	\$ 236,981	\$ 932,890
Receivables:				
Local sources.....	37,605	-	-	37,605
Total Assets.....	<u>\$ 589,063</u>	<u>\$ 144,451</u>	<u>\$ 236,981</u>	<u>\$ 970,495</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable.....	-	-	8,250	8,250
Deferred revenue.....	7,797	-	-	7,797
Total Liabilities.....	<u>\$ 7,797</u>	<u>\$ -</u>	<u>\$ 8,250</u>	<u>\$ 16,047</u>
 <b>FUND BALANCE</b>				
Assigned.....	581,266	144,451	228,731	954,448
Total Liabilities and Fund Balance.....	<u>\$ 589,063</u>	<u>\$ 144,451</u>	<u>\$ 236,981</u>	<u>\$ 970,495</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2023**

	Plant Facility	Plant Facility Bus	Capital Construction	Total Capital Projects
<b>REVENUES</b>				
Local Taxes.....	\$ 108,028	\$ -	\$ -	\$ 108,028
Other local revenues.....	-	1,039	-	1,039
State sources.....	39,366	-	-	39,366
Federal sources.....	-	-	-	-
Total Revenues.....	\$ 147,394	\$ 1,039	\$ -	\$ 148,433
<b>EXPENDITURES</b>				
Elementary.....	\$ -	\$ -	\$ -	\$ -
Secondary.....	-	-	-	-
Exceptional child.....	-	-	-	-
Preschool.....	-	-	-	-
Capital assets.....	7,907	-	16,500	24,407
Special services.....	-	-	-	-
Instructional improvement.....	-	-	-	-
Administration - district.....	-	-	-	-
Building maintenance.....	250,758	-	-	250,758
Total Expenditures.....	\$ 258,665	\$ -	\$ 16,500	\$ 275,165
Excess Revenues over Expenditures.....	\$ (111,271)	\$ 1,039	\$ (16,500)	\$ (126,732)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - To (From).....	\$ -	\$ 31,725	\$ -	\$ 31,725
Excess Revenues and Other Sources.....	\$ (111,271)	\$ 32,764	\$ (16,500)	\$ (95,007)
<b>FUND BALANCE</b>				
Beginning Balance.....	\$ 692,537	\$ 111,687	\$ 245,231	\$ 1,049,455
Prior Period Adjustment.....	-	-	-	-
Ending Balance.....	\$ 581,266	\$ 144,451	\$ 228,731	\$ 954,448

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**Combining Schedule of Changes in Cash**  
**Student Activity Accounts**  
**For the Year Ended June 30, 2023**

<u>Account Name</u>	<u>Beginning Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Balance</u>
Butte County High School.....	\$ 127,732	\$ 203,388	\$ 190,930	\$ 140,190
Arco Elementary.....	9,165	7,189	2,862	13,492
Howe Elementary.....	330	300	-	630
	<u>\$ 137,227</u>	<u>\$ 210,877</u>	<u>\$ 193,792</u>	<u>\$ 154,312</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**  
**Statement of Cash Receipts and Disbursements Student Activity Accounts - High School**  
**For the Year Ended June 30, 2023**

Account Name	Beginning Balance	Cash Receipts	Cash Disbursed	Ending Balance
Athletics.....	\$ 19,299	\$ 42,379	\$ 35,952	\$ 25,726
Boys Basketball.....	6,890	11,390	13,781	4,499
Cheerleaders.....	1,395	3,505	3,713	1,187
Cheerleaders MS.....	-	400	-	400
5th/6th Dust Tournament Funds.....	964	7,012	6,976	1,000
Wish Upon A Star.....	10,000	-	-	10,000
Class of 2022.....	1,924	-	1,924	-
Class of 2023.....	1,740	829	2,334	235
Class of 2024.....	2,145	2,047	1,555	2,637
Class of 2025.....	1,030	362	282	1,110
Class of 2026.....	35	42	-	77
Class of 2027- 2028.....	5	-	-	5
Cross Country.....	4,696	4,822	5,267	4,251
Cross Country Running Club.....	-	534	-	534
Diane's Technology.....	192	-	-	192
Diversity Club.....	90	-	-	90
Driver's ED.....	2,700	-	-	2,700
Football.....	1,314	18,256	19,359	211
General Fund.....	2,169	735	1,561	1,343
Girls Basketball.....	5,697	4,358	3,775	6,280
IDLA.....	1,600	3,485	4,860	225
Laptop.....	13,256	2,260	1,380	14,136
Lost Book Fund.....	33	15	33	15
Math & Science Department.....	2,181	5,021	6,262	940
MS Boys Basketball.....	2,352	2,384	2,410	2,326
MS Football.....	86	-	-	86
MS Girls Basketball.....	677	4,448	3,181	1,944
MS Volleyball.....	117	1,069	1,065	121
Music.....	9,663	15,680	5,392	19,951
Sales Tax.....	53	3,414	3,041	426
Scholarships/Scholastic/Journalism....	424	-	-	424
Science Grant.....	3,330	-	-	3,330
Senior Project.....	685	-	-	685
Ski Club.....	810	-	-	810
Slurpy Athletic Fund.....	936	-	-	936
Student Activity.....	-	213	-	213
Student Council HS.....	3,308	3,224	2,323	4,209
Teen Living/Adult Living.....	-	200	-	200
Testing Funds.....	105	-	-	105
Track & Field.....	2,426	8,055	8,396	2,085
Travel.....	73	26,105	25,700	478
Uniforms.....	818	860	749	929
Memorial Funds.....	2,960	-	2,110	850
Volleyball.....	1,727	7,483	5,113	4,097
Welding.....	4,288	1,920	5,320	888
Wrestling.....	10	-	-	10
Yearbook.....	390	10,348	6,147	4,591
Weight Room.....	150	-	69	81
HUDL.....	12,989	10,533	10,900	12,622
	<u>\$ 127,732</u>	<u>\$ 203,388</u>	<u>\$ 190,930</u>	<u>\$ 140,190</u>

