

COEUR D'ALENE SCHOOL
DISTRICT NO. 271

FINANCIAL STATEMENT
JUNE 30, 2022

Coeur d'Alene School District No. 271
June 30, 2022

TABLE OF CONTENTS

FINANCIAL SECTION:

Independent Auditor's Report	1 – 3
---	--------------

Management's Discussion and Analysis	4 – 14
---	---------------

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	15
--------------------------------	----

Statement of Activities	16
-------------------------------	----

Governmental Fund Financial Statements:

Balance Sheet	17 – 18
---------------------	---------

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
--	----

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	20 – 21
--	---------

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	22
---	----

Internal Service Funds:

Statement of Net Position.....	23
--------------------------------	----

Statement of Revenues, Expenses, and Changes in Fund Net Position.....	24
--	----

Statement of Cash Flows	25
-------------------------------	----

Notes to Financial Statements.....	26 – 55
------------------------------------	---------

Required Supplementary Information:

Schedule of Employers' Share of Net Pension Asset - PERSI Base Plan.....	56 – 57
--	---------

Schedule of Employer Contributions - PERSI Base Plan	56 – 57
--	---------

GASB 75 Required Supplementary Information.....	58 – 60
---	---------

Coeur d'Alene School District No. 271
June 30, 2022

TABLE OF CONTENTS

FINANCIAL SECTION:

Required Supplementary Information (Continued):

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:

General Fund	61
Child Nutrition Fund.....	62
Title I Fund.....	63

Other Supplementary Information:

Combining Balance Sheet – Nonmajor Governmental Funds – By Fund Type.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds – By Fund Type.....	65
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	66 – 67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	68 – 69
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	71

SINGLE AUDIT SECTION:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72 – 73
Report on Compliance for Each Major Federal Program and Report On Internal Control Over Compliance in Accordance with the Uniform Guidance.....	74 – 76
Schedule of Expenditures of Federal Awards	77
Notes to Schedule of Expenditures of Federal Awards	78
Schedule of Findings and Questioned Costs	79 – 80

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Coeur d'Alene School District No. 271
Coeur d'Alene, ID 83814

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coeur d'Alene School District No. 271, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coeur d'Alene School District No. 271's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Coeur d'Alene School District No. 271, as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Coeur d'Alene School District No. 271 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coeur d'Alene School District No. 271'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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coeur d'Alene School District No. 271's basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards is 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 November 7, 2022, on our consideration of Coeur d'Alene School District No. 271's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271's internal control over financial reporting and compliance.



Magnuson, McHugh & Company, P.A.

November 7, 2022

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

The management's discussion and analysis of the Coeur d'Alene School District No. 271's (the "School District") financial performance provides an overall review of financial activities for the fiscal year. Efforts have been made to provide comparison to prior year data when such data is available.

FINANCIAL HIGHLIGHTS

State Revenue Increases for 2021-22 Fiscal Year

Fall enrollment increased by 130 students during the 2021-22 fiscal year as compared to the same reporting period in 2020-21. Enrollment as of 2021-22 was still down from 2019-20 pre-COVID number by 884 students. A slight increase in enrollment, together with enrollment based funding, discretionary funding increases and no freeze on the Public Education Stabilization Fund (PESF) resulted in a \$5.38M increase in state revenues for the general fund compared to prior year. State revenues in the general fund came in \$3.18M above budget during the 2021-22 fiscal year. The variance to budget was due to a switch from ADA to enrollment based funding and the elimination of the expected PESF freeze that was expected in the 2021-22 budget process.

General Fund Balance Increases over the 2021-22 Fiscal Year

The School District's ending fund balance increased by \$887K in the general fund compared to the prior year. There were a number of factors causing the increase in fund balance:

- As discussed above, state funding was based on enrollment instead of attendance and the District experienced a slight growth in enrollment compared to 2020-21.
- The State's additional allocation to the education budget to eliminate the PESF freeze that was anticipated at budget adoption.
- In anticipation of a \$6.1M operational deficit, \$5.8M of General Fund salaries were charged to ESSER prior to the enrollment based funding ruling and additional distribution to the state education budget to eliminate a PESF freeze that took place in the spring.
- Savings from vacancies, right sizing personnel from the Spring of 2020, which was used as the baseline for the FY22 budget, and less spending in non-personnel costs (NERCS) due to COVID restrictions on travel and professional development and disruptions in the supply chain.
- A residual equity transfer and commitment of \$5 million from the General Fund to the Plant Facilities Fund (Fund 430) to address the District's underfunded facility, safety and security needs

In addition, there was a prior period adjustment to the General Fund beginning fund balances of \$1.78M. During the FY22 year, the District recognized that the Medicaid Fund should not have had a beginning fund balance due to maintenance of effort (MOE) and revenue recognition requirements for Special Education. Special Education funding must be spent in the following order: 1) state and local General fund dollars to meet the MOE, 2) Medicaid dollars, 3) IDEA Part B federal grants. The beginning fund balance in the Medicaid Fund indicated that Medicaid funds were not spent prior to SPED IDEA part B funds and also indicated that more General Funds dollars were spent in prior years than was required. In order to correct the MOE, the beginning fund balance for the Medicaid Fund had to be reduced to zero, resulting in the balance going back to the General Fund for prior years in which the General Fund over contributed.

At the close of the 2021-22 fiscal year, the \$7,157,668 fund balance consists of \$4.1M committed to contingency reserve and \$795,598 assigned due to various budget carryover and the timing of fiscal year end cut off dates for spending. The ending fund balance exceeds the minimum fund balance requirements outlined in board policy 7215.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FINANCIAL HIGHLIGHTS (CONCLUDED)

General Fund Balance Increases over the 2021-22 Fiscal Year (Concluded)

These fund balances do not reflect the balances of federal COVID relief funds available to the District. Federal COVID relief fund revenues are recorded in the District's financial statements only on a reimbursement basis, so available balances are not reflected in the financial statements. This practice is to remain in compliance with Governmental Accounting Standards. At year end, the District had roughly \$8.2M in unspent federal COVID relief funds available for drawdown. The plan for spending these funds has been discussed and approved in public board meetings and is planned over the course of the next two years. These funds are mainly allocated to items address learning loss, safety and security, and infrastructure maintenance for technology and HVAC systems.

Supplemental Property Tax Levy Revenue Represents 24.4% of General Fund Revenues

In the 2021-22 fiscal year, the School District's supplemental property tax levy generated \$20.14M, 24.4% of the total General Fund revenues for the 2021-22 fiscal year. This revenue comes from a 2-year supplemental property tax levy which has been renewed as of March 9th, 2021 for another two years to expire in June 2023. The levy continues to fund competitive salaries districtwide, school police officers and other safety/security support, curriculum, technology, the replacement cycle for our aging bus fleet, classroom supplies, professional development, basic costs for athletic and competitive activities, nursing staff, and elementary enrichment programs like art and music. The levy supports these programs due to insufficient funding from the state. Beyond these programs, Coeur d'Alene has used the supplemental levy to offer teachers a salary and benefits package that used to be competitive with school districts across the state. Due to the significant increase in home prices and the cost of living in the region, coupled with a flat levy amount, the District is losing its ability to remain competitive with neighboring school districts.

REVENUE AND RESOURCES

Enrollment and Attendance – A key component in preparing the annual budget is a projection of funding from the state. The majority of this funding is based on a formula which measures average daily attendance (ADA). ADA is converted within the formula to support units, which are key drivers of the state funding formula along with staff experience averages. For 2021-22, the State Board of Education made a temporary ruling to fund based on enrollment.

The School District's ADA (based on the best 28 weeks of attendance) generated 512.05 support units for the year, compared to 509.25 from the 2020-21 fiscal year. Final 2021-22 units came in higher than projected mid-year, due to enrollment-based funding.

State Support – State support revenue increased by \$5.38M due to increases in discretionary funding, enrollment-based funding and no PESF freezes.

Bond Interest Stabilization Payment – In 2021-22, the School District received a bond interest stabilization payment of \$127,355. This revenue helps reduce the burden on the local property taxpayer for bond interest.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

EXPENDITURES

There were many significant expenditure changes for the 2021-22 fiscal year in the general fund. All are tied to COVID-related changes in funding, federal COVID relief allocations, and additional unbudgeted costs to respond to COVID:

- Actual expenditures of \$77 million came in \$6.7M lower than budgeted expenditures of \$83.7M. The main cause for this variance is due to \$5.8M of General Fund salaries charged to ESSER in anticipation of a \$6.1M operational deficit, prior to the enrollment based funding ruling and additional distribution to the state education budget to eliminate a PESF freeze that took place in the Spring. Due to revenue recognition requirements, ESSER revenues and associated expenditures were required to be accounted for in a separate fund from the General Fund.
- Completed 2017 Construction Bond projects:
 - **\$366,555** in bond funds remained at completion of the projects in **2020-21**. The funds have been allocated to HVAC at CHS.
- The 2019-20 PERSI Sick Leave benefit rate holiday continued for the full fiscal year. In January 2020, PERSI enacted an employer-side benefit holiday for the sick leave benefit, which is 1.16% on all PERSI-eligible salaries. This accounted for a total savings of roughly \$715,000 across all funds for the 2021-22 fiscal year. This rate holiday has been extended again for the 2022-23 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The comprehensive annual financial report consists of three parts: 1) Management's Discussion and Analysis; 2) basic financial statements, including notes to the financial statements; and 3) other required supplementary information.

The basic financial statements consist of two kinds of statements that present different views of the School District's financial activities.

The statement of net position and statement of activities provide information on a School District wide basis. The statements present a total view of the School District's finances. School District wide statements contain useful long-term information, as well as information for the just-completed fiscal year.

The remaining statements are fund financial statements that focus on individual parts of the School District. Fund statements generally report operations in more detail than the School District wide statements.

The notes to the financial statements provide further detailed explanations of selected areas addressed in the statements. In addition, they provide disclosures so statement users have a complete picture of the School District's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School District's budget data for the year.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The two School District wide statements report the School District's net position and how they have changed. Net position (the difference between the School District's assets and liabilities) is one way to measure the School District's overall financial position.

Increases or decreases in the School District's net position are one indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall financial condition of the School District, additional non-financial factors, such as changes in the School District's property tax base and the condition of school buildings and other facilities, should be considered.

In the School District wide financial statements, the School District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. In addition, the School District reports internal service activities on a separate statement. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

DISTRICT-WIDE STATEMENTS (CONTINUED)

Table 1
Statement of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
ASSETS:		
Cash and cash equivalents	\$ 24,318,645	\$ 20,728,902
Receivables	16,882,521	15,311,516
Prepaid expenses	637,400	436,675
Inventory	164,425	133,229
Net OPEB asset - PERSI	4,956,381	4,202,453
Net pension asset	1,203,624	-
Land	6,385,555	6,385,555
Construction in progress	-	2,407,372
Capital assets, net of accumulated depreciation	103,383,884	106,528,255
Right of use leases, net of accumulated amortization	2,468,638	-
Total assets	<u>160,401,073</u>	<u>156,133,957</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Proportionate share of deferred outflows of OPEB resources	1,289,335	584,344
Deferred outflows of OPEB resources - District	1,650,876	1,035,930
Proportionate share of deferred outflows of pension resources	22,589,889	15,041,822
Total deferred outflows of resources	<u>25,530,100</u>	<u>16,662,096</u>
LIABILITIES:		
Accounts payable	783,101	3,285,139
Accrued payroll and related costs	10,175,895	11,497,844
Interest payable	430,106	468,373
Lease liability - due within one year	1,113,391	-
Bonds payable - due within one year	3,325,000	3,195,000
Noncurrent liabilities:		
Compensated absences	229,530	239,262
Compensated absences	1,667,742	-
Bonds payable	39,443,036	43,277,519
Net pension liability	-	35,166,956
Total OPEB liability - District	4,249,449	4,287,274
Total liabilities	<u>61,417,250</u>	<u>101,417,367</u>
DEFERRED INFLOWS OF RESOURCES:		
Proportionate share of deferred inflows of OPEB resources	2,263,906	1,075,033
Deferred inflows of OPEB resources - District	880,030	73,368
Proportionate share of deferred inflows of pension resources	38,371,155	1,148,279
Total deferred inflows of resources	<u>41,515,091</u>	<u>2,296,680</u>
NET POSITION:		
Net investment in capital assets	66,688,908	68,848,663
Restricted for:		
Child nutrition	1,898,612	634,789
Debt service	7,270,434	7,119,857
State and federal title programs	3,093,991	2,686,942
Other projects	366,555	979,413
Unrestricted	3,680,332	(11,187,658)
Total net position	<u>\$ 82,998,832</u>	<u>\$ 69,082,006</u>

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

DISTRICT-WIDE STATEMENTS (CONCLUDED)

Table 2
Changes in Net Position from Operating Results

	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
REVENUES:				
Program Revenues:				
Charges for services	\$ 2,522,748		\$ 2,085,929	
Operating grants and contributions	26,394,293		17,824,483	
Capital grants and contributions	<u>193,570</u>		<u>58,824</u>	
Total program revenues	<u>29,110,611</u>	23.9%	<u>19,969,236</u>	19.1%
General Revenues:				
Taxes levied for general purposes	20,626,973		20,597,949	
Taxes levied for debt service	<u>4,748,681</u>		<u>4,449,689</u>	
Total property taxes	<u>25,375,654</u>		<u>25,047,638</u>	
State revenues	61,814,175		56,441,107	
Federal forest	<u>56,325</u>		<u>44,771</u>	
Total state and federal revenues	<u>61,870,500</u>	50.9%	<u>56,485,878</u>	54.1%
Other Revenues:				
Interest on investment earnings	46,609		129,622	
Student Body funds	3,327,056		1,475,908	
Gain/(loss) on disposal of assets	<u>1,819,053</u>		<u>1,386,645</u>	
Total other revenues	<u>5,192,718</u>	4.3%	<u>2,992,175</u>	2.9%
Total Revenues	<u>121,549,483</u>	100.0%	<u>104,494,927</u>	100.0%
EXPENSES:				
Instructional services:				
Elementary programs	26,436,024		25,756,288	
Secondary programs	21,612,997		21,240,072	
Alternative school programs	1,489,122		1,420,214	
Vocational and technical programs	2,051		-	
Exceptional child programs	12,627,847		12,414,591	
Activity programs	1,644,048		1,300,281	
Summer programs	133,535		30,198	
Detention programs	<u>293,154</u>		<u>281,760</u>	
Total instructional services	<u>64,238,778</u>	52.8%	<u>62,443,404</u>	59.8%
Support services:				
Pupil support	7,445,101		7,201,432	
General administration	6,807,931		5,257,570	
School administration	7,456,980		7,252,266	
Business operations	1,833,060		1,760,298	
Maintenance	7,180,571		7,376,778	
Transportation	4,280,782		3,646,301	
Security	769,533		850,006	
Other support services	2,104,514		2,095,417	
Student Body funds	<u>3,133,342</u>		<u>1,251,659</u>	
Total support services	<u>41,011,814</u>	33.7%	<u>36,691,727</u>	35.1%
Non-instructional services:				
Food services	4,522,915		3,492,442	
Community services	1,000,197		1,007,426	
Lease liability	(1,182,583)		-	
Amortization expense	1,290,307		-	
Net amortization on premium/discount	992,500		790,417	
Change in OPEB obligation	(116,155)		(343,226)	
Change in net pension liability	339,285		12,736,125	
Unallocated actual PERSI contributions	<u>(7,035,056)</u>		<u>(6,787,222)</u>	
Total non-instructional services	<u>(188,590)</u>	-0.2%	<u>10,895,962</u>	10.4%
Total Expenses	<u>105,062,002</u>	86.4%	<u>110,031,093</u>	105.3%
Change in net position	<u>\$ 16,487,481</u>	13.6%	<u>\$ (5,536,166)</u>	-5.3%

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds and not on the School District as a whole. Funds are accounting devices that the School District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

Some funds are required by state law and by bond requirements.

