

**West Bonner County School District No. 83**

*Financial Report*

**June 30, 2021**

**West Bonner County School District No. 83**  
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## **Report of Independent Auditor**

Board of Trustees  
West Bonner County School District No. 83  
Priest River, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83 (“the District”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

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

### ***Auditor’s Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of West Bonner County School District No. 83, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Notes 5 and 19 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison schedule on page 49, the other postemployment benefits schedules on pages 51 through 53, and the pension schedules on pages 55 and 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual General Fund and nonmajor fund financial statements, and Schedule of Changes in Student Activity Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual General Fund and nonmajor fund financial statements, Schedule of Changes in Student Activity Funds, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual General Fund and nonmajor fund financial statements, Schedule of Changes in Student Activity Funds, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a separate report dated October 26, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

*DeCoria, Blair & Teague, PS*

DeCoria, Blair & Teague, P.S.  
Spokane, Washington

October 26, 2021

**WEST BONNER COUNTY SCHOOL DISTRICT NO. 83**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2021**

The management's discussion and analysis of the financial performance of West Bonner County School District No. 83 provides an overall narrative review of the District's financial activities for the year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance. Information contained in this section is supplemented by the more detailed information contained elsewhere in the District's financial statements, notes to financial statements and any accompanying supplementary information. To the extent this discussion contains any forward-looking statements of the District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

The number of students attending West Bonner schools averaged 959 students over the entire school year. Our average daily student attendance generated 54.22 units on the July 15<sup>th</sup> state payment for salary and benefit apportionment. The total reimbursement for last fiscal year was \$3,534,656.24 for salaries and \$692,439.16 for benefits.

The District has had a supplemental levy in place since 2000 that has been used for instructional expenditures, capital purchases and facility improvements. These supplemental levies have been voter-approved levies to provide funding for such items as textbooks, technology, teacher training, furniture, buses, school and library supply funds, extracurricular equipment funds and funding facility needs.

**FINANCIAL HIGHLIGHTS**

- Total net position for 2021 decreased \$767,340, which represents a 27.3% decrease from fiscal year 2020.
- In the governmental funds, General Fund revenues for fiscal years 2021 and 2020 account for \$9,686,201 and \$10,156,511, or 79% and 85% of total revenues, respectively. The General Fund consists of the General Fund (Fund 100), Medical Insurance Fund, Contingency Fund, Supplemental Levy Fund, and General Grants Fund. Other state and federal fund revenues, in the form of charges for services and grants and contributions, accounted for \$2,553,486 and \$1,792,839, or 21% and 15% of total revenues for fiscal years 2021 and 2020, respectively.
- In the governmental funds, General Fund expenditures for fiscal years 2021 and 2020 account for \$9,596,360 and \$10,096,646, or 77% and 83% of total expenditures, respectively. Other state and federal fund expenditures accounted for \$2,817,896 and \$2,006,775, or 23% and 17% of total expenditures for fiscal years 2021 and 2020, respectively.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

- The General Fund's fund balance was \$2,374,680 and \$2,538,715 for fiscal years ending 2021 and 2020, respectively. The General Fund's fund balance decreased by \$164,035 from 2020 to 2021.
- Long-term debt increased by \$1,899,117 from 2020. This increase was due primarily to the Governmental Accounting Standards Board (GASB) Statement No. 68 requirement to report on the Statement of Net Position the District's proportionate share (\$4,244,883) of the PERSI Base Plan's net pension liability as of June 30, 2021, compared to \$2,156,079 as of June 30, 2020.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements.** The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The district-wide financial statements outline functions of the District that are principally supported by state revenues, property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instruction, and capital assets programs.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.



WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, which 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 funds financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported in the district-wide statements. Therefore, reconciliations of the differences between the governmental funds and the district-wide statements are included as separate statements.
- **Fiduciary funds** – The District serves as a trustee, or fiduciary, for student scholarship trust funds, employee's cafeteria plan funds, and student activity funds. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process.

The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund.

Additionally, a Schedule of Expenditures of Federal Awards, as required by the Uniform Guidance (formerly, OMB Circular A-133), can be found in this report.

## **DISTRICT-WIDE FINANCIAL ANALYSIS**

**Net Position.** Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$2,223,226 as of June 30, 2021.

By far the largest portion of the District's net position is invested in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less accumulated depreciation and any related debt used to acquire those assets that is still outstanding.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**Table 1** presents the District's summarized Statements of Net Position for the fiscal years ended June 30, 2021 and 2020.

**Table 1**  
**Statements of Net Position**

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>June 30, 2021</b>	<b>June 30, 2020 (restated)</b>	<b>% Change</b>
Current Assets	\$ 4,150,650	\$ 4,318,791	-3.9%
Noncurrent Assets	2,771,273	2,819,509	-1.7%
Deferred Outflows of Resources	1,833,379	1,221,162	50.1%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>8,755,302</b>	<b>8,179,443</b>	<b>4.7%</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current Liabilities	1,433,095	1,429,923	0.2%
Noncurrent Liabilities	4,067,765	2,168,648	87.6%
Deferred Inflows of Resources	1,031,216	1,770,325	-41.7%
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,532,076</b>	<b>5,368,896</b>	<b>21.7%</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,741,654	2,781,736	-1.4%
Restricted for Program Requirements	331,370	354,206	-6.4%
Restricted for Replacement of Plant Equipment	34,755	37,768	-8.0%
Designated for Specific Purposes	1,236,107	1,047,929	18.0%
Unrestricted Net Position (deficit)	(2,120,660)	(1,231,073)	72.3%
<b>Total Net Position</b>	<b>\$ 2,223,226</b>	<b>\$ 2,990,566</b>	<b>-25.7%</b>

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**Changes in net position.** As shown in **Table 2**, the District relies significantly on state support (49%) for funding of its governmental activities. Additionally, local property tax support accounts for 27% of the District's governmental activities. The District had total revenues of \$12,240,688. Total expenses exceeded total revenues by \$767,340.

**Table 2**  
**Changes in Net Position**

REVENUES	2021	2020
<b><i>Program Revenues:</i></b>		
Charges for services	\$ 35,118	\$ 43,151
Operating grants and contributions	2,786,012	2,041,920
<b><i>General Revenue:</i></b>		
Property taxes, general purposes	3,279,565	3,258,120
Interest and investment earnings	283	-
State aid, unrestricted	5,982,858	6,400,234
Federal Forest	35,070	36,107
Other local sources	121,782	125,863
Gain on disposal of capital assets	-	1,200
<b>Total Revenues</b>	12,240,688	11,906,595
<b>EXPENSES</b>		
Instructional services	\$ 6,561,196	\$ 5,823,395
Support services	5,733,441	5,394,124
Non-instructional services	700,405	516,080
Capital assets and debt service	12,986	15,535
<b>Total Expenses</b>	11,749,134	11,749,134
<b>Change in net position</b>	(767,340)	157,461
<b>Net position, beginning of year</b>	2,810,547	2,653,086
<b>Prior period adjustment</b>	180,019	2,653,086
<b>Net position, end of year</b>	\$ 2,223,226	\$ 2,810,547

**Governmental Activities.** The following table presents the cost of the District's major functional activities: instructional programs, support service programs, non-instruction programs, capital asset program, and principal and interest. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**Table 3**  
**Net Cost of Governmental Activities**

<b>EXPENSES</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>
Instructional programs	\$ 5,510,753	\$ 4,862,774	13.3%
Support service programs	4,622,792	4,685,983	-1.3%
Non-instructional programs	40,367	99,771	-59.5%
Capital assets and debt service	12,986	15,535	-16.4%
<b>Net Expenses</b>	<b>\$ 10,186,898</b>	<b>\$ 9,664,063</b>	<b>5.4%</b>
<b>REVENUES</b>			
Property taxes	\$ 3,279,565	\$ 3,258,120	0.7%
Interest and investment earnings	283	-	N/A
Other local revenue and gain on disposal	121,782	127,063	-3.2%
State assistance and reimbursements	5,982,858	6,400,234	-6.5%
Other federal revenues	35,070	36,107	-2.9%
<b>Net Revenues</b>	<b>\$ 9,419,558</b>	<b>\$ 9,821,524</b>	<b>-4.1%</b>

Net cost of governmental activities was financed primarily by general revenue, which is primarily made up of state support payments of \$5,982,858 for 2021 and \$6,400,234 for 2020.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$2,656,374, a decrease of \$174,569, which includes a contingency reserve balance of \$866,151. The contingency reserve balance is a committed fund balance and can be used only for the specific purposes determined by a formal action of the Board of Trustees. The District has restricted fund balances totaling \$366,125 for General Fund grants, Medicaid expenditures and bus acquisitions. Restricted fund balance can only be spent on specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The District has an assigned fund balance of \$183,597 for the Medical Insurance Fund, as reported within the General Fund, and an assigned fund balance of \$1,052,510 for instruction. Assigned fund balances are those balances that are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed.

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, CONTINUED**

The General Fund is the principal operating fund of the District.

**BUDGETARY HIGHLIGHTS**

The District adopts an original budget in June for the subsequent year. The budget is then often amended later in the fiscal year, typically in February or March, following determination of the first attendance period and certification of all levies on property taxes.

State revenues are primarily driven through the measurement of attendance for the first nine weeks of the school year. The changes in state revenues due to this snapshot in time for the purposes of wage and benefits appropriation were addressed in the December amendment process.

**CAPTIAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** West Bonner County School District No. 83 has \$2,771,273 in capital assets, net of accumulated depreciation and amortization. These assets are made up of a broad range of items including buildings, improvements, transportation equipment and other equipment. The District has a \$5,000 threshold for capitalization of fixed assets. This year's major additions totaled \$268,959 and primarily included a new bus and building improvements paid by supplemental levy dollars.

**Long-Term Debt.** The District has no bonded indebtedness. The District has a total of \$4,067,765 of long-term debt, which consists of the noncurrent portion of compensated absences and capital lease obligations, if any, other postemployment benefits and pension liabilities. The deferred outflows and deferred inflows of resources related to the net OPEB and pension liabilities increase the District's net position by \$802,163.

**Table 4** below shows changes in compensated absences along with current maturities.

**Table 4**  
**Change in Compensated Absences and**  
**Current Maturities**

Balance, July 1, 2020	\$67,865
Additions	96,020
Retirements/Payments	98,710
Balance, June 30, 2021	\$65,175

Additional information on the District's compensated absences and capital lease obligation can be found in Note 12 included in this report. Additional information on the District's other long-term obligations, which consists of other postemployment benefits and pension liabilities, can be found in Notes 13 and 14, respectively.

**WEST BONNER COUNTY SCHOOL DISTRICT NO. 83**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2021

**CURRENT ISSUES**

Currently known factors that will impact the District's financial status in the future are:

- The District relies solely on state support for salaries, benefits and fixed costs such as utilities and fuel. This approach to budget-building makes it more difficult each year to present an adopted budget without budget reductions. Since our state revenues are generated by student enrollment and average daily attendance, the percentage of time a student attends school determines the funding level for that student. The current funding levels from state support do not pay 100% of the District's salaries and benefits. Any expenses above state reimbursed salaries and benefits are paid by entitlement funds or *Discretionary Funds* and voter approved supplemental levy funds.
- Discretionary Funds are paid through state support to the District on a per unit dollar amount – units are calculated from student average daily attendance. The average entitlement amount paid to school districts since 2000 is \$23,980 per unit. Each year fixed costs such as fuel and utilities have increased substantially, yet the funding school districts receive to pay these costs have not increased at the same rate or level. West Bonner County School District must be able to pay for its fixed costs and sometimes the Board must make budget reductions to have a balanced budget.