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



# JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 50700

185 S. CAPITAL

IDAHO FALLS, IDAHO 83405-0700

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governments Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Butte County School District #111 as of and for the year ended June 30, 2023, 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 24, 2023.

### 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 2023-01 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 24, 2023

# JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 50700

185 S. CAPITAL

IDAHO FALLS, IDAHO 83405-0700

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

ROBERT B. POULSEN, C.P.A.

SHERI L. POULSEN, C.P.A.

TELEPHONE: (208) 522-2295

(208) 522-1330

FAX: (208) 522-2297

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

To the Board of Trustees, Superintendent, and Business Manager  
Butte County School District #111  
Arco, Idaho 83213

### Report on Compliance for Each Major Federal Program

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

We have audited Butte County School District #111's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Butte County School District #111's major federal programs for the year ended June 30, 2023. Butte County School District #111's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Butte County School District #111 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### *Basis for Opinion on Each Major Federal Program*

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

We are required to be independent of Butte County School District #111 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Butte County School District #111's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Butte County School District #111's federal programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Butte County School District #111's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore

is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Butte County School District #111's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Butte County School District #111's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Butte County School District #111's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Butte County School District #111's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control over Compliance**

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

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

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

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

Jensen Poulsen & Company, PLLC

**JENSEN POULSEN & COMPANY, PLLC**  
Certified Public Accountants

Idaho Falls, ID  
October 24, 2023

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2023**

**Pass Through Entitlement/Grants**

	<u>Federal CFDA No.</u>	<u>Passed Through to Subrecipients</u>	<u>Accrued Grant and Loan Disbursements</u>
<b><u>U. S. Department of Agriculture</u></b>			
School Breakfast	10.553		\$ 8,555
National School Lunch	10.555		102,417
Summer Food Service Program for Children	10.559		<u>5,995</u>
Total			<u>\$ 116,967</u>
<b><u>U.S. Department of Treasury</u></b>			
Coronavirus State and Local Relief Funds	21.027		\$ <u>57,093</u>
Total			<u>\$ 57,093</u>
<b><u>U. S. Department of Education</u></b>			
Chapter I Basic and Concentration Grants	84.010		\$ 225,094
Handicapped State Grants, PART B, IDEA	84.027		133,008
Vocational Education Basic Grants to States	84.048		8,418
Handicapped – Preschool Grants	84.173		12,894
Improving Teacher Quality State Grant	84.367		22,547
Student Support and Academic Enrichment	84.424		21,503
Education Stabilization Fund under the Cares Act	84.425		<u>256,040</u>
Total			<u>\$ 679,504</u>
Total Expenditures			<u>\$ 853,564</u>

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2023**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Butte County School District #111 under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Butte County School District #111, it is not intended to and does not present the financial position, changes in net position, or cash flows of Butte County School District #111.

**NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C INDIRECT COST RATE**

Butte County School District #111 has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Schedule of Findings and Questioned Costs  
June 30, 2023**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	No
Type of auditors’ report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516?	No

**Identification of Major Programs:**

Chapter 1 Basic and Concentration Grants	84,010
Education Stabilization Fund under the Cares Act	84,425

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Findings**

2023-01 – Segregation of Duties

**Section III – Federal Award Programs Findings**

None

**BUTTE COUNTY SCHOOL DISTRICT #111**

**Schedule of Findings and Responses  
June 30, 2023**

**A. Reportable Conditions**

**2023-01 - 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, 2023**

**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.

**CURRENT STATUS:**

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