The School District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

Two Types of District Funds

Governmental Funds – Most of the School District's basic services are included in governmental funds, which generally focus on: 1) how cash and other financial assets that can readily be converted to cash flow in and out; and 2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to finance the School District's programs. Governmental fund statements do not report on long-term commitments like those reported on the districtwide statements. Therefore, an explanation of the differences between the governmental funds and the districtwide statements is included as a separate statement.

The School District calculation of net position uses a historical cost of school buildings. This method may not accurately reflect their true value, especially as it relates to our older structures.

As shown in Table 2, an analysis of the 2021-22 fiscal year activity was characterized by the following:

- **School District Revenues** – Total revenues increased by 16.4%
 - Total state revenues in the 2021-22 fiscal year increased by \$5.37M due to enrollment based funding, no freeze on the PESF and increases in discretionary funding.
 - Continued COVID relief funding, combined with the proceeds from the sale of the Hayden Lake School property fields for \$1.92M, caused the increase in overall revenues.
- **School District Expenditures** – Total expenditures decreased by 4.6%
 - In the fall of 2021-22 the District awarded a full-step and education lanes to all staff, as well as a classified increase of 5% and range reclassifications of some classified positions, including bus drivers. The event was an unbudgeted expense.
 - Throughout 2021-22, \$3.4M in bonus pay and stipends were awarded to certified, administrative staff and classified staff through ESSER and state COVID dollars.
 - The District continued to spend down COVID and ESSER dollars throughout 2021-22. Total ESSER I, II and III dollars spent in 2021-22 was \$9.12M.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FUND FINANCIAL STATEMENTS (CONTINUED)

Table 3
Governmental Funds
For the year ended June 30, 2022

	<u>General Fund</u>	<u>All Other Funds</u>	<u>Total</u>	<u>%</u>
REVENUES:				
Property taxes	\$ 20,498,547	\$ 4,748,681	\$ 25,247,228	19.5%
Interest income	32,862	13,747	46,609	0.0%
Other local revenue	134,806	5,273,696	5,408,502	4.2%
State assistance and reimbursements	61,686,820	4,444,137	66,130,957	51.0%
Title programs and other federal revenue	-	22,837,976	22,837,976	17.6%
Bond proceeds	-	-	-	0.0%
Other financing sources - lease liability	1,298,613	-	1,298,613	1.0%
Proceeds from sale of assets	-	2,294,928	2,294,928	1.8%
Transfer in	309,158	6,055,992	6,365,150	4.9%
	<u>83,960,806</u>	<u>45,669,157</u>	<u>129,629,963</u>	<u>100.0%</u>
EXPENDITURES:				
Instructional services	44,677,174	15,495,777	60,172,951	46.4%
Support services	30,862,994	9,428,233	40,291,227	31.1%
Non-instructional services	-	5,514,265	5,514,265	4.3%
Capital outlay	195,824	1,915,819	2,111,643	1.6%
Lease right of use asset	1,298,613	-	1,298,613	1.0%
Principal retirement	-	3,195,000	3,195,000	2.5%
Interest	-	1,540,250	1,540,250	1.2%
Transfers out	6,039,642	325,508	6,365,150	4.9%
	<u>83,074,247</u>	<u>37,414,852</u>	<u>120,489,099</u>	<u>92.9%</u>
Revenues over expenditures	886,559	8,254,305	9,140,864	7.1%
Prior period adjustment	1,775,007	(1,807,852)	(32,845)	0.0%
Net change	<u>\$ (888,448)</u>	<u>\$ 10,062,157</u>	<u>\$ 9,173,709</u>	<u>7.1%</u>

Table 3 provides analysis of all governmental funds. Notable in this review are the following points:

- Total revenues (excluding other financing sources and uses) in all governmental funds were \$119,671,272; \$16,613,229 more than the previous year.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FUND FINANCIAL STATEMENTS (CONTINUED)

Table 4
Changes in Governmental Fund Balances
July 1, 2011 to June 30, 2022

	General	School Lunch	Debt Service	Plant Facilities	Other	Total
Fund Balance 6/30/2011	7,617,589	377,033	1,489,684	(833)	3,410,039	12,893,512
Increase (Decrease) FY 2012	(12,650)	(170,357)	(1,271,593)	833	1,403,919	(49,848)
Fund Balance 6/30/2012	7,604,939	206,676	218,091	-	4,813,958	12,843,664
Increase (Decrease) FY 2013	(425,618)	15,300	30,584,131	-	699,817	30,873,630
Fund Balance 6/30/2013	7,179,321	221,976	30,802,222	-	5,513,775	43,717,294
Increase (Decrease) FY 2014	(348,278)	(186,922)	(18,709,675)	-	(1,542,024)	(20,786,899)
Fund Balance 6/30/2014	6,831,043	35,054	12,092,547	-	3,971,751	22,930,395
Increase (Decrease) FY 2015	(1,248,024)	(5,803)	(9,345,734)	(1,575,964)	306,594	(11,868,931)
Fund Balance 6/30/2015	5,583,019	29,251	2,746,813	(1,575,964)	4,278,345	11,061,464
Increase (Decrease) FY 2016	(1,086,709)	183,254	134,609	1,575,964	767,814	1,574,932
Fund Balance 6/30/2016	4,496,310	212,505	2,881,422	-	5,046,159	12,636,396
Increase (Decrease) FY 2017	16,248	105,939	2,088,241	35,351,533	1,175,468	38,737,429
Fund Balance 6/30/2017	4,512,558	318,444	4,969,663	35,351,533	6,221,627	51,373,825
Increase (Decrease) FY 2018	53,444	69,705	(636,144)	(6,358,102)	(752,597)	(7,623,694)
Fund Balance 6/30/2018	4,566,002	388,149	4,333,519	28,993,431	5,469,030	43,750,131
Increase (Decrease) FY 2019	366,056	(207,174)	3,365,586	(12,365,731)	921,619	(7,919,644)
Fund Balance 6/30/2019	4,932,058	180,975	7,699,105	16,627,700	6,390,649	35,830,487
Increase (Decrease) FY 2020	1,457,036	33,642	(412,942)	(12,621,685)	(819,865)	(12,363,814)
Fund Balance 6/30/2020	6,389,094	214,617	7,286,163	4,006,015	6,945,935	24,841,824
Increase (Decrease) FY 2021	(1,892,992)	420,172	(166,306)	(3,026,602)	799,159	(3,866,569)
Fund Balance 6/30/2021	4,496,102	634,789	7,119,857	1,129,077	7,595,430	20,975,255
Increase (Decrease) FY 2022	2,661,566	1,263,823	150,577	4,418,157	613,896	9,108,019
Fund Balance 6/30/2022	7,157,668	1,898,612	7,270,434	5,547,234	8,209,326	30,083,274

Table 4 provides an analysis of School District governmental fund balances from FY 2012-13 to FY 2021-22. Notable information for the June 30, 2022 balances are the following:

- The School District completed the year with a total governmental fund balance of \$30,083,274. This is an increase of \$9,108,019 from the previous year. In addition to the increase, in state funding previously discussed and the one-time General fund savings due to ESSER and COVID dollars, the District sold the Hayden Lake School property for \$1.9M. The District also experience a \$1.2M increase in fund balance in the Child Nutrition funding, due to the federal universal meals program

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FUND FINANCIAL STATEMENTS (CONCLUDED)

- The General Fund has a balance of \$7,157,668, a \$2,661,566 increase from prior year. As discussed in the financial highlights above, this increase is due reclassifying General Fund salaries to ESSER dollars in anticipation of deficit spending during budget adoption and the subsequent announcement in spring 2022 of additional State allocations to eliminate a PESF freeze and fund state apportionments based on enrollment. A \$5M residual equity transfer from the General Fund to the Plant Facilities Fund (Fund 430) was committed by Board Resolution to address the District's underfunded facility, safety and security needs. Lastly, a prior period adjustment of \$1.78M was made to transfer the Medicaid beginning balance to the General Fund to comply with Special Education spending requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District adopts an original budget in June for the subsequent year. State revenues are primarily driven through the measurement of attendance for the best 28 weeks of the school year. The attendance formula also generates salary and benefits support from the state. However, the School District still provides significant funding beyond the formula allowance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2021-22, the School District has invested approximately \$169,639,204 in a broad range of capital assets, including buildings, sites, library books, transportation equipment, and other equipment. The total accumulated depreciation on these assets amounts to \$59,869,765. Asset acquisitions for governmental activities include construction remodel projects, as well as funds to purchase land, school buses, computers, and other instructional and support equipment.

Long-term Debt

In March 2017, the School District sold \$35.5 million in bonds in one series (Series 2017). The proceeds from these bonds are for capital projects construction projects and land acquisition within the School District.

In March 2018, the School District completed a defeasance of a portion of the debt owed from Series 2012B bonds, paying \$2,484,297 in future principal on Series 2012B bonds, in order to incur savings on interest costs. The total outstanding principal of the bonds as of June 30, 2022, is \$42,768,036.

Coeur d'Alene School District No. 271

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2022

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Current known circumstances that will impact the School District's financial status in the future are:

- **State Funding** – The 2022 legislative session yielded additional investments for health discretionary funds and full day kindergarten through K-3 literacy funds, which brought some relief to the District budget and allowed the District to provide pay raises. Although the increase in state revenue was welcomed, the District continues to face growing challenges in providing competitive wages to its staff to keep up with the demand of the region's cost of living and competition from Washington wages. Enrollment based funding was also extended for FY23 and may be considered as a permanent shift at the 2023 session. Although there have been sufficient COVID relief funds to balance the budget, these are one-time revenue sources. Our District along with District's across the state and nation will be hit with the "COVID Cliff," as this funding expires and it is no longer available to offset deficit spending or cover additional technology, licenses, professional development, and personnel acquired from pandemic response and integrated into operations. A shift back to attendance-based funding would further worsen the impact of this cliff and result in more than \$3M in cuts to state funding.
- **ESSER II & III Funds** – Remaining ESSER II & III funds have been budgeted for additions like programming to remediate learning loss, technology device and infrastructure replacement, HVAC system upgrades and repairs, and recruiting and retaining quality staff in a difficult labor market.
- **Enrollment** – The school district has a sustained drop in enrollment compared to pre-COVID levels of enrollment. Elementary has experienced the most dramatic drop in enrollment. As of October 2022, elementary has decreased 58 compared to prior year. This is still down a total of 845 students compared to pre-COVID elementary enrollment. Secondary is 83 students lower than pre-COVID October 2019 enrollment. Fewer students mean lower state revenues. The temporary ruling for enrollment based funding is in effect for 2022-23. Permanent enrollment based funding may be a discussion point for the 2023 legislative session.
- **Supplemental Levy** – In March 2021, the \$20,000,000 per year supplemental levy was approved again by the School District's voters for a 2-year period. This renewed levy expires June 30, 2023.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Shannon Johnston, Director of Finance, Coeur d'Alene School District No. 271, 1400 North Northwood Center Court, Coeur d'Alene, Idaho, 83814, (208) 664-8241.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

Coeur d'Alene School District No. 271

STATEMENT OF NET POSITION

June 30, 2022

ASSETS

Cash and cash equivalents	\$ 24,318,645
Receivables	16,882,521
Prepaid expenses	637,400
Inventory	164,425
Total OPEB asset - PERSI	4,956,381
Net pension asset	1,203,624
Land	6,385,555
Capital assets, net of accumulated depreciation	103,383,884
Right of use leases, net of accumulated amortization	2,468,638
Total assets	<u>160,401,073</u>

DEFERRED OUTFLOWS OF RESOURCES

Proportionate share of collective deferred outflows of OPEB resources - PERSI	1,289,335
Deferred outflows of OPEB resources - District	1,650,876
Proportionate share of collective deferred outflows of pension resources	22,589,889
Total deferred outflows of resources	<u>25,530,100</u>

LIABILITIES

Accounts payable	783,101
Accrued payroll and related costs	10,175,895
Interest payable	430,106
Lease liability - due within one year	1,113,391
Bonds payable - due within one year	3,325,000
Noncurrent liabilities:	
Compensated absences	229,530
Lease liability	1,667,742
Bonds payable	39,443,036
Total OPEB liability - District	4,249,449
Total liabilities	<u>61,417,250</u>

DEFERRED INFLOWS OF RESOURCES

Proportionate share of collective deferred inflows of OPEB resources - PERSI	2,263,906
Deferred inflows of OPEB resources - District	880,030
Proportionate share of collective deferred inflows of pension resources	38,371,155
Total deferred inflows of resources	<u>41,515,091</u>

NET POSITION

Net investment in capital assets and asset - right of use lease	66,688,908
Restricted for:	
Child nutrition	1,898,612
Debt service	7,270,434
State and federal title programs	3,093,991
Other projects	366,555
Unrestricted	3,680,332
Total net position	<u>\$ 82,998,832</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Coeur d'Alene School District No. 271