<b>FY</b>	<b>Entitlement</b>	<b>Inc(Decr)</b>	<b>% Change</b>
1999-2000	\$ 23,217.27		
2000-01	24,440.40	\$ 1,223.13	5.27%
2001-02	22,935.54	(1,504.86)	-6.16%
2002-03	23,128.74	193.20	0.84%
2003-04	24,447.00	1,318.26	5.70%
2004-05	24,450.00	3.00	0.01%
2005-06	24,695.00	245.00	1.00%
2006-07	25,436.00	741.00	3.00%
2007-08	25,442.00	6.00	0.02%
2008-09	25,696.00	254.00	1.00%
2009-10	25,459.00	(237.00)	-0.92%
2010-11	21,795.00	(3,664.00)	-14.39%
2011-12	19,626.00	(2,169.00)	-9.95%
2012-13	19,706.00	80.00	0.41%
2013-14	20,000.00	294.00	1.49%
2014-15	22,401.00	2,401.00	12.01%
2015-16	23,868.00	1,467.00	6.55%
2016-17	25,696.00	1,828.00	7.66%
2017-18	26,748.00	1,052.00	4.09%
2018-19	27,481.00	733.00	2.74%
2019-20	28,090.00	609.00	2.22%
2020-21	22,810.00	(5,280.00)	-18.80%

WEST BONNER COUNTY SCHOOL DISTRICT NO. 83  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021

- On May 18, 2021 the District's voters approved a two-year supplemental levy that primarily supports the District, the co-curricular and extra-curricular programs, and facility improvements. Due to the state reductions throughout the years, the District is unable to continue to fund these expenditures from its General Fund discretionary dollars. These expenditures will continue to be supplemental levy expenditures until such time the state supports the funding of these programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

West Bonner County School District  
Jennifer Anselmo, Business Manager  
JenniferAnselmo@sd83.org  
134 Main Street  
Priest River, Idaho 83856  
(208) 448-4439

## **Basic Financial Statements**



**West Bonner County School District No. 83**  
**Statement of Net Position - District-Wide**  
**June 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents (Note 6)	\$ 2,613,626
Receivables (Note 7)	1,500,706
Prepaid expenses	11,760
Inventory	24,558
	<hr/>
Total current assets	4,150,650
Noncurrent assets:	
Capital assets, net of accumulated depreciation (Note 8)	2,771,273
	<hr/>
Total assets	6,921,923
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to the net other postemployment benefit (OPEB) liability (Note 13)	143,839
Deferred outflows related to the net pension liability (Note 14)	1,689,540
	<hr/>
Total deferred outflows of resources	1,833,379
	<hr/>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	38,886
Accrued payroll and related liabilities	1,226,751
Unearned grant revenue	93,695
Accrued compensated absences, due within one year (Note 12)	65,175
Capital lease obligation, due within one year (Note 12)	8,588
	<hr/>
Total current liabilities	1,433,095
Noncurrent liabilities:	
Capital lease obligation, due after one year (Note 12)	21,031
Net other postemployment benefit (OPEB) liability (asset) (Note 13)	(198,149)
Net pension liability (Note 14)	4,244,883
	<hr/>
Total noncurrent liabilities	4,067,765
	<hr/>
Total liabilities	5,500,860
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to the net OPEB liability (Note 13)	686,378
Deferred inflows related to the net pension liability (Note 14)	344,838
	<hr/>
Total deferred inflows of resources	1,031,216
	<hr/>
Commitments and contingencies (Notes 16 through 18)	
<b>NET POSITION</b>	
Net investment in capital assets	2,741,654
Restricted for program requirements	503,869
Restricted for replacement of plant equipment	34,755
Designated for specific purposes	1,236,107
Unrestricted net position (deficit)	(2,293,159)
	<hr/>
Total net position	\$ 2,223,226
	<hr/>

**West Bonner County School District No. 83**  
**Statement of Activities - District-Wide**  
**For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction:				
Elementary programs	\$ 2,706,722	\$ 3,850	\$ 651,694	\$ (2,051,178)
Secondary programs	2,262,692	-	118,607	(2,144,085)
Vocational education programs	192,243	-	-	(192,243)
Special education programs	1,028,791	-	276,292	(752,499)
Exceptional child, gifted and talented programs	573	-	-	(573)
Interscholastic and school activity programs	353,423	-	-	(353,423)
Summer school	16,752	-	-	(16,752)
Total instruction	6,561,196	3,850	1,046,593	(5,510,753)
Support services:				
Attendance, guidance and health	593,517	-	257,072	(336,445)
Special services	513,865	-	146,576	(367,289)
Instruction improvement	381,843	-	252,227	(129,616)
Educational media program	98,130	-	-	(98,130)
Technology program	573,623	-	237,867	(335,756)
District administration	261,392	-	-	(261,392)
School administration	796,887	-	23,672	(773,215)
Business operations	374,120	-	-	(374,120)
Custodial and maintenance	1,451,601	-	193,235	(1,258,366)
Transportation	688,463	-	-	(688,463)
Total support services	5,733,441	-	1,110,649	(4,622,792)
Non-instruction programs:				
Child nutrition program	569,945	31,268	505,831	(32,846)
Community service programs	130,460	-	122,939	(7,521)
Total non-instruction programs	700,405	31,268	628,770	(40,367)
Debt service	12,986	-	-	(12,986)
Total debt service	12,986	-	-	(12,986)
Total governmental activities	<u>\$ 13,008,028</u>	<u>\$ 35,118</u>	<u>\$ 2,786,012</u>	<u>(10,186,898)</u>

**GENERAL REVENUES**

Property taxes, general purposes	3,279,565
Interest and investment earnings	283
Other local sources	121,782
State aid, unrestricted	5,982,858
National forest reserve	35,070
Total general revenue	<u>9,419,558</u>
Change in net position	(767,340)
Total net position, beginning of year	2,810,547
Prior period adjustment (Note 19)	180,019
Total net position, end of year	<u>\$ 2,223,226</u>

**West Bonner County School District No. 83**  
**Balance Sheet - Governmental Funds**  
**June 30, 2021**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Assets:			
Cash and cash equivalents	\$ 2,162,148	\$ 451,478	\$ 2,613,626
Receivables	1,175,396	325,310	1,500,706
Prepaid expenses	11,760	-	11,760
Inventory	-	24,558	24,558
Due from other funds	254,152	-	254,152
Total assets	<u>\$ 3,603,456</u>	<u>\$ 801,346</u>	<u>\$ 4,404,802</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 33,123	\$ 5,763	\$ 38,886
Accrued payroll and related liabilities	1,005,709	221,042	1,226,751
Unearned grant revenue	-	93,695	93,695
Due to other funds	55,000	199,152	254,152
Total liabilities	<u>1,093,832</u>	<u>519,652</u>	<u>1,613,484</u>
Deferred inflows of resources:			
Deferred property tax revenue	<u>134,944</u>	<u>-</u>	<u>134,944</u>
Total deferred inflows of resources	<u>134,944</u>	<u>-</u>	<u>134,944</u>
Fund balances:			
Nonspendable:			
Prepaid expenses	11,760	-	11,760
Inventory	-	24,558	24,558
Restricted for:			
Program requirements	263,302	240,567	503,869
Replacement of plant equipment	-	34,755	34,755
Committed for:			
Unforeseen expenditures	866,151	-	866,151
Assigned to:			
Instruction	1,052,510	-	1,052,510
Support services	183,597	-	183,597
Unassigned	<u>(2,640)</u>	<u>(18,186)</u>	<u>(20,826)</u>
Total fund balances	<u>2,374,680</u>	<u>281,694</u>	<u>2,656,374</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,603,456</u>	<u>\$ 801,346</u>	<u>\$ 4,404,802</u>

**West Bonner County School District No. 83**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**with the Statement of Net Position - District-Wide**  
**June 30, 2021**

**Amounts reported for governmental activities in the Statement of Net Position - District-Wide are different because:**

Total fund balances - Governmental Funds		\$ 2,656,374	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.			
The cost of capital assets is	\$ 14,405,801		
Accumulated depreciation is	<u>(11,634,528)</u>		
			2,771,273
Property taxes receivable will be collected, but are not available soon enough to pay for current period liabilities, and are therefore reported as deferred inflows of resources in the governmental funds.			134,944
Noncurrent liabilities, including accrued compensated absences, capital lease obligations, other postemployment benefit (OPEB) liabilities and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:			
Accrued compensated absences, due within one year	(65,175)		
Capital lease obligation, due within one year	(8,588)		
Capital lease obligation, due after one year	(21,031)		
Net OPEB liability (asset)	198,149		
Net pension liability	<u>(4,244,883)</u>		
			(4,141,528)
Deferred outflows and deferred inflows of resources related to the net pension and other postemployment benefit (OPEB) liabilities are not financial resources and therefore are not reported in the governmental funds.			
Deferred outflows related to the net OPEB liability	143,839		
Deferred inflows related to the net OPEB liability	(686,378)		
Deferred outflows related to the net pension liability	1,689,540		
Deferred inflows related to the net pension liability	<u>(344,838)</u>		
			<u>802,163</u>
Total net position - District-Wide		\$ <u>2,223,226</u>	

**West Bonner County School District No. 83**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2021**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 3,278,564	\$ -	\$ 3,278,564
Interest and investment earnings	282	1	283
Other local revenue	148,593	154,207	302,800
State assistance and reimbursements	6,258,762	155,171	6,413,933
National Forest Reserve	-	35,070	35,070
Other federal revenues	-	2,209,037	2,209,037
Total revenues	9,686,201	2,553,486	12,239,687
<b>EXPENDITURES</b>			
Instruction:			
Elementary programs	1,890,726	533,156	2,423,882
Secondary programs	1,950,644	92,765	2,043,409
Vocational education programs	194,369	-	194,369
Special education programs	701,892	276,292	978,184
Exceptional child, gifted and talented programs	851	-	851
Interscholastic and school activity programs	336,124	-	336,124
Summer school	15,862	-	15,862
Total instruction	5,090,468	902,213	5,992,681
Support services:			
Attendance, guidance and health	296,350	236,592	532,942
Special services	169,685	333,340	503,025
Instruction improvement	297,099	118,223	415,322
Educational media program	115,719	-	115,719
Technology program	315,120	237,867	552,987
District administration	246,766	-	246,766
School administration	731,870	23,672	755,542
Business operations	355,126	-	355,126
Custodial and maintenance	1,383,286	193,235	1,576,521
Transportation	560,310	98,998	659,308
Total support services	4,471,331	1,241,927	5,713,258
Non-instruction programs:			
Child nutrition programs	13,421	543,296	556,717
Community service programs	-	130,460	130,460
Total non-instruction programs	13,421	673,756	687,177
Debt service	21,140	-	21,140
Total capital assets and debt service	21,140	-	21,140
Total expenditures	9,596,360	2,817,896	12,414,256
Excess (deficiency) of revenues over (under) expenditures	89,841	(264,410)	(174,569)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from (to) other funds	(253,876)	253,876	-
Net changes in fund balances	(164,035)	(10,534)	(174,569)
Total fund balances, beginning of year	2,538,715	112,209	2,650,924
Prior period adjustment (Note 19)	-	180,019	180,019
Total fund balances, end of year	\$ 2,374,680	\$ 281,694	\$ 2,656,374

The accompanying notes are an integral part of the basic financial statements.

**West Bonner County School District No. 83**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds with the Statement of Activities - District-Wide**  
**For the Year Ended June 30, 2021**

**Amounts reported for governmental activities in the Statement of Activities - District-Wide are different because:**

Net changes in fund balances - Governmental Funds	\$ (174,569)
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Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, in the Statement of Activities - District-Wide, the cost of these assets is allocated over their estimated useful lives as depreciation. Amounts recognized for these items in the current year are as follows:

Capital outlays	\$ 268,959	
Depreciation and amortization expense	<u>(317,195)</u>	(48,236)

Some property taxes will not be collected until several months after the District's fiscal year end, and therefore will not be available to pay liabilities of the current period. Accordingly, they are recorded as deferred inflows of resources. They are, however, recorded as revenue in the Statement of Activities - District-Wide. The change in unearned property taxes during the current fiscal year is an adjustment.

1,001

In the Statement of Activities - District-Wide, certain operating expenses (e.g., compensated absences) and certain non-pension retirement benefits (e.g., other postemployment benefits) are measured by the amount earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, compensated absences and other postemployment benefits paid exceeded compensated absences and other postemployment benefits earned.

77,522

In the Statement of Activities - District-Wide, pension expense (revenue) is actuarially determined and adjusted by amortization of deferred outflows and deferred inflows of resources. In the governmental funds, however, pension expenditures are measured by the amount of financial resources used (i.e., the amount of contributions actually paid). The difference between contributions paid and the changes in the District's proportionate share of the Base Plan's net pension liability and the related deferred outflows and deferred inflows of resources is an

(631,212)

Borrowings under capital leases are considered revenue and repayments of capital lease principal are reported as expenditures in the governmental funds, but the proceeds and repayments are recorded within long-term obligations in the Statement of Net Position - District-Wide. Amounts recognized for these items in the current year are as follows:

Repayment of capital lease principal	<u>8,154</u>
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Change in net position - District-Wide	<u><u>\$ (767,340)</u></u>
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**West Bonner County School District No. 83**  
**Statement of Net Position - Fiduciary Funds**  
**June 30, 2021**

	Student Scholarship Fund	AFLAC Cafeteria Plan Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,022	\$ 39,711
Total assets	<u>2,022</u>	<u>\$ 39,711</u>
<b>LIABILITIES</b>		
Current liabilities:		
Deposits due to employees	-	\$ 39,711
Total liabilities	<u>-</u>	<u>\$ 39,711</u>
<b>NET POSITION</b>		
Held for benefit of others	<u>\$ 2,022</u>	

**West Bonner County School District No. 83**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2021**

	Student Scholarship Fund
	<hr/>
<b>Additions:</b>	
Interest and investment earnings	\$ -
	<hr/>
Total additions	-
	<hr/>
<b>Deductions:</b>	
Scholarships	-
	<hr/>
Total deductions	-
	<hr/>
Change in net position	-
	<hr/>
Net position, beginning of year	2,022
	<hr/>
Net position, end of year	\$ 2,022
	<hr/> <hr/>



**West Bonner County School District No. 83**  
**Notes to Financial Statements**  
**June 30, 2021**

**1. Organization**

West Bonner County School District No. 83 ("the District") is governed by a locally elected five-member Board of Trustees ("the Board"), which has governance responsibilities over all activities related to public elementary and secondary school education in western Bonner County, Idaho. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since board members are elected by the public; have decision-making authority; have the power to designate management; have the responsibility to significantly influence operations; and have primary accountability for fiscal matters. Additionally, the District has no component units which are required to be included in its reporting entity.