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Instructional services:					
Elementary programs	\$ 26,436,024	\$ -	\$ 6,817,852	\$ 10,926	\$ (19,607,246)
Secondary programs	21,612,997	1,653,545	4,381,681	33,576	(15,544,195)
Alternative school programs	1,489,122	-	307,734	-	(1,181,388)
Vocational and technical programs	2,051	-	2,454	-	403
Exceptional child programs	12,627,847	-	2,697,688	-	(9,930,159)
Activity programs	1,644,048	-	260,997	-	(1,383,051)
Summer programs	133,535	-	64,887	-	(68,648)
Detention programs	293,154	-	80,163	-	(212,991)
Support services:					
Pupil support	7,445,101	-	889,813	-	(6,555,288)
General administration	6,807,931	-	3,183,409	-	(3,624,522)
School administration	7,456,980	-	801,312	-	(6,655,668)
Business operations	1,833,060	-	93,553	-	(1,739,507)
Maintenance	7,180,571	-	266,939	343	(6,913,289)
Transportation	4,280,782	-	294,285	-	(3,986,497)
Security	769,533	1,334	4,063	-	(764,136)
Student activity	-	-	3,437	-	3,437
Other support services	2,104,514	-	209,793	148,726	(1,745,995)
Student Body funds	3,133,342	-	-	-	(3,133,342)
Non-instructional services:					
Food services	4,522,915	84,546	5,676,539	-	1,238,170
Community services	1,000,197	783,323	357,693	-	140,819
Lease liability	(1,182,583)	-	-	-	1,182,583
Amortization expense	1,290,307	-	-	-	(1,290,307)
Net amortization on premium/discount	992,500	-	-	-	(992,500)
Change in OPEB obligation	(116,155)	-	-	-	116,155
Change in net pension asset	339,285	-	-	-	(339,285)
Unallocated actual PERSI contributions	(7,035,056)	-	-	-	7,035,056
Total governmental activities	\$ 105,062,002	\$ 2,522,748	\$ 26,394,293	\$ 193,570	(75,951,391)
Taxes:					
Property taxes, levied for general purposes					20,626,973
Property taxes, levied for debt services					4,748,681
State revenue					61,814,175
Grants and contributions not restricted to specific purposes:					
Federal Forest					56,325
Student Body funds					3,327,056
Interest and investment earnings					46,609
Gain (loss) on disposal of assets					1,819,053
Total general revenues					92,438,872
Change in net position					16,487,481
Net position - beginning					69,082,006
Restatement of net position, see Note 19					(2,570,655)
Net position - ending					\$ 82,998,832

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Coeur d'Alene School District No. 271
Coeur d'Alene School District No. 271

GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2022

	General	Child Nutrition	Title I
ASSETS			
Cash and cash equivalents	\$ 2,399,615	\$ 1,661,735	\$ -
Accounts receivable:			
Kootenai County	7,143,937	-	-
State of Idaho	470,698	259,295	710,714
Other receivables	71,510	-	-
Prepaid expense	596,509	-	-
Interfund receivable	5,872,350	-	-
Inventory	-	164,425	-
Total assets	<u>\$ 16,554,619</u>	<u>\$ 2,085,455</u>	<u>\$ 710,714</u>
LIABILITIES			
Accounts payable	\$ 300,580	\$ 6,607	\$ 290
Accrued payroll and vacation benefits	8,265,880	180,236	195,023
Interfund payable	-	-	515,401
Total liabilities	<u>8,566,460</u>	<u>186,843</u>	<u>710,714</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	830,491	-	-
Total deferred inflows of resources	<u>830,491</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	596,509	164,425	-
Restricted to:			
Debt service	-	-	-
State and federal title programs	-	-	-
Capital Bond 2017 Projects	-	-	-
Child nutrition	-	1,734,187	-
Assigned to:			
State and federal non title funding	-	-	-
Building professional development funds carryover	83,610	-	-
Building carryover funds	109,424	-	-
Curriculum adoption funds carryover	602,564	-	-
Plant facilities	-	-	-
Committed to:			
Plant facilities	-	-	-
Contingency reserve	4,117,654	-	-
Unassigned	1,647,907	-	-
Total fund balances	<u>7,157,668</u>	<u>1,898,612</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,554,619</u>	<u>\$ 2,085,455</u>	<u>\$ 710,714</u>

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

2012 Bond	2017 Construction	2017 Bond	Land Acquisition	Other Governmental Funds	Total Governmental Funds
\$ 3,378,640	\$ 365,816	\$ 2,582,059	\$ 5,174,777	\$ 8,706,074	\$ 24,268,716
799,821	-	573,907	-	-	8,517,665
-	-	-	-	6,425,854	7,866,561
-	745	-	5,902	403,380	481,537
-	-	-	-	40,891	637,400
-	-	-	-	-	5,872,350
-	-	-	-	-	164,425
<u>\$ 4,178,461</u>	<u>\$ 366,561</u>	<u>\$ 3,155,966</u>	<u>\$ 5,180,679</u>	<u>\$ 15,576,199</u>	<u>\$ 47,808,654</u>
\$ -	\$ -	\$ -	\$ -	\$ 475,174	\$ 782,651
-	6	-	-	1,534,750	10,175,895
-	-	-	-	5,356,949	5,872,350
<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>7,366,873</u>	<u>16,830,896</u>
-	-	63,993	-	-	894,484
<u>-</u>	<u>-</u>	<u>63,993</u>	<u>-</u>	<u>-</u>	<u>894,484</u>
-	-	-	-	40,891	801,825
4,178,461	-	3,091,973	-	-	7,270,434
-	-	-	-	3,093,991	3,093,991
-	366,555	-	-	-	366,555
-	-	-	-	-	1,734,187
-	-	-	-	5,074,444	5,074,444
-	-	-	-	-	83,610
-	-	-	-	-	109,424
-	-	-	-	-	602,564
-	-	-	180,679	-	180,679
-	-	-	5,000,000	-	5,000,000
-	-	-	-	-	4,117,654
-	-	-	-	-	1,647,907
<u>4,178,461</u>	<u>366,555</u>	<u>3,091,973</u>	<u>5,180,679</u>	<u>8,209,326</u>	<u>30,083,274</u>
<u>\$ 4,178,461</u>	<u>\$ 366,561</u>	<u>\$ 3,155,966</u>	<u>\$ 5,180,679</u>	<u>\$ 15,576,199</u>	<u>\$ 47,808,654</u>

Coeur d'Alene School District No. 271

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2022

Total fund balances at June 30, 2022 - Governmental Funds		\$ 30,083,274
Cost of capital assets	\$ 169,639,204	
Less: Accumulated depreciation		
Buildings and sites	(52,198,958)	
Buses and other transportation	(4,484,714)	
Equipment, computers and library books	(3,186,093)	109,769,439
Cost of right of use leases	\$ 5,724,152	
Less: Accumulated amortization	(3,255,514)	2,468,638
Addition of School Plus accounts receivable		16,758
Elimination of deferred inflows of resources - property taxes		894,484
Internal service fund balances		49,479
Pension liabilities and deferred outflows of resources and deferred inflows of resources related to pensions:		
District's proportionate share of the net pension asset		1,203,624
Proportionate share of collective deferred outflows of pension resources		22,589,889
Proportionate share of collective deferred inflows of pension resources		(38,371,155)
OPEB assets, liabilities and deferred outflows of resources and deferred inflows of resources related to OPEB:		
District's proportionate share of the net OPEB asset		4,956,381
Total OPEB liability - district		(4,249,449)
Deferred outflows of OPEB resources		2,940,211
Deferred inflows of OPEB resources		(3,143,936)
Long-term liabilities at June 30, 2022		
Bonds payable	(37,905,000)	
Lease liability	(2,781,133)	
Premium on bonds payable, net accumulated amortization of \$2,591,618	(4,955,808)	
Discount on bonds payable, net accumulated amortization of \$154,132	92,772	
Accrued compensated absences	(229,530)	
Accrued interest payable	(430,106)	(46,208,805)
Net position at June 30, 2022		<u>\$ 82,998,832</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

Coeur d'Alene School District No. 271

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022**

	General	Child Nutrition	Title I
REVENUES			
Property taxes	\$ 20,498,547	\$ -	\$ -
Interest income	32,862	-	-
Other local revenue	134,806	84,546	-
State assistance and reimbursements	61,686,820	-	-
Title programs and other federal revenues	-	5,478,313	1,696,137
Total revenues	<u>82,353,035</u>	<u>5,562,859</u>	<u>1,696,137</u>
EXPENDITURES			
Instructional services:			
Elementary programs	17,793,055	-	1,148,316
Secondary programs	15,171,572	-	148
Alternative school programs	1,189,817	-	124,139
Vocational and technical programs	-	-	-
Exceptional child programs	8,812,662	-	-
Activity programs	1,426,706	-	-
Summer program	68,768	-	-
Detention center program	214,594	-	-
Total instructional services	<u>44,677,174</u>	<u>-</u>	<u>1,272,603</u>
Support services:			
Pupil support	6,329,611	-	-
General administration	3,470,748	-	379,130
School administration	6,660,249	-	-
Business operations	1,446,188	-	-
Maintenance	6,893,981	-	-
Transportation	3,405,552	-	-
Security program	762,106	-	-
Student activity	-	-	-
Other support services	1,894,559	-	-
Total support services	<u>30,862,994</u>	<u>-</u>	<u>379,130</u>
Non-instructional services:			
Food services	-	4,317,880	-
Community services	-	-	13,477
Total non-instructional services	<u>-</u>	<u>4,317,880</u>	<u>13,477</u>
Capital outlay	195,824	35,597	-
Lease - right of use asset	1,298,613	-	-
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>77,034,605</u>	<u>4,353,477</u>	<u>1,665,210</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,318,430</u>	<u>1,209,382</u>	<u>30,927</u>
OTHER FINANCING SOURCES (USES)			
Lease liability	1,298,613	-	-
Proceeds from sale of assets	-	-	-
Transfers in	309,158	97,559	-
Transfers (out)	(6,039,642)	(43,118)	(30,927)
Total other financing sources (uses)	<u>(4,431,871)</u>	<u>54,441</u>	<u>(30,927)</u>
Net change in fund balances	886,559	1,263,823	-
Fund balances - beginning	4,496,102	634,789	-
Prior period adjustment	1,775,007	-	-
Fund balances - ending	<u>\$ 7,157,668</u>	<u>\$ 1,898,612</u>	<u>\$ -</u>

The accompanying "Notes to the Financial Statements" are an integral part of this statement.

2012 Bond	2017 Construction	2017 Bond	Land Acquisition	Other Governmental Funds	Total Governmental Funds
\$ 2,820,000	\$ -	\$ 1,928,681	\$ -	\$ -	\$ 25,247,228
4,935	3,956	4,856	-	-	46,609
44,300	-	83,055	31,015	5,030,780	5,408,502
-	-	-	-	4,444,137	66,130,957
-	-	-	-	15,663,526	22,837,976
<u>2,869,235</u>	<u>3,956</u>	<u>2,016,592</u>	<u>31,015</u>	<u>25,138,443</u>	<u>119,671,272</u>
-	-	-	-	5,600,863	24,542,234
-	-	-	-	4,267,447	19,439,167
-	-	-	-	176,071	1,490,027
-	-	-	-	2,051	2,051
-	-	-	-	3,815,982	12,628,644
-	-	-	-	217,433	1,644,139
-	-	-	-	64,767	133,535
-	-	-	-	78,560	293,154
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,223,174</u>	<u>60,172,951</u>
-	-	-	-	1,115,490	7,445,101
-	-	-	-	2,965,224	6,815,102
-	-	-	-	798,204	7,458,453
-	-	-	-	302,303	1,748,491
-	-	-	-	233,305	7,127,286
-	-	-	-	282,023	3,687,575
-	-	-	-	7,427	769,533
-	-	-	-	3,133,342	3,133,342
-	3,479	-	-	208,306	2,106,344
<u>-</u>	<u>3,479</u>	<u>-</u>	<u>-</u>	<u>9,045,624</u>	<u>40,291,227</u>
-	-	-	-	196,188	4,514,068
-	-	-	-	986,720	1,000,197
-	-	-	-	1,182,908	5,514,265
-	613,335	-	-	1,266,887	2,111,643
-	-	-	-	-	1,298,613
2,355,000	-	840,000	-	-	3,195,000
390,200	-	1,150,050	-	-	1,540,250
<u>2,745,200</u>	<u>-</u>	<u>1,990,050</u>	<u>-</u>	<u>-</u>	<u>4,735,250</u>
<u>2,745,200</u>	<u>616,814</u>	<u>1,990,050</u>	<u>-</u>	<u>25,718,593</u>	<u>114,123,949</u>
<u>124,035</u>	<u>(612,858)</u>	<u>26,542</u>	<u>31,015</u>	<u>(580,150)</u>	<u>5,547,323</u>
-	-	-	-	-	1,298,613
-	-	-	-	2,294,928	2,294,928
-	-	-	5,000,000	958,433	6,365,150
-	-	-	-	(251,463)	(6,365,150)
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>3,001,898</u>	<u>3,593,541</u>
124,035	(612,858)	26,542	5,031,015	2,421,748	9,140,864
4,054,426	979,413	3,065,431	149,664	7,595,430	20,975,255
-	-	-	-	(1,807,852)	(32,845)
<u>\$ 4,178,461</u>	<u>\$ 366,555</u>	<u>\$ 3,091,973</u>	<u>\$ 5,180,679</u>	<u>\$ 8,209,326</u>	<u>\$ 30,083,274</u>

Coeur d'Alene School District No. 271

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2022

Total net changes in fund balances for year ended June 30, 2022	\$ 9,140,864
Add: Capital outlay which is considered expenditures	2,111,643
Less: Depreciation expense	(4,854,472)
Less: Proceeds on sale of assets	(2,294,928)
Add: Gain on sale of assets	1,819,053
Add: Right of use lease which is considered expenditures	1,182,583
Less: Amortization expense	(1,290,307)
Elimination of interfund revenues and expenditures:	
Add: Interfund transfers out	6,365,150
Less: Interfund transfers in	(6,365,150)
Add: The net revenue of the internal service fund allocated to governmental	49,479
Add: Bond principal retirement considered as an expenditure	3,195,000
Add: Change in compensated absences	9,732
Add: Change in OPEB obligation - insurance expense	116,155
Less: Difference between school plus revenue earned on modified accrual basis versus revenue on school plus revenue on accrual basis	(69,268)
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	547,750
Add: Difference between revenue earned on property taxes on modified accrual basis versus revenue on property taxes on accrual basis	128,426
Add: Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date	7,035,056
Less: Change in net pension asset	(339,285)
Change in net position for year ended June 30, 2022	<u>\$ 16,487,481</u>

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Coeur d'Alene School District No. 271

INTERNAL SERVICE FUND STATEMENT OF NET POSITION June 30, 2022

	<u>Internal Service Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 49,929
Total assets	<u>49,929</u>
LIABILITIES	
Current liabilities:	
Accounts payable	450
Total liabilities	<u>450</u>
NET POSITION	
Unrestricted	<u>49,479</u>
Total net position	<u><u>\$ 49,479</u></u>

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Coeur d'Alene School District No. 271

**INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2022**

	<u>Internal Service Fund</u>
Operating revenues:	
Services	<u>\$ 63,748</u>
Operating expenses:	
Salaries	2,741
Benefits	426
Supplies	1,642
Maintenance	9,460
Total operating expenses	<u>14,269</u>
Change in net position	<u>49,479</u>
Total net position - beginning	<u>-</u>
Total net position - ending	<u><u>\$ 49,479</u></u>

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Coeur d'Alene School District No. 271

**INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022**

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 63,748
Payments to suppliers	(77,310)
Payments to employees	(3,167)
Net cash provided (used) by operating activities	<u>(16,729)</u>
Net increase (decrease) in cash and cash equivalents	(16,729)
Cash and cash equivalents - beginning	<u>66,658</u>
Cash and cash equivalents - ending	<u><u>\$ 49,929</u></u>
 Reconciliation of net operating income to net cash provided (used) by operating activities:	
Operating income	\$ 49,479
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase (decrease) in accounts payable	(66,208)
Net cash provided (used) by operating activities	<u><u>\$ (16,729)</u></u>

The accompanying "Notes to the Financial Statements"
are an integral part of this statement.