**2. District-Wide and Fund Financial Statements**

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

Management's Discussion and Analysis

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

District-Wide Financial Statements

The district-wide financial statements, including the Statement of Net Position – District-Wide and the Statement of Activities – District-Wide, report information on all of the non-fiduciary activities of the District. These statements report the *governmental activities* of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.

In general, the effect of interfund transactions has been eliminated from the district-wide financial statements. Exceptions to this general rule are transactions between the District's governmental and fiduciary activities. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities – District-Wide presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. The District does not charge indirect expenses to programs or functions. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**2. District-Wide and Fund Financial Statements, Continued**

*Fund Financial Statements*

The fund financial statements provide information on the District's funds, including its fiduciary funds. Separate statements for each fund category – *Governmental* and *Fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, with each displayed separately.

*Budgetary Comparison Schedule*

The budgetary comparison schedule is presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budget (see Note 4). The District may revise the original budget over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information continues to be provided, and includes comparisons of the District's original adopted budget to the final budget and actual results.

**3. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The district-wide and fiduciary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

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 measurable when the amount of the transaction can be determined, and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, early retirement liabilities, other postemployment benefit liabilities and net pension liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

The District reports the following major governmental fund:

*General Fund:* The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The revenue of the fund consists primarily of local property taxes and state funds. This is a budgeted fund, and any unassigned or unencumbered fund balances are considered as resources available for use.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**3. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued**

The District reports the following fiduciary funds:

*Student Scholarship Fund:* The Student Scholarship Fund is a private-purpose trust fund used to account for funds donated for scholarships awarded to graduating seniors who will be attending college, vocational or technical training schools. This fund does not include revenues and expenditures for general operations of the District.

*AFLAC Cafeteria Plan Fund:* The AFLAC Cafeteria Plan Fund is an agency fund used to account for funds withheld from employees' paychecks for reimbursement of medical expenses. This fund has no net position, assets are equal to liabilities, and it does not include revenues and expenditures for general operations of the District.

*Student Activity Funds:* The Student Activity Funds are agency funds used to account for activities of student groups and other types of activities requiring clearing accounts. Prior to the implementation of Statement No. 84, the Student Activity Funds were recorded as a fiduciary fund, but are now considered to be a special revenue fund and are therefore included in the District's non-major governmental funds (see Notes 5 and 19).

**4. Budgetary Information**

Budgets are adopted on a modified accrual basis, consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at year-end.

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

- a) The District publishes a proposed budget for public review.
- b) Public hearings are held 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 functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts.

During the fiscal year ended June 30, 2021, the budget was amended to reflect revised revenue and expense estimates. The amendment was properly approved by the Board of Trustees.

**5. Summary of Significant Accounting Policies**

Accounting Principles Generally Accepted in the United States of America

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Recent Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 became effective for the District beginning in the fiscal year ended June 30, 2021. Implementation required the restatement of amounts previously included in fiduciary funds, which are now included as a governmental special revenue fund (see Note 19).

In May 2020, as a direct response to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, the GASB issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which are effective immediately. This statement postpones by one year the effective dates of provisions in most GASB Statements and Implementation Guides due to be implemented by state and local governments for fiscal years 2019 and later.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is now effective for the District beginning in the fiscal year ending June 30, 2022 (see Statement No. 95). The District is currently evaluating the financial statement impact of adopting this statement.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for the District beginning in the fiscal year ending June 30, 2022 (see Statement No. 95). The District does not currently capitalize any interest costs, and management does not anticipate capitalizing any in the foreseeable future. As such, there will be no financial statement impact of adopting this statement.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Statement No. 92 addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature

The requirements of Statement No. 92 that are related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to the other topics covered in Statement No. 92 are now effective for the District beginning in the fiscal year ending December 31, 2022 (see Statement No. 95). The District is currently evaluating the financial statement impact of adopting this statement.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Statement No. 96 is effective for the District beginning in the fiscal year ending June 30, 2023. The District is currently evaluating the financial statement impact of adopting this statement.

**Cash and Cash Equivalents**

Cash received by the District in its governmental funds is pooled for investment purposes. Interest earned on the balances in the pooled accounts is allocated to the participating funds in proportion to the average daily balances in each fund. The District considers investments in the cash management pool and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Additionally, deposits in the State of Idaho Treasurer's Local Government Investment Pool (LGIP), if any, are available to the District on demand and, accordingly, are considered to be cash equivalents.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Investments

At times, the District invests in the LGIP. Investments are authorized by Board policy as permitted by Idaho Code, section 67-1210. Deposits in the LGIP are stated at fair market value, which approximates cost, and consist of local certificates of deposit, repurchase agreements and U.S. government securities.

Inventories

Inventories, which consist of food supplies, are reported at the lower of cost (first-in, first out) or net realizable value, or if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the Child Nutrition Fund as revenue and expense when received.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. When considered necessary, management provides for probable uncollectible amounts through an allowance for doubtful accounts based on its assessment of the current status of individual receivables from grants, contracts and others. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to the applicable accounts receivable. Because management expects all June 30, 2021 receivables to be collectible, no allowance for doubtful accounts has been provided as of that date.

Capital Assets

Capital assets are reported in the district-wide financial statements and as expenditures in the governmental fund financial statements. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation, less accumulated depreciation. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized. The District uses a capitalization threshold of \$5,000. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in the Statement of Activities – District-Wide.

All reported capital assets except land and construction in progress are depreciated. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	<u>Years</u>
Buildings, building improvements and portable units	20 to 40
Furniture and equipment	3 to 20
Buses	8
Other vehicles	3 to 5

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the District's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the District. At June 30, 2021, there were no assets or liabilities of the District that were measured at fair value on a recurring basis.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The District had no assets or liabilities measured at fair value on a nonrecurring basis during 2021.

Accrued Liabilities and Long-Term Obligations

Liabilities shown on the governmental fund financial statements are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year, and are reported as an expenditure and fund liability of the governmental fund that will pay it. On the district-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences* (GASB No. 16). Compensated absences consist of accumulated personal and vacation leave balances that are unpaid by the financial statement date. All eligible employees of the District receive personal leave at the beginning of the year. In accordance with GASB No. 16, no liability is recorded for non-vesting accumulated rights to receive sick pay.

Under the terms of agreements with the local education association, employees earn vacation in amounts that vary based on tenure and classification. The District records a liability for accumulated unused vacation for all eligible employees.

Accumulated personal and vacation leave that has become due and payable at the end of the fiscal year, which is expected to be paid during the upcoming fiscal year, is reported as an expenditure and fund liability of the governmental fund that will pay it. The District has reported all accumulated personal and vacation leave as a current obligation in the district-wide financial statements. The District's management believes that any accumulated personal and vacation leave that is not expected to be utilized by employees during the upcoming fiscal year is immaterial to the financial statements taken as a whole. When an employee terminates employment with the District, unused personal and vacation leave hours are paid at the employee's current hourly rate.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Postemployment Benefit Obligations Other than Pensions

The District maintains two postemployment benefit plans that allow for certain costs of retiree and retiree dependents' medical benefits to be covered. All employees of the District may become eligible for these benefits if they remain employed until normal retirement age. Additionally, employees who are eligible for early retirement may also become eligible for these benefits. The postemployment benefit plans are accounted for in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (see Note 13). The District accrues the estimated cost of benefit payments over the beneficiaries' active service periods.

Pensions

For purposes of measuring the net pension liability and pension expense (revenue), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan), and additions to, or 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.

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following four components.

*Net investment in capital assets.* This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted net position.* This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Designated net position.* This component of net position consists of amounts that have been designated by the Board of Directors to be set aside for future capacity-related and capital improvements.

*Unrestricted net position.* This component of net position consists of amounts that do not meet the definition of "net investment in capital assets," "restricted" or "designated."

Use of Restricted Resources

When expenditures qualify to be paid out of both restricted and unrestricted resources, it is the policy of the District to use restricted resources first.



**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB Statement No. 54), defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB Statement No. 54 requires the fund balance amounts to be properly reported within one of the following fund balance classifications (see Note 15):

*Nonspendable*: The portion of fund balance that is not expected to be converted to cash, such as inventories and prepaid expenses, if any;

*Restricted*: The portion of fund balance that can be used only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

*Committed*: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Trustees (the District's highest level of decision-making authority);

*Assigned*: The portion of fund balance that is intended to be used by the District for specific purposes, but does not meet the criteria to be classified as restricted or committed; and

*Unassigned*: The residual portion of fund balance for the District's General Fund and includes all spendable amounts not included in the other classifications.

Fund Balance Spending Policy

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for governmental funds other than the General Fund are classified as restricted fund balance.

It is possible for governmental funds other than the General Fund to have negative unassigned fund balances when non-spendable amounts plus restricted amounts exceed the positive fund balance.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

The District's encumbrance policy is for fiscal year-end individual encumbrances exceeding \$50,000 to be considered significant encumbrances. All encumbrances outstanding at year-end are reported either as committed fund balance or assigned fund balance in the General Fund, or as restricted fund balance in other funds, if any (see Note 15). At June 30, 2021, there were no significant encumbrances.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**5. Summary of Significant Accounting Policies, Continued**

Property Taxes

In accordance with Idaho State Law, an ad valorem property tax is levied in September for each calendar year. Taxes are recorded by the District using the modified accrual basis of accounting. Levies are made on the second Monday of September. All of the personal property taxes are due on or before June 20 of the following year. One-half of the real property taxes are due on or before both June 20 and December 20 of the following year. Unpaid property taxes attach as an enforceable lien on property as of January 1 of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year. Bonner County acts as an agent for the District in both the assessment and collection of property taxes. The County remits tax revenues to the District monthly, with the majority of the collections being remitted in January and July.

In the governmental funds financial statements, property taxes are recorded as revenue in the period for which the taxes are levied, to the extent that they are both measurable and available. Property taxes receivable which are collectible subsequent to 60 days after the financial statement date are reflected in the fund financial statements as deferred inflows of resources. In the district-wide financial statements, all property taxes receivable, regardless of when they are collected, are recorded as revenue in the period for which the taxes are levied

Grant Revenue

The District receives financial assistance from governmental agencies in the form of grants, which are accounted for in special revenue funds. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned at June 30, 2021 are recorded as unearned grant revenue.

Use of Estimates

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

Subsequent Events

The District has evaluated subsequent events through October 26, 2021, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in these financial statements.

**6. Cash and Cash Equivalents**

Cash and cash equivalents consist of deposits held in checking accounts and a money market account with a local bank. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's bank deposits at the financial institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at June 30, 2021. In addition, through a sweep account with the local bank, the District's deposits in the account are fully collateralized and insured.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**6. Cash and Cash Equivalents, Continued**

The carrying amount of cash and cash equivalents at June 30, 2021 appears in the financial statements as summarized below:

Cash and cash equivalents, Statement of Net Position – District-Wide	\$ 2,613,626
Cash and cash equivalents, Statement of Net Position – Fiduciary Funds	<u>41,733</u>
	<u>\$ 2,655,359</u>

Bank balances at June 30, 2021 totaled \$3,012,675. The differences between the carrying amount of cash and cash equivalents on the District's books and the bank balances consisted of outstanding checks and deposits not processed by the bank as of June 30, 2021.

A summary of the total insured and collateralized bank balances at June 30, 2021 is as follows:

Insured by FDIC	\$ 250,000
Additional FDIC through local bank sweep account	2,557,110
Uninsured bank balances	<u>205,565</u>
Total bank balances	<u>\$ 3,012,675</u>

**7. Receivables**

Receivables as of June 30, 2021 are as follows:

Property taxes receivable	\$ 902,989
Delinquent property taxes receivable	134,944
State support receivable	137,233
Grants receivable	325,310
Accounts receivable	<u>230</u>
Total receivables	<u>\$ 1,500,706</u>

Property taxes receivable consist of property taxes levied for the current and prior fiscal years that were received within the first 60 days after June 30, 2021.