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Coeur d'Alene School District No. 271 (the "School District") operates under the direction of a Board of Trustees, who oversees the operation of the School District and governs the decisions made by the District Superintendent. The School District is engaged in the education of students on the elementary and secondary levels. The School District does not exercise sufficient control over other governmental agencies and authorities to warrant including them as a part of the School District's entity.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Coeur d'Alene School District No. 271, this includes general operations, child nutrition, debt service, plant facilities, and student and supportive service activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt, or the levying of taxes. The School District has no component units.

The financial statements of Coeur d'Alene School District No. 271 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Recently Issued Accounting Standards – In 2017, the Governmental Accounting Standards Board (GASB) issued Summary of Statement Number 87 Leases (GASB 87), which is required to be adopted for entities with fiscal years beginning after June 15, 2021. The objective of GASB 87 is to improve reporting for certain operating and finance leases. The District has considered the effect that GAS 87 will have on the financial statements and has adopted and implemented the requirement of GASB 87 for the year ended June 30, 2022.

The most significant of the School District's accounting policies are described below:

B. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

C. Basis of presentation – fund financial statements

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of presentation – fund financial statements (Continued)

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund is available for any purpose provided it is expended or transferred according to the laws of the State of Idaho.

Child Nutrition Fund – Child nutrition is a program that provides nourishing meals to students in all grades. This program is supplemented by federal funds that are based on reimbursement and participation.

Title I Fund – The Title I fund is used to account for the accumulation of resources for and the payment of costs that are restricted to the Title I program.

2012 Bond Fund – The 2012 Bond fund is used to account for the accumulation of resources for and the payment of general long-term obligation bonds including principal, interest, and related costs.

2017 Construction Fund – The 2017 Construction fund is used to account for the accumulation of resources for and payment of costs that are legally restricted for capital improvements related to the 2017 bond funds.

2017 Bond Fund – The 2017 Bond fund is used to account for the accumulation of resources for and payment of general long-term obligation bonds including principal, interest, and related costs.

Land Acquisition Fund – The Land Acquisition fund is used to account for financial resources to be used for the acquisition of land and land improvements.

The School District reports the following non-major governmental fund types:

Special Revenue Funds – The special revenues funds account for other resources for and the payment of costs in which the use is restricted or assigned to a particular purpose.

Capital Project Funds – The capital project funds account for other resources for and the payment of costs that are assigned or legally restricted for maintenance or capital projects.

Additionally, the School District reports the following fund type:

Internal Service Fund – The internal service fund is created to provide goods or services to other governmental operating units such as departments. The purpose of centralizing certain activities in an internal service fund is to achieve a level of operating efficiency that may not be available if the same activities were performed by multiple units within the governmental unit. The School District uses this fund to provide printing services.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of presentation – fund financial statements (Concluded)

Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the School District.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Concluded)

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

E. Cash and Cash Equivalents

Cash received by the School District is pooled for investment purposes and is presented as “Cash and Cash Equivalents” on the financial statements in the following funds: General Fund, Child Nutrition Fund, Title I Fund, 2012 Bond Fund, 2017 Construction Fund, 2017 Bond Fund, Land Acquisition Fund, and nonmajor governmental funds. Interest earned in the pooled accounts is allocated to the participating funds in proportion to the average daily balances in each fund.

During the fiscal year ended June 30, 2022, investments were limited to the Idaho State Investment Pool.

The District invests in one 2a-7-like pools, the Idaho State Investment Pool. The advisory board of the Idaho State Investment Pool is composed of members appointed pursuant to the requirements of the Public Funds Investment Act. The Idaho State Investment Pool is duly chartered and administered by the State Treasurer's office and consists of US Treasury bills and notes, collateralized certificates of deposit and repurchase agreements.

Following GASB 72, ¶69 and ¶B62 the balance that the District has in the Idaho State Investment Pool is carried at cost, which materially approximates fair market value.

The District considers funds held in the Idaho State Investment Pool to be cash equivalents, as the District is able to liquidate their account at any time.

For presentation in the financial statements, investments in the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Capital Assets

General capital assets typically result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. Improvements and interest incurred during the construction of capital assets are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets (Concluded)

Land and construction in progress are not depreciated. The other property, equipment, vehicles and infrastructure of the School District are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Modular	15 years
Furniture and equipment	5 - 20 years
Library books	10 years
Buses	10 years
Other vehicles	5 years

G. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees who qualify.

Sick leave benefits are not paid upon termination but only when sick leave is used. Therefore, sick leave is not accrued as a liability.

The entire compensated absence liability is reported on the government-wide financial statements.

H. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of capital leases, which will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Accrued Liabilities and Long-term Obligations (Concluded)

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums and bond discounts. Bond issuance costs are reported as expenses in the year incurred. In the fund financial statements, governmental funds recognize bond premiums, bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The School District only has two items that qualify for reporting in this category. They are deferred outflows relating to the accounting for the net pension obligation on the government-wide statement of net position, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions* and relating to the accounting for the net OPEB obligation on the government-wide statement of net position, in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The School District has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The School District has one type of item, which arises under full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, proportionate share of collective deferred inflows of resources, is reported only on the government-wide statement of net position. The government-wide statement of net position reports proportionate share of collective deferred inflows of resources from one source: accounting for the net pension obligation, in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*.

J. Fund Balance Classifications

The School District has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the School District to classify, and report amounts in the appropriate fund balance classifications. The School District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balance Classifications (Concluded)

The School District reports the following classifications:

Nonspendable Fund Balance — Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form—such as inventory or prepaid insurance, or (b) legally or contractually required to be maintained intact—such as a trust that must be retained in perpetuity.

Restricted Fund Balance — Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions are placed on fund balances when legally enforceable legislation establishes a specific purpose for the funds—such as the School District's federal award revenue, which must be used to fund federally defined title programs. Legal enforceability means that the School District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance — Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Trustees. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the board of trustees. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance — Assigned fund balances are amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Director of Finance, or (b) an appointed body (e.g., a budget or finance committee) or official to which the Trustees have delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned fund balance includes: (a) all remaining amounts that are reported in governmental funds (other than the general fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the general fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the School District itself.

Unassigned Fund Balance — Unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the general fund.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Balance Flow Assumptions

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

L. Net Position Flow Assumptions

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

N. Property Taxes

Property taxes levied each November based on the assessed value of property as listed on the previous September tax rolls. Assessed values are an approximation of market value. The County Assessor establishes assessed values. Property tax payments are due in one-half installments in December and June Property taxes become a lien on the property when it is levied.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

O. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the 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.

P. Other Post-Employment Benefits (OPEB)

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

Q. Inventory

Inventories are expenses when used rather than when purchased. Inventories are valued at the lower of cost (first in, first out) or market and are determined by physical count.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service and capital project funds. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the general fund, special revenue funds, and debt service funds. This is in conformance with Idaho State Statutes which require that appropriations lapse at the end of a fiscal year and are not available to be carried forward to be used in addition to the succeeding year's appropriation.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) The School District publishes a proposed budget for public review.
- b) Public hearings are set to obtain taxpayer comments.
- c) Prior to July 1, the budget is adopted by resolution of the Board of Trustees and published.
- d) The final budget is then filed with the State Department of Education. Expenditures may not legally exceed budgeted appropriations at the fund level.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONCLUDED)

Budgetary Data (Concluded)

During the fiscal year ended June 30, 2022, the budget was not amended.

Lapsing of Appropriations – At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriation.

NOTE 3: CASH AND CASH EQUIVALENTS

General:

State statutes authorize the School District's investments and deposits. The School District is authorized to invest in demand deposits, savings accounts, U.S. Government obligations and its agencies, obligations of Idaho and its agencies, fully collateralized repurchase agreements, prime domestic commercial paper, prime domestic bankers acceptances, bonds, debentures or notes of any corporation organized, controlled and operating within the U.S. which have at their purchase an "A" rating or higher, government pool and money market funds consisting of any of these securities listed. No violations of these categories have occurred during the year.

Custodial credit risk:

Custodial credit risk is the risk that in the event of a failure of a financial institution, the School District's deposits and investments may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of June 30, 2022, the School District's deposits and investments were exposed to custodial credit risk.

The School District's deposits and investments are insured and collateralized as follows:

Deposits without exposure to custodial credit risk:

Amount insured by the FDIC, or collateralized with securities held by the School District in its name	\$ 1,329,956
Idaho State Investment Pool	16,129,183
Total deposits without exposure to custodial credit risk:	<u>17,459,139</u>

Deposits with exposure to custodial credit risk:

Amount uninsured	7,037,701
Total deposits with exposure to custodial credit risk:	<u>7,037,701</u>
Total deposits	<u><u>\$ 24,496,840</u></u>

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 3: CASH AND CASH EQUIVALENTS (CONCLUDED)

Cash and cash equivalents at June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position - cash and cash equivalents	
Governmental funds	\$ 24,268,716
Internal service fund	49,929
	<hr/>
Total carrying amount	\$ 24,318,645

Cash and cash equivalents at June 30, 2022 consist of the following:

Cash:	
Deposit with financial institutions	\$ 8,189,462
Cash equivalents:	
Idaho State Investment Pools	16,129,183
Total cash and cash equivalents	<hr/>
	\$ 24,318,645

The School District considers funds held in the Idaho State Investment Pool and the Idaho Diversified Bond Fund to be cash equivalents, as the School District is able to liquidate their account at any time.

Credit risk:

The Idaho State Investment Pool does not have an established credit rating but invests in entities with a minimum credit rating of "A" as stipulated by Idaho code. Financial information on the investment pool can be obtained by contacting the Idaho State Treasurer.

NOTE 4: RECEIVABLES

Kootenai County – This receivable is comprised of county school funds, taxes and other county receipts allocable to the School District at June 30, 2022, but which were not remitted to or received by the School District until after that date.

State of Idaho – The amount due from the state represents distributions and reimbursements from state administered funds applicable to the year ended June 30, 2022.

The receivables as of June 30, 2022 consist of the following:

Taxes receivable	\$ 8,517,665
State of Idaho	7,866,561
Other miscellaneous	481,537
	<hr/>
	\$ 16,865,763

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 5: CAPITAL ASSETS

Following is a recap of capital assets for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Adjustment	Transfers	Balance June 30, 2022
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 6,385,555	\$ -	\$ -	\$ -	\$ -	\$ 6,385,555
Construction in progress	2,407,372	623,081	-	(2,333,039)	(697,414)	-
Total capital assets, not being depreciated	8,792,927	623,081	-	(2,333,039)	(697,414)	6,385,555
Capital assets being depreciated:						
Building and improvements	151,590,120	142,484	(789,802)	-	697,414	151,640,216
Equipment and fixtures	3,178,327	322,462	(108,130)	-	-	3,392,659
Library books	845,160	-	-	-	-	845,160
Computers	149,323	-	-	-	-	149,323
Vehicles and buses	6,687,490	1,023,616	(484,815)	-	-	7,226,291
Total capital assets being depreciated	162,450,420	1,488,562	(1,382,747)	-	697,414	163,253,649
Less accumulated depreciation for:						
Buildings and improvements	48,362,618	4,081,098	(328,416)	-	83,658	52,198,958
Equipment and fixtures	2,197,197	175,879	(93,641)	-	(83,658)	2,195,777
Library books	845,160	-	-	-	-	845,160
Computers	140,156	5,000	-	-	-	145,156
Vehicles and buses	4,377,034	592,495	(484,815)	-	-	4,484,714
Total accumulated depreciation	55,922,165	4,854,472	(906,872)	-	-	59,869,765
Total capital assets being depreciated, net	106,528,255	(3,365,910)	(475,875)	-	697,414	103,383,884
Governmental activities capital assets, net	\$ 115,321,182	\$ (2,742,829)	\$ (475,875)	\$ (2,333,039)	\$ -	\$109,769,439

Depreciation expense of \$4,854,472 for the year ended June 30, 2022 was charged to the following governmental functions:

Elementary	\$ 1,917,198
Secondary	2,189,667
Business administration	81,026
Maintenance	57,389
Transportation	593,786
Food service	14,238
Technology	1,103
Auction	65
	<u>\$ 4,854,472</u>

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 5: CAPITAL ASSETS (CONCLUDED)

Following is a recap of the June 30, 2022 balances by generic location:

	Elementary	Secondary	Administration and Other	Total
Land	\$ 2,646,430	\$ 1,906,706	\$ 1,832,419	\$ 6,385,555
Building and improvements	70,229,103	78,228,939	3,182,174	151,640,216
Equipment	817,194	1,188,379	1,387,086	3,392,659
Library books	408,306	374,127	62,727	845,160
Computers	3,416	9,032	136,875	149,323
Vehicles and buses	-	-	7,226,291	7,226,291
Total capital assets	<u>\$ 74,104,449</u>	<u>\$ 81,707,183</u>	<u>\$ 13,827,572</u>	<u>\$ 169,639,204</u>

NOTE 6: ACCRUED PAYROLL AND BENEFITS

Accrued payroll includes amounts due contracted teachers and other employees at June 30, 2022, which were not paid until July and August 2022, in conformity with contractual stipulations.

NOTE 7: COMPENSATED ABSENCES

Governmental Accounting Standards Board Statement No. 16 requires accrual of employee compensation for future absences if certain conditions exist. Included in the current financial statements is a liability of \$229,530 for vacation pay.