Delinquent property taxes receivable consist of property taxes levied for the current and prior fiscal years, which were not collected within the current period or within the first 60 days after the end of the District's fiscal year. These amounts have been offset by a deferred inflow of resources in the governmental fund financial statements.

State support receivable consists of revenues due to the District under the State's school district funding model that were received in July and August 2021.

Grants receivable consist of revenues earned by the District from various local, state or federal grants that were not received by the District as of June 30, 2021.

No allowance has been made for uncollectible amounts, as management believes any such potential amounts are immaterial.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**8. Capital Assets**

Capital asset activity for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Additions	Transfers	Disposals	Balance June 30, 2021
Buildings, building improvements and portable units	\$ 10,756,570	\$ 135,804	\$ --	\$ --	\$ 10,892,374
Furniture and equipment	1,325,462	34,157	--	--	1,359,619
Buses	1,823,625	98,998	--	(54,862)	1,867,761
Other vehicles	94,116	--	--	--	94,116
Capital assets in service	13,999,773	268,959	--	(54,862)	14,213,870
Accumulated depreciation	(11,372,195)	(317,195)	--	54,862	(11,634,528)
	2,627,578	(48,236)	--	--	2,579,342
Land	191,931	--	--	--	191,931
Total capital assets	<u>\$ 2,819,509</u>	<u>\$ (48,236)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,771,273</u>

Depreciation expense recorded in the Statement of Activities – District-Wide was charged to governmental functions as follows:

Instructional services:	
Elementary programs	\$ 88,995
Secondary programs	83,710
Alternative school program	617
	<u>173,322</u>
Support services:	
Technology program,	9,317
District administration	5,043
Custodial and maintenance	22,277
Transportation	101,998
	<u>138,635</u>
Non-instruction programs:	
Child nutrition program	5,238
	<u>\$ 317,195</u>

**9. Interfund Receivables and Payables**

Interfund receivables and payables arise primarily from one fund holding cash on behalf of another fund in order to limit the number of bank accounts held by the District. Interfund receivables and payables may also arise from one fund making payments on behalf of another fund to cover expenditures until grant reimbursements are received. When grant reimbursements are received, the paying fund is reimbursed for the payments made on behalf of the receiving fund.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**9. Interfund Receivables and Payables, Continued**

Interfund receivables and payables at June 30, 2021 are summarized as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Medical Insurance Fund (General Fund)	\$ 55,000
General Fund	Title I-A Fund	61,447
General Fund	CARES Act Fund	39,582
General Fund	Title VI Part B Fund	27,594
General Fund	Title VI Part B Preschool Fund	519
General Fund	Title IV-A Fund	34,383
General Fund	REAP Fund	10,938
General Fund	GEAR UP Fund	24,689

**10. Interfund Transfers**

Interfund transfers for the year ended June 30, 2021 are summarized as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Reason</u>	<u>Amount</u>
General Fund	Medicaid Fund	Cover operating shortfall	\$ 186,764
General Fund	Child Nutrition	To cover Food Services deficit	6,197
General Fund	Bus Acquisition	Transfer depreciation funds	95,985
Medical Insurance	General Fund	Budgeted transfer for insurance	55,000
Contingency Fund	General Fund	Budgeted transfer for shortfall	329,378
Supplemental Levy 17-18	Supp Levy 20-21	Transfer carryover balance	59,177
Supplemental Levy 20-21	General Fund	Budgeted transfer for shortfall	2,132,237
Federal Forest	General Fund	Budgeted transfer	35,070

**11. Short-Term Borrowings**

The District had no short-term borrowings outstanding at June 30, 2021, nor were there any short-term borrowings or repayments during the year then ended.

**12. Long-Term Obligations**

Accrued Compensated Absences

No portion of accrued compensated absences was considered to be due and payable as of June 30, 2021. Accordingly, the District has not recorded any amount of accrued compensated absences in the governmental fund financial statements.

Capital Leases

During 2020, the District entered into a capital lease agreement for the purchase of photocopiers. The lease has a term of five years and calls for monthly payments of \$827, including an implicit interest rate of 5.19%.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**12. Long-Term Obligations, Continued**

Capital Leases, Continued

Future minimum lease payments under the remaining capital lease obligation are as follows:

<u>Year ending June 30,</u>	
2022	\$ 9,925
2023	9,925
2024	9,925
2025	<u>2,481</u>
Total future minimum lease payments	32,256
Less amount representing interest	<u>(2,637)</u>
Present value of net minimum lease payments	29,619
Less amount due within one year	<u>(8,588)</u>
Amount due after one year	<u>\$ 21,031</u>

A summary of the changes in long-term obligations of the District for the year ended June 30, 2021 is as follows:

	<u>Balance June 30, 2020</u>	<u>Obligations Incurred</u>	<u>Obligations Paid</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Accrued compensated absences \$	67,865	\$ 96,020	\$ (98,710)	\$ 65,175	\$ 65,175
Capital lease obligation	<u>37,773</u>	<u>--</u>	<u>(8,154)</u>	<u>29,619</u>	<u>8,588</u>
Total long-term obligations	<u>\$ 105,638</u>	<u>\$ 96,020</u>	<u>\$ (106,864)</u>	<u>\$ 94,794</u>	<u>\$ 73,763</u>

**13. Other Postemployment Benefits**

GASB Statement No. 75 (GASB No. 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The District has two OPEB plans that are accounted for in accordance with GASB No. 75, as described below.

The District offers medical, dental, long-term care, prescription drug and vision insurance benefits to its retirees and their dependents, accounted for as an OPEB (the "Insurance Plan"). All employees of the District may become eligible for these benefits if they remain employed until normal retirement age. Additionally, employees who are eligible for early retirement may also become eligible for these benefits. The District does not explicitly contribute towards the cost of certain of these benefits for retirees, including long-term care and dental.

The District also participates in the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Fund (the "Sick Leave Plan"), as required by Idaho Statute. Employees who retire with an accumulated sick leave account, and are eligible for PERSI pension benefits, may use their sick leave account balance as a credit towards group retiree health, dental, accident, and life insurance premiums paid directly to the applicable insurance company.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Insurance Plan***

Plan Description

In accordance with Chapter 13, Title 59, Idaho Code, employees who have attained the normal retirement age of 65, or the early retirement age of 55, and completed 5 years of contractual service with the District are eligible to retire and participate in the District's healthcare plan by paying premiums equal to those charged for the District's active employees. Spouses and eligible dependent children of retirees may also be covered. The District does not explicitly contribute towards the cost of these benefits for retirees. This option creates a defined benefit other post-employment benefits plan (OPEB) since retirees are typically older than the average age of active plan participants and therefore receive a benefit of lower insurance rates. The OPEB plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The District covers OPEB costs when they come due, on a pay-as-you-go basis.

OPEB Benefits

The OPEB plan provides healthcare insurance benefits for retirees, eligible spouses and dependents as defined in Chapter 13, Title 59, Idaho Code. Eligible retirees are required to pay the full amount of their health insurance premiums.

Employees Covered by Benefit Terms

As of June 30, 2021, the most recent valuation date, the following employees are covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>146</u>
	<u>157</u>

The active employees have an average age of 51.0 as of June 30, 2021, the most recent valuation date, and an average of 10.6 years of service.

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

As of June 30, 2021, the District reported a total OPEB liability of \$317,413 related to this plan. The net OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021. For the year ended June 30, 2021, the District recognized OPEB expense (expense offset) of \$(58,596) related to this plan. Since the District records costs as they come due, there are no deferred outflows of resources for contributions to the OPEB plan. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 494,767
Changes in assumptions or other inputs	<u>16,943</u>	<u>59,725</u>
Total	<u>\$ 16,943</u>	<u>\$ 554,492</u>

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Insurance Plan, Continued***

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

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

<u>Year Ending June 30,</u>	
2022	\$ (71,680)
2023	(71,680)
2024	(71,680)
2025	(71,680)
2026	(71,680)
Thereafter	<u>(179,149)</u>
	<u>\$ (537,549)</u>

The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with OPEB through the District (active and inactive employees). The amortization period, which was determined at June 30, 2021, is 11.23 years.

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined using the following assumptions and other inputs, based on the most recent actuarial valuation date of June 30, 2021, applied to all periods included in the measurement:

Participation rates	40.0% of future retirees will elect medical coverage 40.0% of future retirees will elect dental coverage 70.0% of future married retirees will elect spousal coverage
Marital status – at retirement	Actual spousal information is used for current retirees 60.0% of future retirees are assumed to be married Males are assumed to be 3 years older than females
Discount rate	2.27%
Average salary increase	3.75%

Mortality for healthy participants is assumed to follow the RP-2000 Healthy Combined Mortality Table adjusted with generational mortality adjustments using Scale AA, set back three years for both males and females.

Mortality for disabled participants is assumed to follow the RP-2000 Disabled Mortality Table adjusted with generational mortality adjustments using Scale AA, set back one year for males and set forward two years for females.



**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Insurance Plan, Continued***

Actuarial Assumptions, Continued

Healthcare cost trend rate:

<u>Plan year</u>	<u>Medical</u>	<u>Prescription Drugs</u>	<u>Dental</u>
2021	7.5%	7.5%	4.0%
2022	7.0%	7.0%	3.5%
2023	6.5%	6.5%	3.0%
2024	6.0%	6.0%	2.5%
2025	5.9%	5.9%	2.0%
2026	5.7%	5.7%	2.0%
2027	5.6%	5.6%	2.0%
2028	5.5%	5.5%	2.0%
2029	5.3%	5.3%	2.0%
2030+	4.8% (average)	4.8% (average)	2.0%

The annual age 65 per capita claims costs for the period from July 1, 2020 to June 30, 2021 are as follows:

<u>Coverage</u>	<u>Medical</u>	<u>Prescription Drugs</u>	<u>Dental</u>
Before Medicare Eligibility	\$ 9,677	\$ 1,640	\$ 462
After Medicare Eligibility	N/A	N/A	462

The following retiree contributions are a weighted average of all retiree contributions for the year ended June 30, 2021:

<u>Medical and Prescription Drug</u>	<u>Retiree/Surviving Spouse</u>	<u>Spouse</u>
Before Medicare Eligibility	\$ 6,933	\$ 8,616
After Medicare Eligibility	N/A	N/A
<u>Dental</u>		
Before Medicare Eligibility	\$ 416	\$ 416
After Medicare Eligibility	N/A	N/A

Changes in the Total OPEB Liability

The following table shows the changes in the total OPEB liability for the fiscal year ended June 30, 2021:

Balance at June 30, 2020	<u>\$ 416,007</u>
Service cost	35,032
Interest	11,054
Differences between expected and actual experience	(102,388)
Changes in assumptions or other inputs	(13,854)
Benefit payments	<u>(28,438)</u>
Net change in total OPEB liability	<u>(98,594)</u>
Balance at June 30, 2021	<u>\$ 317,413</u>

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Insurance Plan, Continued***

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability reported by the District calculated using the discount rate of 2.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	1% Decrease <u>(1.27%)</u>	Current Rate <u>(2.27%)</u>	1% Increase <u>(3.27%)</u>
Employer's proportionate share of the net OPEB liability	\$ 333,247	\$ 317,413	\$ 302,255

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability reported by the District calculated using the current healthcare cost trend rate, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Employer's proportionate share of the net OPEB liability	\$ 292,412	\$ 317,413	\$ 346,108

***Sick Leave Plan***

Plan Description

The District 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](http://www.persi.idaho.gov).

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 are Idaho citizens who are 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.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Sick Leave Plan, Continued***

Employer Contributions

The contribution rate for employers is 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 rates are 1.16% for school members with nine or ten sick days and 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. In addition, during November 2019, the PERSI Retirement Board approved an 18-month rate holiday from January 1, 2020 to June 30, 2021, which was subsequently extended for one year through June 30, 2022 during October 2020. During the rate holiday, all sick leave contribution rates are 0.0%. The District's contributions to the PERSI Sick Leave Plan were zero for the year ended June 30, 2021.

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

At June 30, 2021, the District reported an asset of \$515,562 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability 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 employers participating in the Sick Leave Plan. At June 30, 2020, the District's proportion was 0.004187113.