NOTE 8: INTERFUND RECEIVABLES AND PAYABLES

The composition of due to / due from other funds is the result of pooling of cash as of June 30, 2022 as follows:

	Due from	Due to
General fund	\$ 5,872,350	\$ -
Title I fund	-	515,401
Other governmental funds	-	5,356,949
	<u>\$ 5,872,350</u>	<u>\$ 5,872,350</u>

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 9: BONDS PAYABLE

SERIES 2012 B AND 2017 GENERAL OBLIGATION BONDS

On August 28, 2012, School District 271 voters approved \$32,700,000 of 13 year General Obligation Bonds, Series 2012 A and B, with interest ranging from 2.00% to 4.00% for Series A and 1.50% to 5.00% for Series B. Pursuant to this authority, the sale of the bonds followed on October 7, 2012, with net proceeds of \$32,892,277 (including principal of \$29,025,000, premiums of \$3,867,277, discount of \$127,088 and issuance costs of \$94,813) and repayment that began in the fiscal year ending June 30, 2013. The bond sale proceeds were for the remodel of five aged schools, replacement of the HVAC systems in five additional schools, update of technology throughout the School District's buildings, and demolition of the School District's former central office. During the year ended June 30, 2018, the series 2012 A bond was paid off.

On March 14, 2017, School District 271 voters approved \$35,500,000 of 14-year General Obligation Bonds, Series 2017 with interest ranging from 2.00% to 5.00%. Pursuant to this authority the sale of bonds followed on June 13, 2017, with net proceeds of \$35,325,333 (including principle of \$32,075,000, premiums of \$3,680,149, discount of \$119,816 and issuance costs of \$131,469) and repayment that will begin in the fiscal year ending June 30, 2020. The bond sale proceeds were for financing schools and school facilities, including, but not limited to, the costs of acquiring land, constructing, furnishing and equipping a new elementary school and acquiring and constructing additions, renovations, upgrades, repairs, equipment and furnishings to Coeur d'Alene High School, Lake City High School, Lakes Magnet Middle School, Dalton Elementary School, Fernan STEM Academy and Hayden Meadows Elementary School.

On March 20, 2018, the District defeased \$2.230 million of outstanding 2012B Series bonds with interest ranging from 1.50 percent to 5.00 percent by placing net proceeds of \$2.484 million (after payment of \$11,150 issuance costs) in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2012B Series bonds. Accordingly, the trust account assets and the liability for the defeased obligation are not included in the District's financial statements. As of June 30, 2022, \$2.230 million of bonds were legally defeased and remain outstanding.

General obligation bonds outstanding as of June 30, 2022 are as follows:

Series 2012 B

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	4.00%	\$ 2,440,000	\$ 296,800	\$ 2,736,800
2024	5.00%	1,800,000	203,000	2,003,000
2025	4.00%	1,920,000	119,600	2,039,600
2026	4.00%	2,030,000	40,600	2,070,600
		<u>\$ 8,190,000</u>	<u>\$ 660,000</u>	<u>\$ 8,850,000</u>

** Bifurcated Coupons

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 9: BONDS PAYABLE (CONCLUDED)

SERIES 2012 B AND 2017 GENERAL OBLIGATION BONDS (CONCLUDED)

Series 2017

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	5.00%	\$ 885,000	\$ 1,106,925	\$ 1,991,925
2024	5.00%	930,000	1,061,550	1,991,550
2025	5.00%	975,000	1,013,925	1,988,925
2026	5.00%	1,025,000	963,925	1,988,925
2027	5.00%	3,895,000	2,550,300	6,445,300
2028-2032	3.00%-5.00%	22,005,000	70,350	22,075,350
		<u>\$ 29,715,000</u>	<u>\$ 6,766,975</u>	<u>\$ 36,481,975</u>

** Bifurcated Coupons

There are several covenants, limitations and other requirements contained in the bond indenture. The School District is in substantial compliance with these requirements at June 30, 2022.

NOTE 10: LEASE OBLIGATIONS

In August 2018, the School District entered into an agreement with De Lage Landen Public Finance LLC to lease copiers for a term of 60 months, with monthly payments of \$5,204.62, and an interest rate of 2.43%.

In September 2018, the School District entered into an agreement with Insight Investments, LLC to lease Chromebooks for a term of 4 years, with annual payments of \$228,938.95, and an interest rate of 0%.

In August 2019, the School District entered into an agreement with Insight Investments, LLC to lease Chromebooks for a term of 4 years, with annual payments of \$206,741.38, and an interest rate of 0.10%.

In August 2019, the School District entered into an agreement with Insight Investments, LLC to lease computers for a term of 4 years, with annual payments of \$54,162.58, and an interest rate of 0%.

In September 2019, the School District entered into an agreement with the Lutheran Church of the Master, Inc., to lease building space for a term of 59 months, with monthly payments of \$6,200 in the first year, \$6,380 in the second year, \$6,565 in the third year, \$6,756 in the fourth year, and \$6,953 in the fifth year, and an interest rate of 3.28%. The lease offers a two-year renewal period that the district intends to assume, with \$7,156 in the first year, and \$7,365 in the second year. The interest rate for this lease was estimated by management using the Bloomberg 5-year municipal bond interest rate. The District also amended the lease to include an annex/portable, with monthly payments of \$750

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 10: LEASE OBLIGATIONS (CONTINUED)

In July 2020, the School District entered into an agreement with Insight Investments, LLC to lease iPads for a term of 5 years, with annual payments of \$17,029.39, and an interest rate of 1.45%.

In July 2020, the School District entered into an agreement with Insight Investments, LLC to lease Chromebooks for a term of 4 years, with annual payments of \$259,408, and an interest rate of 0.56%.

In August 2021, the School District entered into an agreement with Insight Investments, LLC to lease iPads for a term of 5 years, with annual payments of \$17,029.39, and an interest rate of 1.45%.

In September 2021, the School District entered into an agreement with Insight Investments, LLC to lease computers for a term of 4 years, with annual payments of \$45,910.32, and an interest rate of 0.11%.

In October 2021, the School District entered into an agreement with Insight Investments, LLC to lease ProBooks for a term of 4 years, with annual payments of \$12,797, and an interest rate of 0.48%.

In November 2021, the School District entered into an agreement with Insight Investments, LLC to lease Chromebooks for a term of 4 years, with annual payments of \$201,584.88, and an interest rate of 0.97%.

In April 2022, the School District entered into an agreement with Insight Investments, LLC to lease Chromebooks for a term of 4 years, with annual payments of \$32,785.65, and an interest rate of 1.68%.

In May 2022, the School District entered into an agreement with Turf Tank to lease a painting robot for a term of 6 years, with annual payments of \$12,000, and an interest rate of 3.28%. The interest rate for this lease was estimated by management using the Bloomberg 5-year muni-bond interest rate.

The asset – right of use leases, and accumulated amortization balances at June 30, 2022 were as follows:

	Balance June 30, 2021	Adjustment	Additions	Balance June 30, 2022
Asset - right of use leases	\$ -	\$ 4,425,539	\$ 1,298,613	\$ 5,724,152
Accumulated amortization	-	(1,965,207)	(1,290,307)	(3,255,514)
Asset - right of use leases, net amortization	<u>\$ -</u>	<u>\$ 2,460,332</u>	<u>\$ 8,306</u>	<u>\$ 2,468,638</u>

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 10: LEASE OBLIGATIONS (CONCLUDED)

During the year ended June 30, 2022, lease payments totaled \$1,182,583. Future minimum principal and interest payments are as follows:

For the year ended,	Equipment		Building		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 945,605	\$ 14,455	\$ 167,786	\$ 21,286	\$ 1,113,391	\$ 35,741
2024	622,201	8,495	175,772	15,664	797,973	24,159
2025	334,863	4,274	184,062	9,774	518,925	14,048
2026	130,303	1,361	197,802	3,607	328,105	4,968
2027	12,889	530	-	-	12,889	530
2028	9,850	149	-	-	9,850	149
	<u>\$ 2,055,711</u>	<u>\$ 29,264</u>	<u>\$ 725,422</u>	<u>\$ 50,331</u>	<u>\$ 2,781,133</u>	<u>\$ 79,595</u>

NOTE 11: CHANGES IN LONG-TERM DEBT AND LEASE OBLIGATIONS AND CURRENT MATURITIES

Changes in the School District's long-term liabilities for the year ended June 30, 2022 are as follows:

	Balance June 30, 2021	Adjustments	Additions	Reductions	Balance June 30, 2022	Due Within One year
Bonds payable						
General obligation bonds	\$ 41,100,000	\$ -	\$ -	\$ (3,195,000)	\$ 37,905,000	\$ 3,325,000
Premium	5,480,716	-	-	(524,908)	4,955,808	-
Discount	(108,197)	-	-	15,425	(92,772)	-
Total bonds payable	<u>46,472,519</u>	<u>-</u>	<u>-</u>	<u>(3,704,483)</u>	<u>42,768,036</u>	<u>3,325,000</u>
Lease liability	-	2,665,103	1,298,613	(1,182,583)	2,781,133	1,113,391
Compensated absences	<u>239,262</u>	<u>-</u>	<u>-</u>	<u>(9,732)</u>	<u>229,530</u>	<u>-</u>
Total long-term liabilities	<u>\$ 46,711,781</u>	<u>\$ 2,665,103</u>	<u>\$ 1,298,613</u>	<u>\$ (4,896,798)</u>	<u>\$ 45,778,699</u>	<u>\$ 4,438,391</u>

NOTE 12: DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 12: DEFINED BENEFIT 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. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Coeur d'Alene School District contributions were \$7,035,056 for the year ended June 30, 2022.

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

At June 30, 2022, the Coeur d'Alene School District reported an asset for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Coeur d'Alene School District proportion of the net pension asset was based on the Coeur d'Alene School District 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 Coeur d'Alene School District proportion was 1.5239998 percent.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2022, the Coeur d'Alene School District recognized pension expense of \$339,285. At June 30, 2022, the Coeur d'Alene School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,816,047	\$ 37,804,891
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,773,373	699,628
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	(133,364)
Coeur d'Alene School District's contributions subsequent to the measurement date	<u>7,000,469</u>	<u>-</u>
Total	<u>\$ 22,589,889</u>	<u>\$ 38,371,155</u>

\$7,000,469 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 asset 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, 2019, the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

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

Year ended June 30:

2022	\$ (5,390,399)
2023	\$ (4,857,851)
2024	\$ (4,245,207)
2025	\$ (8,421,642)

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.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			6.35%

Discount Rate

The discount rate used to measure the total pension liability (asset) 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.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONCLUDED)

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

The following presents the Employer's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability (asset) 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:

	<u>1% Decrease (5.35%)</u>	<u>Current Discount Rate (6.35%)</u>	<u>1% Increase (7.35%)</u>
District's net pension liability (asset)	\$ 41,840,520	\$ (1,203,624)	\$ (36,487,771)

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2022, the Coeur d'Alene School District reported payables to the defined benefit pension plan of \$860,027 for legally required employer contributions and \$515,728 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 13: MINIMUM FUND BALANCE POLICY

The District maintains a minimum unassigned fund balance of five percent (5%) of the subsequent year's budgeted revenues. The District is in compliance with this policy.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 14: INTERFUND TRANSFERS

The composition of interfund transfers as of June 30, 2022 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 309,158	\$ 6,039,642
Child nutrition	97,559	43,118
Title I	-	30,927
Land acquisition and plant facilities	5,000,000	-
Other governmental funds	958,433	251,463
	<u>\$ 6,365,150</u>	<u>\$ 6,365,150</u>

Transfers are made based on the federal requirements (allowable in-direct or required for food service program) and/or to cover expenditures tracked separately from the general fund but are still considered as part of the overall operating budget.

NOTE 15: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District contracts with an insurance company for property insurance (including boiler and machinery) and general liability insurance.

Professional liability is protected by an outside insurance company with a \$2,000,000 liability and a \$5,000,000 aggregate. Vehicles are also covered by the same insurance company and have a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$3,000,000 single limit of liability.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The School District provides life, with accidental death and dismemberment insurance, as well as medical and dental insurance to most employees through an insurance company in the amount of \$50,000.

NOTE 16: POST-EMPLOYMENT HEALTH CARE PLAN

Plan Description

Coeur d'Alene School District No. 271 contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

NOTE 16: POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Plan Description (Concluded)

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

OPEB Benefits

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

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were \$0 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2022, the District's proportion was 3.4130052 percent.

For the year ended June 30, 2022 the District recognized OPEB expense (expense offset) of (\$270,046). \$1,289,335 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2023.

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 16: POST-EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Actuarial Assumptions (Concluded)

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

Inflation	2.30%
Salary increases	3.05%
Salary inflation	3.05%
Investment rate of return	5.45%, net of investment expenses

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	50.00%	2.80%	-0.20%
US/Global Equity	39.30%	8.00%	6.00%
International Equity	10.70%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.15%
Assumed Inflation			2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			5.45%

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 16: POST-EMPLOYMENT HEALTH CARE PLAN (CONCLUDED)

Discount Rate

The discount rate used to measure the total OPEB asset was 5.45 percent. 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 OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

Sensitivity of the total OPEB Asset to Changes in the Discount Rate

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

	<u>1% Decrease (4.45%)</u>	<u>Current Discount Rate (5.45%)</u>	<u>1% Increase (6.45%)</u>
Total June 30, 2022 OPEB asset	\$ 4,300,989	\$ 4,956,381	\$ 5,568,558

OPEB Plan Fiduciary Net Position

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

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

Payables to the OPEB Plan

At June 30, 2022, the District reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 17: OTHER POST-EMPLOYMENT BENEFITS

Plan Description and OPEB Benefits

All eligible retired and disabled members may participate in the retiree medical, dental and vision plans upon retirement. To be eligible for the District's retiree group medical, dental and vision plans, a retiree must satisfy the PERSI retirement eligibility requirements of 55 years of ages (or disability) and 5 years of service. Once a retiree becomes eligible for Medicare, the spouse can continue coverage until the spouse is eligible for Medicare. Disabled members can receive benefits until they qualify for SSDI and Medicare. Surviving spouses are eligible until they qualify for Medicare if the retiree had elected a pension spouse continuance option such as joint and survivor. Medical, dental and vision benefits, where there is combined rating with actives, ends at age 65 or Medicare eligibility. Retirees who have a sick leave account and use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Total OPEB Liability

The District's total OPEB liability of \$4,249,449 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Projected payroll increases	3.75%
Interest / discount rate	4.02%
Retirees' share of benefit-related costs	100% of projected health premiums for retirees

Healthcare cost trend rates:

Fiscal year ending	Medical	Prescription Drugs	Dental	Vision
2022*	8.6%	8.6%	2.5%	0.0%
2023	7.9%	7.9%	3.4%	1.7%
2023	6.5%	6.5%	3.0%	2.0%
2025	6.0%	6.0%	2.5%	2.0%
2026	5.9%	5.9%	2.0%	2.0%
2027	5.7%	5.7%	2.0%	2.0%
2028	5.6%	5.6%	2.0%	2.0%
2029	5.5%	5.5%	2.0%	2.0%
2030	5.3%	5.3%	2.0%	2.0%
2031-2047	5.2%	5.2%	2.0%	2.0%
2048	5.1%	5.1%	2.0%	2.0%
2049-2050	5.0%	5.0%	2.0%	2.0%
2051-2053	4.9%	4.9%	2.0%	2.0%
2054-2057	4.8%	4.8%	2.0%	2.0%
2058-2062	4.7%	4.7%	2.0%	2.0%
2063-2069	4.6%	4.6%	2.0%	2.0%
2070	4.5%	4.5%	2.0%	2.0%
2071	4.4%	4.4%	2.0%	2.0%
2072	4.3%	4.3%	2.0%	2.0%
2073-2074	4.2%	4.2%	2.0%	2.0%
2075	4.1%	4.1%	2.0%	2.0%
2076-2077	4.0%	4.0%	2.0%	2.0%
2078	3.9%	3.9%	2.0%	2.0%
2079+	3.8%	3.8%	2.0%	2.0%

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 17: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs (Concluded)

The discount rate used to measure the OPEB liability was 4.02%. The discount rate was based on the Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years. Mortality rates were based on the RP-2000 Mortality Table with generational mortality adjustments.

The actuarial assumptions used were based on the results of a 2021 PERSI Investigation of Experience Study.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020	\$ 4,287,274
Changes for the year:	
Service cost	354,484
Interest on total OPEB liability	113,488
Differences in experience	586,563
Effect of plan changes	-
Effect of assumptions changes or inputs	(778,279)
Expected benefit payments	<u>(314,081)</u>
Balance as of June 30, 2021	<u>\$ 4,249,449</u>

Sensitivity of the total OPEB liability to changes in the discount rate and health-care cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	<u>1% Decrease (3.02%)</u>	<u>Current Discount Rate (4.02%)</u>	<u>1% Increase (5.02%)</u>
Total June 30, 2021 OPEB liability	\$ 4,529,527	\$ 4,249,449	\$ 3,983,130

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total June 30, 2021 OPEB liability	\$ 3,843,455	\$ 4,249,449	\$ 4,723,591

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 17: OTHER POST-EMPLOYMENT BENEFITS (CONCLUDED)

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$113,520. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 614,946	\$ 101,751
Changes in assumptions and other inputs	1,035,930	778,279
Total	<u>\$ 1,650,876</u>	<u>\$ 880,030</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal year ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
2022	43,533	9,115	12,556	4,971		\$ 70,175
2023	43,533	9,115	12,556	4,971	(13,828)	\$ 56,347
2024	43,533	9,115	12,556	4,971	(13,828)	\$ 56,347
2025	43,533	9,115	12,556	4,971	(13,828)	\$ 56,347
2026	43,533	9,115	12,556	4,971	(13,828)	\$ 56,347
2027	43,533	9,115	12,556	4,971	(13,828)	\$ 56,347
Thereafter	212,946	46,693	85,523	34,965	(122,576)	\$ 257,551

NOTE 18: CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs, the principal of which are subject to program compliance audit pursuant to the Single Audit Act as amended. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

The School District may be involved is various lawsuits in the normal course of business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

NOTE 19: PRIOR PERIOD ADJUSTMENTS

During the fiscal year ending June 30, 2022, the School District restated beginning net position in the Government Wide Statement of Activities to adjust the balance recorded as capitalized interest in construction in progress. Beginning net position was decreased by \$2,333,039.

(Continued)

Coeur d'Alene School District No. 271

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

NOTE 19: PRIOR PERIOD ADJUSTMENTS (CONCLUDED)

During the fiscal year ending June 30, 2022, the School District restated beginning net position in the Government Wide Statement of Activities to implement GASB 87 retrospectively and record beginning balances for asset – right of use lease, net amortization, lease liability – due within one year, and lease liability – due beyond one year. Beginning net position was decreased by \$204,771.

During the fiscal year ending June 30, 2022, the School District restated beginning net position in the Government Wide Statement of Activities and beginning fund balance in School Plus to adjust the cash balance that was overstated in prior year. Beginning net position and governmental fund balance was decreased by \$32,845.

During fiscal year ending June 30, 2022, the School District recognized that the Medicaid Fund should not have had a beginning fund balance due to maintenance of effort (MOE) and revenue recognition requirements for Special Education. Special Education funding must be spent in the following order: 1) state and local General fund dollars to meet the MOE, 2) Medicaid dollars, 3) IDEA Part B federal grant. The beginning fund balance in the Medicaid Fund indicated that Medicaid funds were not spent prior to SPED IDEA Part B funds and also indicated that more General Funds dollars were spent in prior years than was required. In order to correct the MOE, the beginning fund balance for the Medicaid had to be reduced to zero, resulting in the balance going back to the General Fund for prior years in which the General Fund overcontributed. This resulted in a \$1,775,007 increase to the General Fund's beginning fund balance, resulting in an adjusted beginning fund balance of \$6,271,109.

NOTE 20: EXCESS ACTUAL EXPENDITURES OVER BUDGET

The following is a schedule of an excess of functional expenditures over appropriations for the year ended June 30, 2022. Also included are the actual revenues realized in each of those funds.

<u>Funds</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess of Budgeted Expenditures</u>	<u>Actual Revenues</u>
Child Nutrition	\$ 3,648,400	\$ 4,353,477	\$ 705,077	\$ 5,562,859
	<u>\$ 3,648,400</u>	<u>\$ 4,353,477</u>	<u>\$ 705,077</u>	<u>\$ 5,562,859</u>

(Concluded)

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

Coeur d'Alene School District

GASB 68 Required Supplementary Information For the Year Ended June 30, 2022

Schedule of Employer's Share of Net Pension Asset PERSI - Base Plan Last 10 - Fiscal Years *

	<u>2022</u>	<u>2021</u>
Employer's portion of the net pension (asset) liability	1.5239998%	1.5144252%
liability	\$ (1,203,624)	\$ 35,166,956
Employer's covered-employee payroll	\$ 58,914,861	\$ 56,841,617
Employer's proportional share of the net pension (asset) liability as a percentage of its covered employee payroll	-2.04%	61.87%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.36%	88.22%

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

Data reported is measured as of June 30, 2021 (measurement date).

Schedule of Employer Contributions PERSI - Base Plan Last 10 - Fiscal Years *

	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 7,035,056	\$ 6,787,222
Contributions in relation to the statutorily required contribution	7,035,056	6,787,222
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll of its covered employee payroll	\$ 58,914,861	\$ 56,841,617
Contributions as a percentage of covered-employee payroll	11.94%	11.94%

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

Data reported is measured as of June 30, 2022.

2020	2019	2018	2017	2016	2015
1.4369041%	1.4570839%	1.4417745%	1.4552038%	1.4665938%	1.4950932%
\$ 16,401,860	\$ 21,492,242	\$ 22,662,219	\$ 29,499,216	\$ 19,312,655	\$ 11,006,226
\$ 53,740,146	\$ 48,725,445	\$ 46,877,871	\$ 44,956,060	\$ 42,741,334	\$ 40,411,552
30.52%	44.11%	48.34%	65.62%	45.18%	27.24%
93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

2020	2019	2018	2017	2016	2015
\$ 6,416,559	\$ 5,515,720	\$ 5,306,811	\$ 5,089,026	\$ 4,838,319	\$ 4,650,130
6,416,559	5,515,720	5,306,811	5,089,026	4,838,319	4,650,130
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 53,740,146	\$ 48,725,445	\$ 46,877,871	\$ 44,956,060	\$ 42,741,334	\$ 41,079,210
11.94%	11.32%	11.32%	11.32%	11.32%	11.32%

Coeur d'Alene School District

GASB 75 Required Supplementary Information For the Year Ended June 30, 2022

Schedule of Employer's Share of Net OPEB Asset PERSI – OPEB Plan Last 10 - Fiscal Years *

PERSI - OPEB PLAN

	<u>2022</u>
Employer's portion of net the OPEB asset	3.4130052%
Employer's proportionate share of the net OPEB asset	\$ 4,956,381
Employer's covered-employee payroll	\$ 58,914,861
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	8.41%
Plan fiduciary net position as a percentage of the total OPEB Asset	152.61%

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

Data reported is measured as of June 30, 2021 (measurement date).

Schedule of Employer Contributions PERSI – OPEB Plan Last 10 - Fiscal Years *

	<u>2022</u>
Statutorily required contribution	\$ -
Contributions in relation to the statutorily required contribution	-
Contribution (deficiency) excess	<u>\$ -</u>
Employer's covered-employee payroll	58,914,861
Contributions as a percentage of covered-employee payroll	0.00%

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

Data reported is measured as of June 30, 2022.

2021	2020	2019	2018
3.4130052%	3.4434225%	3.4855851%	3.5154452%
\$ 4,202,453	\$ 3,298,124	\$ 2,891,117	\$ 2,698,559
\$ 56,841,617	\$ 53,740,146	\$ 48,725,445	\$ 46,877,871
7.39%	6.14%	5.93%	5.76%
152.87%	138.51%	135.69%	136.78%

2021	2020	2019	2018
\$ -	\$ 229,563	\$ 565,277	\$ 543,819
-	229,563	565,277	543,819
\$ -	\$ -	\$ -	\$ -
56,841,617	53,740,146	48,725,445	46,877,871
0.00%	0.43%	1.16%	1.16%

Coeur d'Alene School District

**GASB 75 Required Supplementary Information
For the Year Ended June 30, 2022**

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Last 10 - Fiscal Years *

Total OPEB Liability	2022	2021	2020	2019	2018
Service cost	\$ 354,484	\$ 354,448	\$ 243,813	\$ 243,446	\$ 221,001
Interest on total OPEB liability	113,488	112,329	137,178	129,730	116,066
Changes of benefit terms	-	-	-	-	-
Differences in experience	586,563	-	28,383	-	(101,751)
Effect of economic/demographic gains or (losses)	-	-	-	-	-
Effect of assumption changes or inputs	(778,279)	64,791	145,032	119,613	706,494
Expected benefit payments	<u>(314,081)</u>	<u>(329,739)</u>	<u>(267,471)</u>	<u>(280,185)</u>	<u>(245,586)</u>
Net change in total OPEB liability	(37,825)	201,829	286,935	212,604	696,224
Total OPEB liability, beginning	4,287,274	4,085,445	3,798,510	3,585,906	2,889,682
Total OPEB liability, ending	<u>\$ 4,249,449</u>	<u>\$ 4,287,274</u>	<u>\$ 4,085,445</u>	<u>\$ 3,798,510</u>	<u>\$ 3,585,906</u>
Covered employee payroll	\$ 58,914,861	\$ 56,841,617	\$ 53,740,146	\$ 48,725,445	\$ 46,877,871
Total OPEB liability as a % of covered employee payroll	7.21%	7.54%	7.60%	7.80%	7.65%

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

Data reported is measured as of June 30, 2021 (measurement date).

Coeur d'Alene School District No. 271

**GENERAL FUND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

	Original Budgeted Amounts*	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 20,200,000	\$ 20,498,547	\$ 298,547
Interest income	200,000	32,862	(167,138)
Other local revenue	150,000	134,806	(15,194)
State assistance and reimbursements	58,511,392	61,686,820	3,175,428
Title programs and other federal revenues	4,303,485	-	(4,303,485)
Total revenues	83,364,877	82,353,035	(1,011,842)
EXPENDITURES			
Instructional services:			
Elementary programs	22,432,481	17,793,055	4,639,426
Secondary programs	16,634,417	15,171,572	1,462,845
Alternative school programs	1,218,313	1,189,817	28,496
Exceptional child programs	9,516,240	8,812,662	703,578
Activity programs	1,087,002	1,426,706	(339,704)
Summer program	66,050	68,768	(2,718)
Detention center program	222,964	214,594	8,370
Total instructional services	51,177,467	44,677,174	6,500,293
Support services:			
Pupil support	6,075,449	6,329,611	(254,162)
General administration	3,282,405	3,470,748	(188,343)
School administration	6,841,115	6,660,249	180,866
Business operations	1,771,519	1,446,188	325,331
Maintenance	7,093,726	6,893,981	199,745
Transportation	3,318,221	3,405,552	(87,331)
Security	747,786	762,106	(14,320)
Other support services	2,027,696	1,894,559	133,137
Total support services	31,157,917	30,862,994	294,923
Capital outlay	403,570	195,824	207,746
Lease - right of use asset	-	1,298,613	(1,298,613)
Contingency reserve	4,168,244	-	4,168,244
Total expenditures	86,907,198	77,034,605	9,872,593
Excess (deficiency) of revenues (under) over expenditures	(3,542,321)	5,318,430	8,860,751
OTHER FINANCING SOURCES (USES)			
Lease liability	-	1,298,613	1,298,613
Transfers in	300,000	309,158	9,158
Transfers (out)	(925,926)	(6,039,642)	(5,113,716)
Total other financing sources (uses)	(625,926)	(4,431,871)	(3,805,945)
Net change in fund balances	(4,168,247)	886,559	5,054,806
Fund balances - beginning	5,389,094	4,496,102	(892,992)
Prior period adjustment	-	1,775,007	1,775,007
Fund balances - ending	\$ 1,220,847	\$ 7,157,668	\$ 5,936,821

*Budget was not amended

Coeur d'Alene School District No. 271

CHILD NUTRITION FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended June 30, 2022

	Original Budgeted Amounts*	Actual Amounts	Variance with Final Budget
REVENUES			
Other local revenue	\$ 20,000	\$ 84,546	\$ 64,546
Title programs and other federal revenues	3,555,000	5,478,313	1,923,313
Total revenues	<u>3,575,000</u>	<u>5,562,859</u>	<u>1,987,859</u>
EXPENDITURES			
Non-instructional services:			
Food services	3,644,600	4,317,880	(673,280)
Total non-instructional services	<u>3,644,600</u>	<u>4,317,880</u>	<u>(673,280)</u>
Capital outlay	3,800	35,597	31,797
Total expenditures	<u>3,648,400</u>	<u>4,353,477</u>	<u>(705,077)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,400)</u>	<u>1,209,382</u>	<u>1,282,782</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	97,559	(2,441)
Transfers (out)	(70,000)	(43,118)	26,882
Total other financing sources (uses)	<u>30,000</u>	<u>54,441</u>	<u>24,441</u>
Net change in fund balances	(43,400)	1,263,823	1,307,223
Fund balances - beginning	100,000	634,789	534,789
Fund balances - ending	<u>\$ 56,600</u>	<u>\$ 1,898,612</u>	<u>\$ 1,842,012</u>