For the year ended June 30, 2021, the District recognized net OPEB expense (expense offset) related to the Sick Leave Plan of \$12,202. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs for the Sick Leave Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,207	\$ --
Changes in assumptions or other inputs	1,210	131,886
Net difference between projected and actual earnings on investments	16,271	--
Change in proportionate share	55,208	--
Contributions made subsequent to the measurement date	<u>--</u>	<u>--</u>
Total	<u>\$ 126,896</u>	<u>\$ 131,886</u>

The amount reported as deferred outflows of resources related to OPEBs for the Sick Leave Plan resulting from the District's contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Sick Leave Plan, Continued***

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs for the Sick Leave Plan will be recognized in OPEB expense (revenue) as follows:

Year Ending June 30,

2022	\$ 2,433
2023	2,433
2024	7,591
2025	9,517
2026	(3,681)
Thereafter	<u>(23,283)</u>
	<u>\$ (4,990)</u>

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with OPEB through the System (active and inactive employees). The amortization period, which was determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 8.9 years.

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.

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, 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.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Sick Leave Plan, Continued***

Actuarial Assumptions

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.

<i>Asset Class</i>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed inflation – mean		2.25%	2.25%
Assumed inflation – standard deviation		1.50%	1.50%
Portfolio arithmetic mean return		6.85%	4.60%
Portfolio standard deviation		12.33%	12.33%
Portfolio long-term expected geometric rate of return		6.25%	3.89%
Assumed investment expenses		<u>0.40%</u>	<u>0.40%</u>
Portfolio long-term expected geometric rate of return, net of investment expenses		<u>5.85%</u>	<u>3.49%</u>
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	<u>3.00%</u>
Long-term expected geometric rate of return, net of investment expenses	<u>7.05%</u>

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**13. Other Postemployment Benefits, Continued**

***Sick Leave Plan, Continued***

Discount Rate

The discount rate used to measure the total OPEB liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the 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 Net 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 7.05%, 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease <u>(6.05%)</u>	Current Rate <u>(7.05%)</u>	1% Increase <u>(8.05%)</u>
Employer's proportionate share of the net OPEB liability (asset)	\$ (448,245)	\$ (515,562)	\$ (577,857)

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](http://www.persi.idaho.gov).

Payables to the OPEB Plan

At June 30, 2021, the District reported no payables to the defined benefit OPEB plan for legally required employer contributions not yet remitted to PERSI.

***Summary of OPEB Plans***

Amounts reported in the District's Statement of Net Position – District-Wide and Statement of Activities – District-Wide for both OPEB plans as of and for the year ended June 30, 2021 are summarized as follows:

	Insurance <u>Plan</u>	Sick Leave <u>Plan</u>	<u>Total</u>
Net OPEB liability (asset)	\$ 317,413	\$ (515,562)	\$ (198,149)
Deferred outflows of resources	16,943	126,896	143,839
Deferred inflows of resources	554,492	131,886	686,378
Net OPEB expense (expense offset)	(58,596)	12,202	(46,394)

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**14. Public Employee Retirement System of Idaho Base Plan**

Plan Description

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

Responsibility for administration of the Base Plan is assigned to the PERSI Board, which is 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 be Idaho citizens who are not members of the Base Plan, except by reason of having served on the Board.

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 (five 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, up 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, which are expressed as percentages of annual covered payroll, if current rates are actuarially determined to be inadequate or in excess of the rates needed to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. Effective July 1, 2019, the required contribution rate as a percentage of covered payroll for members was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The District's employer contributions required and paid were \$799,550 for the year ended June 30, 2021.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**14. Public Employee Retirement System of Idaho Base Plan, Continued**

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

At June 30, 2021, the District reported a liability of \$4,244,883 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the Base Plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the District's proportionate allocation was 0.001828011.

For the year ended June 30, 2021, the District recognized net pension expense of \$1,430,764. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 331,656	\$ 138,605
Changes in assumptions or other inputs	71,789	--
Net difference between projected and actual earnings on investments	486,545	--
Change in proportionate share	--	206,233
Contributions made subsequent to the measurement date	<u>799,550</u>	<u>--</u>
Total	<u>\$ 1,689,540</u>	<u>\$ 344,838</u>

The amount reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, in the amount of \$799,550, will be recognized as a reduction of the net pension liability in the year ending 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:

<u>Year Ending June 30,</u>	
2022	\$ (73,003)
2023	116,790
2024	198,741
2025	<u>302,624</u>
	<u>\$ 545,152</u>

The amortization of the net difference between projected and actual earnings on investments is amortized over a closed 5-year period, beginning in the current fiscal year. The amortization period for changes in assumptions or other inputs and differences between expected and actual experience is based on the average expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees). The amortization period, which was determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 4.7 years.



**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**14. Public Employee Retirement System of Idaho Base Plan, Continued**

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.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

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

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**14. Public Employee Retirement System of Idaho Base Plan, Continued**

Actuarial Assumptions, 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.

<i>Asset Class</i>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed inflation – mean		2.25%	2.25%
Assumed inflation – standard deviation		1.50%	1.50%
Portfolio arithmetic mean return		6.85%	4.60%
Portfolio standard deviation		12.33%	12.33%
Portfolio long-term expected geometric rate of return		6.25%	3.89%
Assumed investment expenses		<u>0.40%</u>	<u>0.40%</u>
Portfolio long-term expected geometric rate of return, net of investment expenses		<u>5.85%</u>	<u>3.49%</u>
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	<u>3.00%</u>
Long-term expected geometric rate of return, net of investment expenses	<u>7.05%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the Base 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 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.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**14. Public Employee Retirement System of Idaho Base Plan, Continued**

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability

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

	1% Decrease (6.05%)	Current Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of net pension liability (asset)	\$ 8,705,093	\$ 4,244,883	\$ 557,017

Payables to the Pension Plan

At June 30, 2021, the District reported \$174,181 in payables to the defined benefit pension plan for legally required employer contributions or employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**15. Fund Equity**

GASB Statement No. 54 requires the fund balance amounts to be properly reported within one of five categories (see Note 5). Specific amounts reported as committed and assigned are summarized below:

Committed: The District's Committed Fund Balance is fund balance reporting required by the District's Board of Trustees, either because of a Board policy or because of motions that passed at Board meetings. At June 30, 2021, amounts reported as Committed Fund Balance represent unforeseen expenditures, totaling \$866,151, which is reported within the General Fund.

Assigned: The District's Assigned Fund Balance is fund balance reporting occurring by the Board administration authority, as designated by the District's superintendent. At June 30, 2021, amounts reported as Assigned Fund Balance represent General Fund amounts available to be used on District expenditures in accordance with the above policy.

Restrictions of net position reported in the district-wide financial statements are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific restrictions on net position are summarized below:

Program Requirements: The amount is restricted for expenditures in accordance with the terms and conditions specified in the grant and contract agreements.

Replacement of Plant Equipment: The amount is restricted for capital outlay expenditures, in accordance with Idaho State statutes.

**16. Risk Management**

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims did not exceed coverage during any of the past three fiscal years.

**West Bonner County School District No. 83**  
**Notes to Financial Statements, Continued**  
**June 30, 2021**

**16. Risk Management, Continued**

Litigation

The District is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the District's administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying district-wide financial statements and, accordingly, no provision for loss has been recorded.

**17. Commitments and Contingencies**

Grants and Contracts

The District receives significant financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Therefore, to the extent that the District has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2021 may be impaired. Based on prior experience, the District's administration believes such amounts, if any, would be immaterial.

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, during April 2020, the Governor of the State of Idaho issued proactive emergency declarations in response to the spread of COVID-19. As a result, economic uncertainties have arisen, but the impact of COVID-19 has not had a material impact to the District's financial statements as of and through June 30, 2021. However, if the severity of the economic disruptions increase as the duration of the COVID-19 pandemic continues, there is the potential that negative financial impact could occur in the near future. However, any potential impact to the District is unknown at this time.

In addition, during 2020 and 2021, the District was awarded various grants under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Relief Fund as part of the relief efforts related to COVID-19. Funds received under the umbrella of the CARES Act and the Coronavirus Relief Fund will be reported separately from other federal funds and will be subject to additional rules and regulations. Through June 30, 2021, expenditures and revenue totaling approximately \$587,000 have been incurred and recognized under these grant awards.

**18. Economic Dependency**

The District receives a large portion of its funding from the State of Idaho. Therefore, the District is economically dependent on the State of Idaho for its continued operations.

**19. Prior Period Adjustment**

During 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*, which requires that certain amounts previously reported as fiduciary funds now be classified as governmental funds. As a result, the District's net position and governmental fund balance were restated by \$180,019 to reflect the implementation of this new standard.

## **Required Supplementary Information**

**West Bonner County School District No. 83**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Modified Accrual Basis	Variances	
				Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
REVENUES					
Property taxes	\$ 3,176,000	\$ 3,176,000	\$ 3,278,564	\$ -	\$ 102,564
Interest and investment earnings	387	387	282	-	(105)
Other local revenue	10,700	40,568	148,593	29,868	108,025
State assistance and reimbursements	6,442,847	6,227,010	6,258,762	(215,837)	31,752
Other federal revenues	-	327,810	-	327,810	(327,810)
Total revenues	9,629,934	9,771,775	9,686,201	141,841	(85,574)
EXPENDITURES					
Instruction:					
Elementary programs	1,988,266	2,042,890	1,890,726	(54,624)	152,164
Secondary programs	2,025,434	2,166,255	1,950,644	(140,821)	215,611
Alternative school program	13,500	-	-	13,500	-
Vocational education programs	196,009	194,369	194,369	1,640	-
Special education programs	743,080	704,916	701,892	38,164	3,024
Exceptional child, gifted and talented programs	8,755	8,481	851	274	7,630
Interscholastic and school activity programs	427,077	417,909	336,124	9,168	81,785
Summer school	14,493	16,845	15,862	(2,352)	983
Total instruction	5,416,614	5,551,665	5,090,468	(135,051)	461,197
Support services:					
Attendance, guidance and health	288,778	460,647	296,350	(171,869)	164,297
Special services	272,444	170,113	169,685	102,331	428
Instruction improvement	595,722	681,946	297,099	(86,224)	384,847
Educational media program	160,305	131,683	115,719	28,622	15,964
Technology program	288,188	327,639	315,120	(39,451)	12,519
District administration	213,134	238,428	246,766	(25,294)	(8,338)
School administration	769,598	743,272	731,870	26,326	11,402
Business operations	346,912	361,437	355,126	(14,525)	6,311
Custodial and maintenance	1,419,761	1,560,972	1,383,286	(141,211)	177,686
Transportation	672,408	694,035	560,310	(21,627)	133,725
Total support services	5,027,250	5,370,172	4,471,331	(342,922)	898,841
Non-instruction programs:					
Child nutrition programs	13,866	13,604	13,421	262	183
Total non-instruction programs	13,866	13,604	13,421	262	183
Debt service	16,909	21,141	21,140	(4,232)	1
Total capital assets and debt service	16,909	21,141	21,140	(4,232)	1
Total expenditures	10,474,639	10,956,582	9,596,360	(481,943)	1,360,222
Excess (deficiency) of revenues over (under) expenditures	(844,705)	(1,184,807)	89,841	(340,102)	1,274,648
OTHER FINANCING SOURCES (USES)					
Transfers from (to) other funds	(43,633)	252,251	(253,876)	295,884	(506,127)
Net change in fund balance	(888,338)	(932,556)	(164,035)	(44,218)	768,521
Total fund balance, beginning of year	888,338	932,556	2,538,715	44,218	1,606,159
Total fund balance, end of year	\$ -	\$ -	\$ 2,374,680	\$ -	\$ 2,374,680

**West Bonner County School District No. 83**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2021**

**1. Basis of Presentation**

The budgetary comparison schedule has been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental funds financial statements.

**2. Expenditures in Excess of Budgeted Amounts**

As disclosed in Note 1 above, the budgetary comparison schedule has been prepared in conformance with the presentation used in the preparation of the Governmental Funds financial statements. This presentation differs from the account groupings required by Idaho Statutes for Board of Trustees' budgetary control at the functional level, as described in Note 4 to the Financial Statements. As a result, the Budgetary Comparison Schedule for the General Fund at page 49 discloses two instances in which actual expenditures exceeded budgeted expenditures. In fact, there were no instances in which General Fund expenditures exceeded budgeted expenditures at the functional levels required by Idaho Statutes.