*Budget was not amended

Coeur d'Alene School District No. 271

TITLE I FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL For the Year Ended June 30, 2022

	Original Budgeted Amounts*	Actual Amounts	Variance with Final Budget
REVENUES			
Title programs and other federal revenues	\$ 2,100,000	\$ 1,696,137	\$ (403,863)
Total revenues	<u>2,100,000</u>	<u>1,696,137</u>	<u>(403,863)</u>
EXPENDITURES			
Instructional services:			
Elementary programs	1,403,900	1,148,316	255,584
Secondary programs	2,000	148	1,852
Alternative programs	117,500	124,139	(6,639)
Total instructional services	<u>1,523,400</u>	<u>1,272,603</u>	<u>250,797</u>
Support services:			
General administration	150,000	379,130	(229,130)
School administration	180,600	-	180,600
Total instructional services	<u>330,600</u>	<u>379,130</u>	<u>(48,530)</u>
Non-instructional services:			
Community services	18,600	13,477	5,123
Total instructional services	<u>18,600</u>	<u>13,477</u>	<u>5,123</u>
 Total expenditures	 <u>1,872,600</u>	 <u>1,665,210</u>	 <u>207,390</u>
Excess (deficiency) of revenues (under) over expenditures	 <u>227,400</u>	 <u>30,927</u>	 <u>(196,473)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(35,000)	(30,927)	4,073
Total other financing sources (uses)	<u>(35,000)</u>	<u>(30,927)</u>	<u>4,073</u>
Net change in fund balances	192,400	-	(192,400)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 192,400</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (192,400)</u></u>

*Budget was not amended

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

Coeur d'Alene School District No. 271

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - BY FUND TYPE
June 30, 2022**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,029,352	\$ 4,676,722	\$ 8,706,074
Accounts receivable: State of Idaho	6,425,854	-	6,425,854
Accounts receivable: Other receivable	403,380	-	403,380
Prepaid expense	40,891	-	40,891
Total assets	<u>\$ 10,899,477</u>	<u>\$ 4,676,722</u>	<u>\$ 15,576,199</u>
LIABILITIES			
Accounts payable	\$ 475,174	\$ -	\$ 475,174
Accrued payroll and vacation benefits	1,534,750	-	1,534,750
Interfund payable	5,356,949	-	5,356,949
Total liabilities	<u>7,366,873</u>	<u>-</u>	<u>7,366,873</u>
FUND BALANCES			
Nonspendable	40,891	-	40,891
Restricted	2,483,872	610,119	3,093,991
Assigned	1,007,841	4,066,603	5,074,444
Total fund balances	<u>3,532,604</u>	<u>4,676,722</u>	<u>8,209,326</u>
Total liabilities and fund balances	<u>\$ 10,899,477</u>	<u>\$ 4,676,722</u>	<u>\$ 15,576,199</u>

Coeur d'Alene School District No. 271

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BY FUND TYPE
For the Year Ended June 30, 2022**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Other local revenue	\$ 5,030,280	\$ 500	\$ 5,030,780
State assistance and reimbursements	4,444,137	-	4,444,137
Title programs and other federal revenues	15,663,526	-	15,663,526
Total revenues	25,137,943	500	25,138,443
EXPENDITURES			
Instructional services:			
Elementary programs	5,600,863	-	5,600,863
Secondary programs	4,267,447	-	4,267,447
Alternative school program	176,071	-	176,071
Vocational and technical programs	2,051	-	2,051
Exceptional child program	3,815,982	-	3,815,982
Activity programs	217,433	-	217,433
Summer school programs	64,767	-	64,767
Detention center	78,560	-	78,560
Total instructional expenditures	14,223,174	-	14,223,174
Support services:			
Pupil support	1,115,490	-	1,115,490
General administration	2,965,224	-	2,965,224
School administration	798,204	-	798,204
Business operations	302,303	-	302,303
Maintenance	233,305	-	233,305
Transportation	282,023	-	282,023
Security program	7,427	-	7,427
Student activity	3,133,342	-	3,133,342
Other support services	207,187	1,119	208,306
Total support services	9,044,505	1,119	9,045,624
Non-instructional services:			
Food services	196,188	-	196,188
Community services	986,720	-	986,720
Total non-instructional expenditures	1,182,908	-	1,182,908
Capital outlay	201,636	1,065,251	1,266,887
Total expenditures	24,652,223	1,066,370	25,718,593
Excess (deficiency) of revenues over (under) expenditures	485,720	(1,065,870)	(580,150)
OTHER FINANCING SOURCES (USES)			
Proceeds on sale of assets	-	2,294,928	2,294,928
Transfers in	20,070	938,363	958,433
Transfers (out)	(251,463)	-	(251,463)
Total other financing sources (uses)	(231,393)	3,233,291	3,001,898
Net change in fund balances	254,327	2,167,421	2,421,748
Fund balances - beginning	5,086,129	2,509,301	7,595,430
Prior period adjustment	(1,807,852)	-	(1,807,852)
Fund balances - ending	\$ 3,532,604	\$ 4,676,722	\$ 8,209,326

Coeur d'Alene School District No. 271

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Forest Reserve Fund	Building Rental	IMEN Grant
ASSETS			
Cash and cash equivalents	\$ 58,576	\$ 101,799	\$ -
Accounts receivable: State of Idaho	-	-	-
Accounts receivable: Other receivable	-	9,119	-
Prepaid expense	-	-	-
Total assets	<u>\$ 58,576</u>	<u>\$ 110,918</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 2,251	\$ 191	\$ -
Accrued payroll and vacation benefits	-	-	-
Interfund payable	-	-	-
Total liabilities	<u>2,251</u>	<u>191</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-special revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	56,325	110,727	-
Total fund balances	<u>56,325</u>	<u>110,727</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 58,576</u>	<u>\$ 110,918</u>	<u>\$ -</u>

School Plus Program	Miscellaneous Local Grants	E-Rate	Driver Education
\$ 396,618	\$ 306,075	\$ 112,747	\$ -
-	-	16,200	36,965
300	91,487	-	-
-	-	-	-
<u>\$ 396,918</u>	<u>\$ 397,562</u>	<u>\$ 128,947</u>	<u>\$ 36,965</u>
\$ 1,107	\$ 7,920	\$ -	\$ 327
8,783	1,311	-	8,184
-	-	-	17,885
<u>9,890</u>	<u>9,231</u>	<u>-</u>	<u>26,396</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	388,331	-	10,569
387,028	-	128,947	-
<u>387,028</u>	<u>388,331</u>	<u>128,947</u>	<u>10,569</u>
<u>\$ 396,918</u>	<u>\$ 397,562</u>	<u>\$ 128,947</u>	<u>\$ 36,965</u>

Classroom Technology	Vocational Education	Reading Assessment	State Leadership Awards
\$ 101,697	\$ 51,990	\$ 157,006	\$ -
26,365	-	-	644,461
-	-	-	-
-	-	-	-
<u>\$ 128,062</u>	<u>\$ 51,990</u>	<u>\$ 157,006</u>	<u>\$ 644,461</u>
\$ 15,158	\$ 4,596	\$ 20	\$ -
-	4,607	(20)	(6)
-	-	-	634,066
<u>15,158</u>	<u>9,203</u>	<u>-</u>	<u>634,060</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>112,904</u>	<u>42,787</u>	<u>157,006</u>	<u>10,401</u>
<u>112,904</u>	<u>42,787</u>	<u>157,006</u>	<u>10,401</u>
<u>\$ 128,062</u>	<u>\$ 51,990</u>	<u>\$ 157,006</u>	<u>\$ 644,461</u>

Advanced Opportunities	Medicaid Reimbursement	Miscellaneous State Funds	Homeless Grant
\$ 60,298	\$ 50,405	\$ 314,034	\$ -
-	154,924	-	-
-	-	13,500	-
-	-	-	-
<u>\$ 60,298</u>	<u>\$ 205,329</u>	<u>\$ 327,534</u>	<u>\$ -</u>
\$ -	\$ 388	\$ 110	\$ -
-	204,941	150,615	-
-	-	-	-
<u>-</u>	<u>205,329</u>	<u>150,725</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
60,298	-	176,809	-
-	-	-	-
<u>60,298</u>	<u>-</u>	<u>176,809</u>	<u>-</u>
<u>\$ 60,298</u>	<u>\$ 205,329</u>	<u>\$ 327,534</u>	<u>\$ -</u>

Title I-D	IDEA-B School Age	IDEA-B Preschool	IDEA-B ARRA
\$ -	\$ -	\$ 18,059	\$ 454,290
34,367	1,570,751	-	41,620
-	-	-	-
-	-	-	-
<u>\$ 34,367</u>	<u>\$ 1,570,751</u>	<u>\$ 18,059</u>	<u>\$ 495,910</u>
\$ 391	\$ 198	\$ 59	\$ 434,939
71	256,523	18,000	60,971
33,905	1,314,030	-	-
<u>34,367</u>	<u>1,570,751</u>	<u>18,059</u>	<u>495,910</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 34,367</u>	<u>\$ 1,570,751</u>	<u>\$ 18,059</u>	<u>\$ 495,910</u>

Carl Perkins	Professional Development	Johnson O'Malley	Title II E.S.E.A.
\$ -	\$ 8,302	\$ 37,331	\$ -
-	-	-	362,110
146,538	-	-	-
-	-	-	-
<u>\$ 146,538</u>	<u>\$ 8,302</u>	<u>\$ 37,331</u>	<u>\$ 362,110</u>

\$ 2,868	\$ -	\$ -	\$ 875
442	-	4,704	3,398
93,810	-	-	357,837
<u>97,120</u>	<u>-</u>	<u>4,704</u>	<u>362,110</u>

<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

-	-	-	-
49,418	8,302	32,627	-
-	-	-	-
<u>49,418</u>	<u>8,302</u>	<u>32,627</u>	<u>-</u>
<u>\$ 146,538</u>	<u>\$ 8,302</u>	<u>\$ 37,331</u>	<u>\$ 362,110</u>

Title IV-A Student Support	Miscellaneous Federal Grants	Activity Fund	Tuition-Based Full Day Kindergarten
\$ -	\$ -	\$ 1,716	\$ -
-	81,898	-	-
142,436	-	-	-
40,891	-	-	-
<u>\$ 183,327</u>	<u>\$ 81,898</u>	<u>\$ 1,716</u>	<u>\$ -</u>
\$ 263	\$ -	\$ -	\$ -
-	17,856	-	-
183,064	64,042	-	-
<u>183,327</u>	<u>81,898</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
40,891	-	-	-
(40,891)	-	-	-
-	-	1,716	-
-	-	1,716	-
<u>\$ 183,327</u>	<u>\$ 81,898</u>	<u>\$ 1,716</u>	<u>\$ -</u>

School Based Accounting	Coronavirus Relief	ESSER I CARES Act	ESSER III CARES Act	Governor's Learning Loss Grant	ESSER II CARES Act	Total
\$ 1,798,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,029,352
-	-	39,849	1,535,677	-	1,880,667	6,425,854
-	-	-	-	-	-	403,380
-	-	-	-	-	-	40,891
<u>\$ 1,798,409</u>	<u>\$ -</u>	<u>\$ 39,849</u>	<u>\$ 1,535,677</u>	<u>\$ -</u>	<u>\$ 1,880,667</u>	<u>\$ 10,899,477</u>
\$ -	\$ 11	\$ -	\$ 3,276	\$ -	\$ 226	\$ 475,174
-	(326)	-	212,445	-	582,251	1,534,750
-	315	39,849	1,319,956	-	1,298,190	5,356,949
<u>-</u>	<u>-</u>	<u>39,849</u>	<u>1,535,677</u>	<u>-</u>	<u>1,880,667</u>	<u>7,366,873</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	40,891
1,798,409	-	-	-	-	-	2,483,872
-	-	-	-	-	-	1,007,841
<u>1,798,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,532,604</u>
<u>\$ 1,798,409</u>	<u>\$ -</u>	<u>\$ 39,849</u>	<u>\$ 1,535,677</u>	<u>\$ -</u>	<u>\$ 1,880,667</u>	<u>\$ 10,899,477</u>

Coeur d'Alene School District No. 271

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Year Ended June 30, 2022**

	Forest Reserve Fund	Building Rental	IMEN Grant
REVENUES			
Other local revenue	\$ -	\$ 83,402	\$ -
State assistance and reimbursements	-	-	-
Title programs and other federal revenues	56,325	-	-
Total revenues	<u>56,325</u>	<u>83,402</u>	<u>-</u>
EXPENDITURES			
Instructional services:			
Elementary programs	-	-	-
Secondary programs	-	-	-
Alternative school programs	-	-	-
Vocational and technical programs	-	-	-
Exceptional child programs	-	-	-
Activity programs	-	-	-
Summer school programs	-	-	-
Detention center	-	-	-
Total instructional services	<u>-</u>	<u>-</u>	<u>-</u>
Support services:			
Pupil support	-	-	-
General administration	-	-	-
School administration	-	-	-
Business operations	-	-	-
Maintenance	-	9,140	(180)
Transportation	-	-	-
Security program	-	-	-
Student activity	-	5,295	-
Other support services	-	-	-
Total support services	<u>-</u>	<u>14,435</u>	<u>(180)</u>
Non-instructional services:			
Food services	-	-	-
Community services	-	-	-
Total non-instructional services	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>14,435</u>	<u>(180)</u>
Excess (deficiency) revenues over (under) expenditures	<u>56,325</u>	<u>68,967</u>	<u>180</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	(180)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(180)</u>
Net change in fund balances	56,325	68,967	-
Fund balances - beginning	-	41,760	-
Prior period adjustment	-	-	-
Fund balances - ending	<u>\$ 56,325</u>	<u>\$ 110,727</u>	<u>\$ -</u>

School Plus Program	Miscellaneous Local Grants	E-Rate	Driver Education
\$ 768,689	\$ 727,425	\$ -	\$ 45,485
-	-	-	31,950
296,790	-	224,681	-
1,065,479	727,425	224,681	77,435
76,723	184,998	-	-
-	105,338	-	85,636
-	12,656	-	-
-	2,051	-	-
-	3,510	-	-
-	208,076	-	-
-	-	-	-
-	-	-	-
76,723	516,629	-	85,636
-	2,627	-	-
-	19,736	9,885	-
-	6,881	-	-
-	16,022	-	-
63	1,675	-	-
2,248	23,170	-	-
-	-	-	-
-	-	-	-
-	-	71,279	-
2,311	70,111	81,164	-
-	-	-	-
917,187	2,844	-	-
917,187	2,844	-	-
-	18,259	158,925	-
996,221	607,843	240,089	85,636
69,258	119,582	(15,408)	(8,201)
-	16,351	-	-
-	-	-	-
-	16,351	-	-
69,258	135,933	(15,408)	(8,201)
350,615	252,398	144,355	18,770
(32,845)	-	-	-
\$ 387,028	\$ 388,331	\$ 128,947	\$ 10,569