**West Bonner County School District No. 83**

**Schedule of Changes in the Total OPEB Liability and Related Ratios - Insurance Plan**

**Last 10 Fiscal Years\***

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total OPEB liability, beginning of year	\$ 416,007	\$ 390,543	\$ 862,789	\$ 842,771	\$ 809,399
Service cost	35,032	37,697	60,446	64,236	68,678
Interest	11,054	14,323	35,268	34,648	33,543
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(102,388)	-	(491,091)	-	-
Changes in assumptions or other inputs	(13,854)	-	8,608	-	-
Benefit payments	(28,438)	(26,556)	(85,477)	(78,866)	(68,849)
Net change in total OPEB liability	(98,594)	25,464	(472,246)	20,018	33,372
Total OPEB liability, end of year	\$ 317,413	\$ 416,007	\$ 390,543	\$ 862,789	\$ 842,771
Employer's covered employee payroll	\$ 5,594,081	\$ 6,374,516	\$ 6,395,207	\$ 6,395,207	\$ 6,337,049
Total OPEB liability as a percentage of covered payroll	5.67%	6.53%	6.11%	13.49%	13.30%
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total OPEB liability, beginning of year	\$ 975,246	\$ 931,719	\$ 744,760	\$ 710,649	\$ 708,688
Service cost	54,614	47,553	47,553	50,101	57,586
Interest	43,769	33,673	33,673	32,332	32,567
Changes in benefit terms	-	N/A	N/A	N/A	N/A
Differences between expected and actual experience	(103,263)	N/A	N/A	N/A	N/A
Changes in assumptions or other inputs	(79,408)	N/A	N/A	N/A	N/A
Benefit payments	(81,559)	(38,203)	(38,203)	(48,425)	(48,776)
Net change in total OPEB liability	(165,847)	N/A	N/A	N/A	N/A
Total OPEB liability, end of year	\$ 809,399	\$ 975,246	\$ 931,719	\$ 744,760	\$ 710,649
Employer's covered employee payroll	\$ 6,163,227	\$ 6,071,306	\$ 5,849,827	N/A	N/A
Total OPEB liability as a percentage of covered payroll	13.13%	16.06%	15.93%	N/A	N/A

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



**West Bonner County School District No. 83**  
**Schedule of Employer's Share of the Net OPEB Asset - PERSI Sick Leave Plan**  
**Last 10 Plan Years \***

<b>Plan Year</b>	<b>Employer's Portion of NOA</b>	<b>Employer's Proportionate Share of NOA ( a )</b>	<b>Employer's Covered Employee Payroll ( b )</b>	<b>Employer's NOA as a Percentage of Covered Payroll ( a/b )</b>	<b>Plan Net Position as a Percentage of Total OPEB Asset</b>
2017	0.004958554	\$ (380,633)	\$ 6,337,049	-6.01%	136.78%
2018	0.004756087	(394,493)	6,395,207	-6.17%	135.69%
2019	0.004521366	(433,058)	6,393,402	-6.77%	138.51%
2020	0.004187113	(515,562)	6,374,516	-8.09%	152.87%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full ten-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 of each respective plan year.

**West Bonner County School District No. 83**  
**Schedule of Employer Contributions - PERSI Sick Leave Plan**  
**Last 10 Fiscal Years\***

<b>Fiscal Year</b>	<b>Statutorily Required Contribution ( a )</b>	<b>Actual Employer Contribution ( b )</b>	<b>Contribution Excess (Deficiency) ( b-a )</b>	<b>Employer's Covered Employee Payroll ( c )</b>	<b>Contributions as a Percentage of Covered Employee Payroll ( b / c )</b>
2017	\$ 73,510	\$ 73,267	\$ (243)	\$ 6,337,049	1.16%
2018	74,184	74,186	2	6,395,207	1.16%
2019	74,163	74,164	1	6,393,402	1.16%
2020	37,628	37,628	-	6,374,516	0.59%
2021	-	-	-	6,380,753	0.00%

\* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full ten-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 of each respective fiscal year.

**West Bonner County School District No. 83**  
**Notes to Other Postemployment Benefits Plan Schedules**  
**June 30, 2021**

**1. Changes of Benefit Terms – Insurance Plan**

There were no changes in benefit terms during the Insurance Plan year ended June 30, 2021.

**2. Changes in Assumptions – Insurance Plan**

There was one significant change in actuarial assumptions during the Plan year ended June 30, 2021. The most significant change included a reduction in the discount rate from 2.53% to 2.27%.

**3. Changes of Benefit Terms – PERSI Sick Leave Plan**

There were no changes in benefit terms during the Sick Leave Plan year ended June 30, 2020.

**4. Changes in Assumptions – PERSI Sick Leave Plan**

There was one significant change in actuarial assumptions during the Plan year ended June 30, 2020. The most significant change included an increase in the capital market assumptions for both long-term expected nominal and real rates of return.

**5. Changes in Statutorily Required Contributions – PERSI Sick Leave Plan**

During November 2019, the PERSI Retirement Board approved an 18-month rate holiday from January 1, 2020 to June 30, 2021, which was subsequently extended for one year through June 30, 2022, during October 2020. During the rate holiday, all sick leave contribution rates are 0.0%.

**West Bonner County School District No. 83**  
**Schedule of Employer's Share of the Net Pension Liability - PERSI Base Plan**  
**Last 10 Plan Years \***

<b>Plan Year</b>	<b>Employer's Portion of NPL</b>	<b>Employer's Proportionate Share of NPL ( a )</b>	<b>Employer's Covered Employee Payroll ( b )</b>	<b>Employer's NPL as a Percentage of Covered Payroll ( a/b )</b>	<b>Plan Net Position as a Percentage of Total Pension Liability</b>
2014	0.002158908	\$ 1,589,294	\$ 5,849,827	27.17%	94.95%
2015	0.002169167	2,856,440	6,071,306	47.05%	91.38%
2016	0.002104832	4,266,818	6,163,227	69.23%	87.26%
2017	0.002033565	3,196,415	6,337,049	50.44%	90.68%
2018	0.001987718	2,931,919	6,394,287	45.85%	91.69%
2019	0.001888858	2,156,079	6,412,343	33.62%	93.79%
2020	0.001828011	4,244,883	6,512,197	65.18%	88.22%

\* GASB Statement No. 68 requires 10 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 of each respective plan year.

**West Bonner County School District No. 83**  
**Schedule of Employer Contributions - PERSI Base Plan**  
**Last 10 Fiscal Years \***

<b>Fiscal Year</b>	<b>Statutorily Required Contribution ( a )</b>	<b>Actual Employer Contribution ( b )</b>	<b>Contribution Excess (Deficiency) ( b-a )</b>	<b>Employer's Covered Employee Payroll ( c )</b>	<b>Contributions as a Percentage of Covered Employee Payroll ( b / c )</b>
2014	\$ 662,200	\$ 662,080	\$ (120)	\$ 5,849,827	11.32%
2015	687,272	687,273	1	6,071,306	11.32%
2016	697,677	697,678	1	6,163,227	11.32%
2017	717,354	717,353	(1)	6,337,049	11.32%
2018	723,833	723,833	-	6,394,287	11.32%
2019	725,877	725,877	-	6,412,343	11.32%
2020	777,556	777,527	(29)	6,512,197	11.94%
2021	799,549	799,550	1	6,696,393	11.94%

\* GASB Statement No. 68 requires 10 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 of each respective fiscal year.

**West Bonner County School District No. 83**  
**Notes to PERSI Base Plan Schedules**  
**June 30, 2021**

**1. Changes in Benefit Terms**

There were no changes in benefit terms during the Plan year ended June 30, 2020.

**2. Changes in Composition of the Population**

There were no changes in the composition of the population during the Plan year ended June 30, 2020.

**3. Changes in Assumptions**

There were no changes in actuarial assumptions during the Plan year ended June 30, 2020.

## **Other Supplementary Information**

**West Bonner County School District No. 83**  
**Combining Balance Sheet - General Fund**  
**June 30, 2021**

	General Fund	Medical Insurance Fund	Contingency Fund	General Grants Fund	Supplemental Levy 2017-2018	Supplemental Levy 2018-2019	Supplemental Levy 2019-2020	Supplemental Levy 2020-2021	Total General Fund
<b>ASSETS</b>									
Assets:									
Cash and cash equivalents	\$ 505,218	\$ 238,597	\$ 866,151	\$ 294,394	\$ 139,574	\$ 244,488	\$ 371,804	\$ (498,078)	\$ 2,162,148
Receivables	353,837	-	-	-	-	6,865	5,492	809,202	1,175,396
Prepaid expenses	2,640	-	-	-	-	9,120	-	-	11,760
Inventory	-	-	-	-	-	-	-	-	-
Due from other funds	254,152	-	-	-	-	-	-	-	254,152
Total assets	<u>\$ 1,115,847</u>	<u>\$ 238,597</u>	<u>\$ 866,151</u>	<u>\$ 294,394</u>	<u>\$ 139,574</u>	<u>\$ 260,473</u>	<u>\$ 377,296</u>	<u>\$ 311,124</u>	<u>\$ 3,603,456</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 33,020	\$ -	\$ -	\$ 103	\$ -	\$ -	\$ -	\$ -	\$ 33,123
Accrued payroll and related liabilities	947,883	-	-	30,989	-	-	-	26,837	1,005,709
Unearned grant revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	55,000	-	-	-	-	-	-	55,000
Total liabilities	<u>980,903</u>	<u>55,000</u>	<u>-</u>	<u>31,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,837</u>	<u>1,093,832</u>
Deferred inflows of resources:									
Deferred property tax revenue	<u>134,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,944</u>
Total deferred inflows of resources	<u>134,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,944</u>
Fund balances:									
Nonspendable:									
Prepaid expenses	2,640	-	-	-	-	9,120	-	-	11,760
Inventories	-	-	-	-	-	-	-	-	-
Restricted for:									
Program requirements	-	-	-	263,302	-	-	-	-	263,302
Replacement of plant equipment	-	-	-	-	-	-	-	-	-
Committed for:									
Unforeseen expenditures	-	-	866,151	-	-	-	-	-	866,151
Assigned to:									
Instruction	-	-	-	-	139,574	251,353	377,296	284,287	1,052,510
Support services	-	183,597	-	-	-	-	-	-	183,597
Unassigned	(2,640)	-	-	-	-	-	-	-	(2,640)
Total fund balances	<u>-</u>	<u>183,597</u>	<u>866,151</u>	<u>263,302</u>	<u>139,574</u>	<u>260,473</u>	<u>377,296</u>	<u>284,287</u>	<u>2,374,680</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,115,847</u>	<u>\$ 238,597</u>	<u>\$ 866,151</u>	<u>\$ 294,394</u>	<u>\$ 139,574</u>	<u>\$ 260,473</u>	<u>\$ 377,296</u>	<u>\$ 311,124</u>	<u>\$ 3,603,456</u>



**West Bonner County School District No. 83**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**June 30, 2021**

	Total Non-Major State Funds	Total Non-Major Federal Funds	Student Activities Fund	Child Nutrition Fund	Bus Acquisition Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>						
Assets:						
Cash and cash equivalents	\$ 63,659	\$ 169,434	\$ 166,766	\$ 16,864	\$ 34,755	\$ 451,478
Receivables	-	316,668	5,733	2,909	-	325,310
Prepaid expenses	-	-	-	-	-	-
Inventory	-	-	-	24,558	-	24,558
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 63,659</u>	<u>\$ 486,102</u>	<u>\$ 172,499</u>	<u>\$ 44,331</u>	<u>\$ 34,755</u>	<u>\$ 801,346</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 3,627	\$ -	\$ -	\$ 2,136	\$ -	\$ 5,763
Accrued payroll and related liabilities	1,283	183,936	-	35,823	-	221,042
Unearned grant revenue	58,749	34,946	-	-	-	93,695
Due to other funds	-	199,152	-	-	-	199,152
Total liabilities	<u>63,659</u>	<u>418,034</u>	<u>-</u>	<u>37,959</u>	<u>-</u>	<u>519,652</u>
Deferred inflows of resources:						
Deferred property tax revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable:						
Prepaid expenses	-	-	-	-	-	-
Inventories	-	-	-	24,558	-	24,558
Restricted for:						
Program requirements	-	68,068	172,499	-	-	240,567
Replacement of plant equipment	-	-	-	-	34,755	34,755
Committed for:						
Unforeseen expenditures	-	-	-	-	-	-
Assigned to:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Unassigned	-	-	-	(18,186)	-	(18,186)
Total fund balances	<u>-</u>	<u>68,068</u>	<u>172,499</u>	<u>6,372</u>	<u>34,755</u>	<u>281,694</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,659</u>	<u>\$ 486,102</u>	<u>\$ 172,499</u>	<u>\$ 44,331</u>	<u>\$ 34,755</u>	<u>\$ 801,346</u>

**West Bonner County School District No. 83**  
**Combining Balance Sheet - Non-Major State Funds**  
**June 30, 2021**

	Drivers Education Fund	Vocational Education Fund	Technology Grant Fund	State Drug Free Grant Fund	Total Non-Major State Funds
<b>ASSETS</b>					
Assets:					
Cash and cash equivalents	\$ -	\$ 14,051	\$ 18,964	\$ 30,644	\$ 63,659
Receivables	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 14,051</u>	<u>\$ 18,964</u>	<u>\$ 30,644</u>	<u>\$ 63,659</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 3,627	\$ -	\$ -	\$ 3,627
Accrued payroll and related liabilities	-	839	444	-	1,283
Unearned grant revenue	-	9,585	18,520	30,644	58,749
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,051</u>	<u>18,964</u>	<u>30,644</u>	<u>63,659</u>
Deferred inflows of resources:					
Deferred property tax revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	-	-	-	-	-
Inventories	-	-	-	-	-
Restricted for:					
Program requirements	-	-	-	-	-
Replacement of plant equipment	-	-	-	-	-
Committed for:					
Unforeseen expenditures	-	-	-	-	-
Assigned to:					
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 14,051</u>	<u>\$ 18,964</u>	<u>\$ 30,644</u>	<u>\$ 63,659</u>