Classroom Technology	Vocational Education	Reading Assessment	State Leadership Awards
\$ 78,118	\$ -	\$ -	\$ -
740,483	125,432	-	644,461
316,771	-	-	-
1,135,372	125,432	-	644,461
-	-	-	331,267
-	87,864	-	262,239
-	12,906	-	52,286
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	2,388
-	100,770	-	648,180
-	-	-	-
1,010,121	4,235	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	2,408	-	-
-	-	-	-
-	-	-	-
80,841	-	-	-
1,090,962	6,643	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,090,962	107,413	-	648,180
44,410	18,019	-	(3,719)
-	-	-	3,719
-	-	-	-
-	-	-	3,719
44,410	18,019	-	-
68,494	24,768	157,006	10,401
-	-	-	-
\$ 112,904	\$ 42,787	\$ 157,006	\$ 10,401

<u>Advanced Opportunities</u>	<u>Medicaid Reimbursement</u>	<u>Miscellaneous State Funds</u>	<u>Homeless Grant</u>
\$ -	\$ -	\$ -	\$ -
58,044	1,653,545	1,190,222	-
-	-	-	15,920
<u>58,044</u>	<u>1,653,545</u>	<u>1,190,222</u>	<u>15,920</u>
-	-	863,872	2,580
46,591	11	-	16
-	-	-	-
-	-	-	-
-	1,176,483	63,605	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>46,591</u>	<u>1,176,494</u>	<u>927,477</u>	<u>2,596</u>
-	236,150	299,126	2,303
-	1,033	4,629	6,912
-	21,718	-	-
-	215,300	-	-
-	2,850	-	-
-	-	-	3,916
-	-	-	-
-	-	-	-
-	-	-	193
<u>-</u>	<u>477,051</u>	<u>303,755</u>	<u>13,324</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
46,591	1,653,545	1,231,232	15,920
<u>11,453</u>	<u>-</u>	<u>(41,010)</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,453	-	(41,010)	-
48,845	1,775,007	217,819	-
-	(1,775,007)	-	-
<u>\$ 60,298</u>	<u>\$ -</u>	<u>\$ 176,809</u>	<u>\$ -</u>

Title I-D	IDEA-B School Age	IDEA-B Preschool	IDEA-B ARRA
\$ -	\$ -	\$ -	\$ -
-	-	-	-
78,083	2,264,098	60,418	31,263
78,083	2,264,098	60,418	31,263
-	-	-	-
-	-	-	-
3,946	-	-	-
-	-	-	-
-	2,181,319	59,309	31,263
-	-	-	-
-	-	-	-
66,921	-	-	-
70,867	2,181,319	59,309	31,263
-	40,464	-	-
5,906	754	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,906	41,218	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
76,773	2,222,537	59,309	31,263
1,310	41,561	1,109	-
-	-	-	-
(1,310)	(41,561)	(1,109)	-
(1,310)	(41,561)	(1,109)	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

<u>Carl Perkins</u>	<u>Professional Development</u>	<u>Johnson O'Malley</u>	<u>Title II E.S.E.A.</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
146,538	-	2,589	503,833
<u>146,538</u>	<u>-</u>	<u>2,589</u>	<u>503,833</u>
-	-	13,092	-
94,842	-	804	-
28,279	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>123,121</u>	<u>-</u>	<u>13,896</u>	<u>-</u>
-	-	-	-
10,626	245,133	-	494,584
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>10,626</u>	<u>245,133</u>	<u>-</u>	<u>494,584</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
<u>24,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
158,199	245,133	13,896	494,584
<u>(11,661)</u>	<u>(245,133)</u>	<u>(11,307)</u>	<u>9,249</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,249)</u>
-	-	-	(9,249)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,249)</u>
(11,661)	(245,133)	(11,307)	-
61,079	253,435	43,934	-
-	-	-	-
<u>\$ 49,418</u>	<u>\$ 8,302</u>	<u>\$ 32,627</u>	<u>\$ -</u>

Title IV-A Student Support	Miscellaneous Federal Grants	Activity Fund	Tuition-Based Full Day Kindergarten
\$ -	\$ -	\$ 105	\$ -
-	-	-	-
155,658	197,088	-	-
155,658	197,088	105	-
13,925	177,833	-	(11,090)
17,153	-	-	-
605	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
31,683	177,833	-	(11,090)
-	-	-	-
114,744	12,115	80	-
-	-	-	-
-	(4,070)	-	-
-	-	-	-
6,374	8,543	-	-
-	-	-	-
-	-	-	-
-	-	-	-
121,118	16,588	80	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
152,801	194,421	80	(11,090)
2,857	2,667	25	11,090
-	-	-	-
(2,857)	(19,019)	-	(11,090)
(2,857)	(19,019)	-	(11,090)
-	(16,352)	25	-
-	16,352	1,691	-
-	-	-	-
\$ -	\$ -	\$ 1,716	\$ -

School Based Accounting	Coronavirus Relief	ESSER I CARES Act	ESSER III CARES Act	Governor's Learning Loss Grant	ESSER II CARES Act	Total
\$ 3,327,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,030,280
-	-	-	-	-	-	4,444,137
-	1,573,320	140,199	3,005,251	581,218	6,013,483	15,663,526
3,327,056	1,573,320	140,199	3,005,251	581,218	6,013,483	25,137,943
-	434,864	667	1,211,684	310,134	1,990,314	5,600,863
-	290,317	24,123	383,075	137,040	2,732,398	4,267,447
-	22,579	-	-	-	42,814	176,071
-	-	-	-	-	-	2,051
-	175,923	-	103,169	-	21,401	3,815,982
-	2,181	-	-	-	7,176	217,433
-	-	-	-	64,767	-	64,767
-	3,869	-	-	-	5,382	78,560
-	929,733	24,790	1,697,928	511,941	4,799,485	14,223,174
-	96,095	-	339,157	-	99,568	1,115,490
-	55,923	105,720	404,312	67,855	390,921	2,965,224
-	128,350	-	458,652	-	182,603	798,204
-	24,935	-	25,003	-	25,113	302,303
-	106,602	-	4,047	-	109,108	233,305
-	88,079	-	21,717	1,422	124,146	282,023
-	3,437	-	-	-	3,990	7,427
3,128,047	-	-	-	-	-	3,133,342
-	22,369	7,571	-	-	24,934	207,187
3,128,047	525,790	113,291	1,252,888	69,277	960,383	9,044,505
-	85,289	-	-	-	110,899	196,188
-	32,508	-	-	-	34,181	986,720
-	117,797	-	-	-	145,080	1,182,908
-	-	-	-	-	-	201,636
3,128,047	1,573,320	138,081	2,950,816	581,218	5,904,948	24,652,223
199,009	-	2,118	54,435	-	108,535	485,720
-	-	-	-	-	-	20,070
-	-	(2,118)	(54,435)	-	(108,535)	(251,463)
-	-	(2,118)	(54,435)	-	(108,535)	(231,393)
199,009	-	-	-	-	-	254,327
1,599,400	-	-	-	-	-	5,086,129
-	-	-	-	-	-	(1,807,852)
\$ 1,798,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,532,604

Coeur d'Alene School District No. 271

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Bus Depreciation Fund #424	Local Building Fund #429	Total
ASSETS			
Cash and cash equivalents	\$ 610,119	\$ 4,066,603	\$ 4,676,722
Total assets	<u>\$ 610,119</u>	<u>\$ 4,066,603</u>	<u>\$ 4,676,722</u>
 FUND BALANCES			
Restricted	610,119	-	610,119
Assigned	-	4,066,603	4,066,603
Total fund balances	<u>610,119</u>	<u>4,066,603</u>	<u>4,676,722</u>
 Total liabilities and fund balances	<u>\$ 610,119</u>	<u>\$ 4,066,603</u>	<u>\$ 4,676,722</u>

Coeur d'Alene School District No. 271

NONMAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES For the Year Ended June 30, 2022

	Bus Depreciation Fund #424	Local Building Fund #429	Total
REVENUES:			
Other local revenue	\$ -	\$ 500	\$ 500
Total revenues	<u>-</u>	<u>500</u>	<u>500</u>
EXPENDITURES			
Support services:			
Other support services	-	1,119	1,119
Total support services	<u>-</u>	<u>1,119</u>	<u>1,119</u>
Debt service:			
Capital outlay	986,363	78,888	1,065,251
Total expenditures	<u>986,363</u>	<u>80,007</u>	<u>1,066,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(986,363)</u>	<u>(79,507)</u>	<u>(1,065,870)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds on sale of asset	-	2,294,928	2,294,928
Transfers in	938,363	-	938,363
Total other financing sources (uses)	<u>938,363</u>	<u>2,294,928</u>	<u>3,233,291</u>
Net change in fund balances	(48,000)	2,215,421	2,167,421
Fund balances - beginning	<u>658,119</u>	<u>1,851,182</u>	<u>2,509,301</u>
Fund balances - ending	<u><u>\$ 610,119</u></u>	<u><u>\$ 4,066,603</u></u>	<u><u>\$ 4,676,722</u></u>

SINGLE AUDIT SECTION

**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**

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Coeur d'Alene School District No. 271
Coeur d'Alene, ID 83814

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* 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 Coeur d'Alene School District No. 271 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coeur d'Alene School District No. 271's basic financial statements, and have issued our report thereon dated November 7, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coeur d'Alene School District No. 271's internal control over financial reporting (internal control) as a basis for designing 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 Coeur d'Alene School District No. 271's internal control. Accordingly, we do not express an opinion on the effectiveness of Coeur d'Alene School District No. 271's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coeur d'Alene School District No. 271's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 (CONCLUDED)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Magnuson, McHugh & Company, P.A.

Magnuson, McHugh & Company, P.A.

November 7, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Coeur d'Alene School District No. 271
Coeur d'Alene, ID 83814

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271's major federal programs for the year ended June 30, 2022. Coeur d'Alene School District No. 271'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, Coeur d'Alene School District No. 271 complied, in all material respects, with the 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, 2022.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Coeur d'Alene School District No. 271 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 Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271's federal programs.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE (CONTINUED)

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 Coeur d'Alene School District No. 271'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 GAAS, *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 Coeur d'Alene School District No. 271's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271'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 Coeur d'Alene School District No. 271'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.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE (CONCLUDED)

Report on Internal Control over Compliance (Concluded)

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.

Magnuson, McHugh & Company, P.A.

Magnuson, McHugh & Company, P.A.

November 7, 2022

Coeur d'Alene School District No. 271

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through State of Idaho Department of Education:			
Nutrition Cluster:			
<i>School Breakfast Program</i>	10.553	826000811 00	\$ 767,211
<i>National School Lunch Program</i>	10.555	826000811 00	3,211,342
<i>National School Lunch Program - commodities</i>	10.555	826000811 00	294,688
<i>Summer Food Service Program for Children</i>	10.559	826000811 00	77,005
<i>Fresh Fruit and Vegetable</i>	10.582	826000811 00	46,349
Total Nutrition Cluster			<u>4,396,595</u>
Total Department of Agriculture			<u>4,396,595</u>
U.S. DEPARTMENT OF THE INTERIOR:			
Passed through State of Idaho Department of Education:			
477 Cluster			
<i>Indian Education Assistance to Schools</i>	15.130	826000811 00	13,896
<i>Child Care and Development Block Grant</i>	93.575	826000811 00	296,790
Total Department of the Interior			<u>310,686</u>
U.S. DEPARTMENT OF EDUCATION			
Direct Award			
<i>Indian Education Formula Grants</i>	84.306		<u>16,170</u>
Passed through State of Idaho Department of Education:			
<i>Title I Grants to Local Educational Agencies</i>	84.010	826000811 00	1,696,137
<i>School Improvement Grants</i>	84.010	826000811 00	19,410
<i>Title I - D</i>	84.010	826000811 00	78,083
IDEA-B Special Education Cluster:			
<i>Special Education Grants to States</i>	84.027	826000811 00	2,264,098
<i>Special Education Preschool Grants</i>	84.173	826000811 00	91,681
Total IDEA-B Special Education Cluster:			<u>2,355,779</u>
<i>State Activities - Education of Homeless</i>	84.196	826000811 00	15,920
<i>Twenty-first Century Community Learning Center</i>	84.287	826000811 00	175,000
<i>Carl D. Perkins - Vocational Education Basic Grants</i>			
<i>to States</i>	84.048	826000811 00	158,199
<i>Supporting Effective Instruction State Grants</i>	84.367	826000811 00	503,833
<i>Title IV-A Student Support and Academic Enrichment Program</i>	84.424	826000811 00	155,658
<i>COVID-19 Elementary and Secondary School Emergency</i>			
<i>Relief Fund</i>	84.425	826000811 00	9,158,933
			<u>14,316,952</u>
Total Department of Education			<u>14,333,122</u>
U.S. DEPARTMENT OF TREASURY:			
Passed through State of Idaho Department of Education:			
<i>COVID-19 Coronavirus State and Local Fiscal Recovery Funds</i>	21.027	826000811 00	1,230,808
<i>COVID-19 Coronavirus Relief Fund</i>	21.019	826000811 00	923,730
Total Department of Treasury			<u>2,154,538</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through State of Idaho Department of Education:			
<i>Substance Abuse and Mental Health Services</i>	93.243	826000811 00	<u>2,860</u>
Total Department of Health and Human Services			<u>2,860</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 21,197,801</u>

See accompanying notes to the schedule of expenditures of federal awards.

Coeur d'Alene School District No. 271

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2022

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coeur d'Alene School District No. 271 under programs of the federal government for the year ended June 30, 2022. 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 Coeur d'Alene School District No. 271, it is not intended to and does not present the financial position, changes in net position, or cash flows of Coeur d'Alene School District No. 271.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Coeur d'Alene School District No. 271 has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C: FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2022, the School District had received food commodities totaling \$294,688.

Coeur d'Alene School District No. 271

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies School Improvements Grants Title I-D
84.425	COVID-19 Elementary and Secondary School Emergency Relief Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Coeur d'Alene School District No. 271

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2022

Section II. – Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards

We noted no findings relating to the financial statement which are required in accordance with generally accepted government auditing standards.

Section III. – Findings and Questioned Costs for Federal Awards

We noted no findings relating to the financial statement which are required in accordance with generally accepted government auditing standards.

Section IV. – Summary of Prior Year Audit Findings Relating to Federal Awards

There were no findings relating to prior year audit findings relating to federal awards in accordance with generally accepted government auditing standards.