**West Bonner County School District No. 83**  
**Combining Balance Sheet - Non-Major Federal Funds**  
**June 30, 2021**

	Federal Forest Fund	Title I-A Fund	CARES Act Fund	Title VI Part B Fund	Title VI Part B Preschool Fund	Medicaid Fund	Title IV-A Fund	REAP Fund	Title II-A Fund	Coronavirus Relief Fund	GEAR UP Fund	Total Non-Major Federal Funds
<b>ASSETS</b>												
Assets:												
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ 100,106	\$ 34,867	\$ -	\$ 28,343	\$ 6,119	\$ -	\$ 169,434
Receivables	-	136,656	58,237	64,285	4,474	-	-	24,419	-	-	28,597	316,668
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 136,656</u>	<u>\$ 58,237</u>	<u>\$ 64,285</u>	<u>\$ 4,473</u>	<u>\$ 100,106</u>	<u>\$ 34,867</u>	<u>\$ 24,419</u>	<u>\$ 28,343</u>	<u>\$ 6,119</u>	<u>\$ 28,597</u>	<u>\$ 486,102</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>												
Liabilities:												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	75,209	18,655	36,691	3,955	32,037	-	13,481	-	-	3,908	183,936
Unearned grant revenue	-	-	-	-	-	-	484	-	28,343	6,119	-	34,946
Due to other funds	-	61,447	39,582	27,594	519	-	34,383	10,938	-	-	24,689	199,152
Total liabilities	<u>-</u>	<u>136,656</u>	<u>58,237</u>	<u>64,285</u>	<u>4,474</u>	<u>32,037</u>	<u>34,867</u>	<u>24,419</u>	<u>28,343</u>	<u>6,119</u>	<u>28,597</u>	<u>418,034</u>
Deferred inflows of resources:												
Deferred property tax revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:												
Nonspendable:												
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:												
Program requirements	-	-	-	-	(1)	68,069	-	-	-	-	-	68,068
Replacement of plant equipment	-	-	-	-	-	-	-	-	-	-	-	-
Committed for:												
Unforeseen expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Assigned to:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>68,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,068</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 136,656</u>	<u>\$ 58,237</u>	<u>\$ 64,285</u>	<u>\$ 4,473</u>	<u>\$ 100,106</u>	<u>\$ 34,867</u>	<u>\$ 24,419</u>	<u>\$ 28,343</u>	<u>\$ 6,119</u>	<u>\$ 28,597</u>	<u>\$ 486,102</u>

**West Bonner County School District No. 83**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund**  
**For the Year Ended June 30, 2021**

	General Fund	Medical Insurance Fund	Contingency Fund	General Grants Fund	Supplemental Levy 2017-2018	Supplemental Levy 2018-2019	Supplemental Levy 2019-2020	Supplemental Levy 2020-2021	Total General Fund
<b>REVENUES</b>									
Property taxes	\$ 195,180	\$ -	\$ -	\$ -	\$ 16,329	\$ 33,703	\$ 71,486	\$ 2,961,866	\$ 3,278,564
Interest and investment earnings	282	-	-	-	-	-	-	-	282
Other local revenue	37,886	83,896	-	26,811	-	-	-	-	148,593
State assistance and reimbursements	5,982,859	-	-	275,903	-	-	-	-	6,258,762
National Forest Reserve	-	-	-	-	-	-	-	-	-
Other federal revenues	-	-	-	-	-	-	-	-	-
Total revenues	6,216,207	83,896	-	302,714	16,329	33,703	71,486	2,961,866	9,686,201
<b>EXPENDITURES</b>									
Instruction:									
Elementary programs	1,775,793	-	-	102,214	-	697	5,439	6,583	1,890,726
Secondary programs	1,839,427	-	-	41,689	1,039	3,348	49,166	15,975	1,950,644
Vocational education programs	194,369	-	-	-	-	-	-	-	194,369
Special education programs	701,892	-	-	-	-	-	-	-	701,892
Exceptional child, gifted and talented programs	-	-	-	-	1	-	-	850	851
Interscholastic and school activity programs	-	-	-	-	4,506	4,319	11,200	316,099	336,124
Summer school	15,862	-	-	-	-	-	-	-	15,862
Total instruction	4,527,343	-	-	143,903	5,546	8,364	65,805	339,507	5,090,468
Support services:									
Attendance, guidance and health	192,081	-	-	44,949	-	44	4,276	55,000	296,350
Special services	169,685	-	-	-	-	-	-	-	169,685
Instruction improvement	35,740	-	-	136,629	-	-	7,109	117,621	297,099
Educational media program	102,987	-	-	-	583	(57)	327	11,879	115,719
Technology program	292,009	-	-	-	-	-	3,223	19,888	315,120
District administration	214,090	32,608	-	68	-	-	-	-	246,766
School administration	731,870	-	-	-	-	-	-	-	731,870
Business operations	355,126	-	-	-	-	-	-	-	355,126
Custodial and maintenance	1,288,103	-	-	-	-	5,300	765	89,118	1,383,286
Transportation	535,351	-	-	-	-	-	940	24,019	560,310
Total support services	3,917,042	32,608	-	181,646	583	5,287	16,640	317,525	4,471,331
Non-instruction programs:									
Child nutrition programs	13,421	-	-	-	-	-	-	-	13,421
Community service programs	-	-	-	-	-	-	-	-	-
Total non-instruction programs	13,421	-	-	-	-	-	-	-	13,421
Debt service	21,140	-	-	-	-	-	-	-	21,140
Total capital assets and debt service	21,140	-	-	-	-	-	-	-	21,140
Total expenditures	8,478,946	32,608	-	325,549	6,129	13,651	82,445	657,032	9,596,360
Excess (deficiency) of revenues over (under) expenditures	(2,262,739)	51,288	-	(22,835)	10,200	20,052	(10,959)	2,304,834	89,841
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers from (to) other funds	2,262,739	(55,000)	(329,378)	-	(59,177)	-	-	(2,073,060)	(253,876)
Net changes in fund balances	-	(3,712)	(329,378)	(22,835)	(48,977)	20,052	(10,959)	231,774	(164,035)
Total fund balances, beginning of year	-	187,309	1,195,529	286,137	188,551	240,421	388,255	52,513	2,538,715
Total fund balances, end of year	\$ -	\$ 183,597	\$ 866,151	\$ 263,302	\$ 139,574	\$ 260,473	\$ 377,296	\$ 284,287	\$ 2,374,680

See Report of Independent Auditor.

**West Bonner County School District No. 83**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2021**

	Total Non-Major State Funds	Total Non-Major Federal Funds	Student Activities Fund	Child Nutrition Fund	Bus Acquisition Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	1	-	-	1
Other local revenue	-	-	122,939	31,268	-	154,207
State assistance and reimbursements	155,171	-	-	-	-	155,171
National Forest Reserve	-	35,070	-	-	-	35,070
Other federal revenues	-	1,703,206	-	505,831	-	2,209,037
Total revenues	155,171	1,738,276	122,940	537,099	-	2,553,486
<b>EXPENDITURES</b>						
Instruction:						
Elementary programs	-	533,156	-	-	-	533,156
Secondary programs	46,115	46,650	-	-	-	92,765
Vocational education programs	-	-	-	-	-	-
Special education programs	-	276,292	-	-	-	276,292
Exceptional child, gifted and talented programs	-	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-	-
Summer school	-	-	-	-	-	-
Total instruction	46,115	856,098	-	-	-	902,213
Support services:						
Attendance, guidance and health	4,706	231,886	-	-	-	236,592
Special services	-	333,340	-	-	-	333,340
Instruction improvement	-	118,223	-	-	-	118,223
Educational media program	-	-	-	-	-	-
Technology program	104,350	133,517	-	-	-	237,867
District administration	-	-	-	-	-	-
School administration	-	23,672	-	-	-	23,672
Business operations	-	-	-	-	-	-
Custodial and maintenance	-	193,235	-	-	-	193,235
Transportation	-	-	-	-	98,998	98,998
Total support services	109,056	1,033,873	-	-	98,998	1,241,927
Non-instruction programs:						
Child nutrition programs	-	-	-	543,296	-	543,296
Community service programs	-	-	130,460	-	-	130,460
Total non-instruction programs	-	-	130,460	543,296	-	673,756
Debt service						
Total capital assets and debt service	-	-	-	-	-	-
Total expenditures	155,171	1,889,971	130,460	543,296	98,998	2,817,896
Excess (deficiency) of revenues over (under) expenditures	-	(151,695)	(7,520)	(6,197)	(98,998)	(264,410)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from (to) other funds	-	151,694	-	6,197	95,985	253,876
Net changes in fund balances	-	(1)	(7,520)	-	(3,013)	(10,534)
Total fund balances, beginning of year	-	68,069	-	6,372	37,768	112,209
Prior period adjustment	-	-	180,019	-	-	180,019
Total fund balances, end of year	\$ -	\$ 68,068	\$ 172,499	\$ 6,372	\$ 34,755	\$ 281,694

**West Bonner County School District No. 83**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major State Funds**  
**For the Year Ended June 30, 2021**

	Drivers Education Fund	Vocational Education Fund	Technology Grant Fund	State Drug Free Grant Fund	Total Non-Major State Funds
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	-	-	-
Other local revenue	-	-	-	-	-
State assistance and reimbursements	9,125	36,990	104,350	4,706	155,171
National Forest Reserve	-	-	-	-	-
Other federal revenues	-	-	-	-	-
Total revenues	9,125	36,990	104,350	4,706	155,171
<b>EXPENDITURES</b>					
Instruction:					
Elementary programs	-	-	-	-	-
Secondary programs	9,125	36,990	-	-	46,115
Vocational education programs	-	-	-	-	-
Special education programs	-	-	-	-	-
Exceptional child, gifted and talented programs	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-
Summer school	-	-	-	-	-
Total instruction	9,125	36,990	-	-	46,115
Support services:					
Attendance, guidance and health	-	-	-	4,706	4,706
Special services	-	-	-	-	-
Instruction improvement	-	-	-	-	-
Educational media program	-	-	-	-	-
Technology program	-	-	104,350	-	104,350
District administration	-	-	-	-	-
School administration	-	-	-	-	-
Business operations	-	-	-	-	-
Custodial and maintenance	-	-	-	-	-
Transportation	-	-	-	-	-
Total support services	-	-	104,350	4,706	109,056
Non-instruction programs:					
Child nutrition programs	-	-	-	-	-
Community service programs	-	-	-	-	-
Total non-instruction programs	-	-	-	-	-
Debt service	-	-	-	-	-
Total capital assets and debt service	-	-	-	-	-
Total expenditures	9,125	36,990	104,350	4,706	155,171
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	-	-	-	-	-
Net changes in fund balances	-	-	-	-	-
Total fund balances, beginning of year	-	-	-	-	-
Total fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

**West Bonner County School District No. 83**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Federal Funds**  
**For the Year Ended June 30, 2021**

	Federal Forest Fund	Title I-A Fund	CARES Act Fund	Title VI Part B Fund	Title VI Part B Preschool Fund	Medicaid Fund	Title IV-A Fund	REAP Fund	Title II-A Fund	Coronavirus Relief Fund	GEAR UP Fund	Total Non-Major Federal Funds
<b>REVENUES</b>												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-	-	-
Other local revenue	-	-	-	-	-	-	-	-	-	-	-	-
State assistance and reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
National Forest Reserve	35,070	-	-	-	-	-	-	-	-	-	-	35,070
Other federal revenues	-	467,625	126,758	255,674	20,529	253,918	927	80,805	200	460,479	36,291	1,703,206
Total revenues	35,070	467,625	126,758	255,674	20,529	253,918	927	80,805	200	460,479	36,291	1,738,276
<b>EXPENDITURES</b>												
Instruction:												
Elementary programs	-	453,680	35,330	-	-	-	-	-	-	44,146	-	533,156
Secondary programs	-	-	2,396	-	-	-	-	-	-	44,254	-	46,650
Vocational education programs	-	-	-	-	-	-	-	-	-	-	-	-
Special education programs	-	-	88	255,674	20,530	-	-	-	-	-	-	276,292
Exceptional child, gifted and talented programs	-	-	-	-	-	-	-	-	-	-	-	-
Interscholastic and school activity programs	-	-	-	-	-	-	-	-	-	-	-	-
Summer school	-	-	-	-	-	-	-	-	-	-	-	-
Total instruction	-	453,680	37,814	255,674	20,530	-	-	-	-	88,400	-	856,098
Support services:												
Attendance, guidance and health	-	-	12,034	-	-	107,342	-	-	-	112,510	-	231,886
Special services	-	-	-	-	-	333,340	-	-	-	-	-	333,340
Instruction improvement	-	-	-	-	-	-	927	80,805	200	-	36,291	118,223
Educational media program	-	-	-	-	-	-	-	-	-	-	-	-
Technology program	-	-	848	-	-	-	-	-	-	132,669	-	133,517
District administration	-	-	-	-	-	-	-	-	-	-	-	-
School administration	-	13,945	-	-	-	-	-	-	-	9,727	-	23,672
Business operations	-	-	-	-	-	-	-	-	-	-	-	-
Custodial and maintenance	-	-	76,062	-	-	-	-	-	-	117,173	-	193,235
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Total support services	-	13,945	88,944	-	-	440,682	927	80,805	200	372,079	36,291	1,033,873
Non-instruction programs:												
Child nutrition programs	-	-	-	-	-	-	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-	-	-	-	-	-	-
Total non-instruction programs	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Total capital assets and debt service	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	467,625	126,758	255,674	20,530	440,682	927	80,805	200	460,479	36,291	1,889,971
Excess (deficiency) of revenues over (under) expenditures	35,070	-	-	-	(1)	(186,764)	-	-	-	-	-	(151,695)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers from (to) other funds	(35,070)	-	-	-	-	186,764	-	-	-	-	-	151,694
Net changes in fund balances	-	-	-	-	(1)	-	-	-	-	-	-	(1)
Total fund balances, beginning of year	-	-	-	-	-	68,069	-	-	-	-	-	68,069
Total fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ 68,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,068

See Report of Independent Auditor.

**West Bonner County School District No. 83**  
**Schedule of Changes in Student Activity Funds**  
**For the Year Ended June 30, 2021**

	<b>Balances, 06/30/2020</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balances, 06/30/2021</b>
Idaho Hills Elementary	\$ 12,218	\$ 8,766	\$ 6,268	\$ 14,716
Priest Lake Elementary	6,284	282	-	6,566
Priest River Elementary	30,843	3,094	6,506	27,431
Priest River Junior High	18,716	15,164	17,005	16,875
Priest River Lamanna High	111,958	95,634	100,681	106,911
Unallocated interest	-	-	-	-
Totals	<u>\$ 180,019</u>	<u>\$ 122,940</u>	<u>\$ 130,460</u>	<u>\$ 172,499</u>



## **Compliance Reports**

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
West Bonner County School District No. 83  
Priest River, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and 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 West Bonner County School District No. 83 ("the District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Findings 2021-001 and 2021-002, that we consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to the Finding**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The sole purpose of this report is 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.

*DeCoria, Blair & Teague, PS*

DeCoria, Blair & Teague, P.S.  
Spokane, Washington

October 26, 2021

**West Bonner County School District No. 83**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing (AL) Number	Pass-Through ID Number	Expenditures	
<b>U.S. Department of Education Passed Through Idaho State Department of Education:</b>				
Title I-A - Local Education Agencies	84.010	S010A190012	\$ 27,000	
Title I-A - Local Education Agencies	84.010	S010A200012	379,716	
				\$ 406,716
Special Education Cluster:				
Title VI-B - Federal Special Education K-12	84.027	H027A190088	17,294	
Title VI-B - Federal Special Education K-12	84.027	H027A200088	238,379	
Title VI-BP - Federal Special Education Preschool	84.173	H173A190030	6,799	
Title VI-BP - Federal Special Education Preschool	84.173	H173A200030	13,732	
				276,204
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S180012	7,694	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S200012	28,597	
				36,291
Title V-B - Rural Education Achievement Program	84.358	S358B190012	9,731	
Title V-B - Rural Education Achievement Program	84.358	S358B200012	15,919	
				25,650
Title II-A - Supporting Effective Instruction	84.367	S367A190011	200	
Title II-A - Supporting Effective Instruction	84.367	S367A200011	58,533	
				58,733
Title IV-A - Student Support & Academic Enrichment	84.424	S424A180013	96	
Title IV-A - Student Support & Academic Enrichment	84.424	S424A190013	13,032	
Title IV-A - Student Support & Academic Enrichment	84.424	S424A200013	45,330	
				58,458
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER) I Fund				
COVID-19 Education Stabilization Fund - ESSER I Fund (Learning Management System)	84.425D	S425D200043	107,731	
COVID-19 Education Stabilization Fund - ESSER I Fund (Social and Emotional Learning)	84.425D	S425D200043	14,895	
	84.425D	S425D200043	4,132	
				126,758
Total U.S. Department of Education				988,810

**West Bonner County School District No. 83**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing (AL) Number	Pass-Through ID Number	Expenditures
<b>U.S. Department of Agriculture Passed Through Idaho State Department of Education:</b>			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	202121N109947	\$ 19,504
Cash Assistance:			
School Breakfast Program	10.553	202020N850347	\$ 7,561
School Breakfast Program	10.553	202121N109947	138,682
National School Lunch Program	10.555	202020N850347	13,079
National School Lunch Program	10.555	202121N109947	260,762
Summer Food Service Program for Children	10.559	202020N850347	37,583
			457,667
Fresh Fruit and Vegetable Program	10.582	202019L160347	2,058
Fresh Fruit and Vegetable Program	10.582	202120L160347	26,602
			28,660
Schools and Roads Grants to States (Forest Reserve)	10.665	--	35,070
Total U.S. Department of Agriculture			540,901
<b>U.S. Department of Treasury Passed Through Idaho State Department of Education:</b>			
COVID-19 Coronavirus Relief Fund - Special Distribution	21.019	20-1892-0-1-806	327,810
COVID-19 Coronavirus Relief Fund - Distance and Blended Learning	21.019	20-1892-0-1-806	132,669
			460,479
Total U.S. Department of Treasury			460,479
<b>Total Federal Financial Assistance</b>			<b>\$ 1,990,190</b>

**West Bonner County School District No. 83**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of West Bonner County School District No. 83 and is presented on the modified accrual basis of accounting. 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).

**2. Federal De Minimis Indirect Rate**

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**3. Transferability**

As allowed by federal regulations, the District elected to transfer various program funds. During 2021, the District expended funds from original grant awards on allowable activities of other grant programs, as follows:

<u>Transfer From (Original Award)</u>	<u>Transfer To</u>	<u>Amount</u>
Title II-A (AL No. 84.367)	Title I-A (AL No. 84.010)	\$ 58,533
Title IV-A (AL No. 84.424)	Title I-A (AL No. 84.010)	2,376
Title IV-A (AL No. 84.424)	Title V-B (AL No. 84.358)	55,155

These amounts are reflected in the accompanying Schedule of Expenditures of Federal Awards as expenditures of the original grant award.

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Trustees  
West Bonner County School District No. 83  
Priest River, Idaho

### **Report on Compliance for Each Major Federal Program**

We have audited West Bonner County School District No. 83's ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

In our opinion, West Bonner County School District No. 83 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The sole purpose of this report on internal control over compliance is 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.

*DeCoria, Blair & Teague, PS*

DeCoria, Blair & Teague, P.S.  
Spokane, Washington

October 26, 2021



**West Bonner County School District No. 83**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

**Section I – Summary of Auditor’s Results:**

***Financial Statements***

The report of independent auditor expressed unmodified opinions on the basic financial statements of West Bonner County School District No. 83.

The audit of the financial statements of West Bonner County School District No. 83 disclosed two significant deficiencies in internal control over financial reporting.

The significant deficiencies in internal control over financial reporting were not considered to be a material weakness.

The audit disclosed no compliance findings material to the financial statements of West Bonner County School District No. 83.

***Federal Awards***

The report of independent auditor expressed an unmodified opinion on compliance for major programs.

The audit identified no significant deficiencies for internal control over major programs.

The audit identified no material weaknesses for internal control over major programs.

The audit disclosed no compliance findings that are required to be reported in accordance with the Uniform Guidance.

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.010	Title I-A Local Education Agencies

The dollar threshold used to distinguish type A and B programs was \$750,000.

The auditee qualified as a low-risk auditee.

**West Bonner County School District No. 83**  
**Schedule of Findings and Questioned Costs, Continued**  
**Year Ended June 30, 2021**

**Section II – Financial Statement Findings:**

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Finding 2021-001**

Condition	The overall size and experience of the District's business finance department makes it difficult to allow for a complete segregation of duties for an effective system of internal control over financial reporting. The District's management continues to implement various procedures to improve segregation of duties related to most of the day-to-day operations. However, the District has a limited number of individuals with sufficient understanding of the accounting principles necessary to provide adequate oversight and review of the various financial reporting requirements in accordance with accounting principles generally accepted in the United States of America.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated, including duties outside of the day-to-day operations. These additional functions specifically relate to the various reporting requirements in accordance with accounting principles generally accepted in the United States of America; general journal entries; nonroutine or unusual transactions; recording of restrictions of fund balances and net position classifications; and the modified-accrual and accrual bases of accounting for financial reporting purposes. In addition, an effective system of internal control over financial reporting requires adequate oversight and review procedures.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records. In addition, transactions outside of the day-to-day operations generally contain a higher degree of complexity and, therefore, result in a greater risk that a material misstatement related to these transactions would not be detected and corrected on a timely basis.
Cause	The District's staff is too small to allow a complete segregation of duties, and adequate oversight and review of the various financial reporting requirements.
Recommendation	Although the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, specifically related to duties outside of the day-to-day operations, we recommend that officials be aware that the condition does exist. In addition, we recommend that month-end, quarter-end and year-end closing procedures, as applicable, continue to be evaluated for potential opportunities to improve segregation of duties, as well as oversight and review procedures. Finally, the District may consider consulting with external sources who have sufficient knowledge and experience related to the various financial reporting requirements specific to school districts, for unusual or overly complex accounting issues, as deemed necessary, or to assist in oversight and review procedures of more complex and unusual accounting matters.

**West Bonner County School District No. 83**  
**Schedule of Findings and Questioned Costs, Continued**  
**Year Ended June 30, 2021**

**Finding 2021-001, Continued**

Management's Response	Management and the Board of Trustees are aware of this condition. Management believes that the District has minimized the risk to the degree possible, given the size of the District, the limited number of office staff, and associated costs or other considerations. In order to mitigate the risk of fraud or errors in financial reporting, the Board of Trustees reviews the financial statements for unusual fluctuations and significant variances from budget at each meeting. In addition, all checks require two signatures, and the Board of Trustees approves all checks issued by the District.
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**Finding 2021-002**

Condition	During the fiscal year ended June 30, 2021, the District was required to establish two new governmental special revenue funds to track and record proceeds and specific revenue sources that are restricted to expenditure of specified purposes, in accordance with GASB Statement No. 54 and per guidance provided by the Idaho State Department of Education. The amounts related to these activities were properly reflected in the District's accounting records, but were not properly classified within separate special revenue funds.
Criteria	GASB Statement No. 54 states that special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. An effective system of internal control over financial reporting includes establishing and performing procedures to identify amounts that are required to be reported within separate funds, based on the nature of the specific revenue sources.
Effect	In connection with performing our audit testing, while the amounts related to these special revenue funding sources were properly reflected within the District's accounting records, we proposed audit adjustments that were necessary to properly record these amounts within separate governmental special revenue funds. Clarified Statement on Auditing Standards Section 265, <i>Communicating Internal Control Related Matters Identified in an Audit</i> (AU-C 265), indicates that identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity's internal control over financial reporting should at least be regarded as a significant deficiency and should be considered as a strong indicator of a material weakness in internal control over financial reporting.
Cause	Due in part to transition of management, primarily within the District's business finance department, the District did not completely perform all of the procedures that should be performed in order to properly identify amounts that are required to be accounted for within separate governmental special revenue funds.

**West Bonner County School District No. 83**  
**Schedule of Findings and Questioned Costs, Continued**  
**Year Ended June 30, 2021**

**Finding 2021-002, Continued**

Recommendation	We recommend that year-end closing procedures be further developed, documented and implemented for each general ledger account, and that additional training over the required procedures be provided to new District personnel, primarily within the business finance department. These additional procedures should incorporate a review of any new funding sources, to be evaluated based on whether the resources are restricted or committed, in accordance with GASB Statement No. 54, and also compared to documented guidance provided by the Idaho State Department of Education. By documenting the procedures and providing training to personnel, especially in relation to new or unusual transactions that may occur less frequently or are outside of the general nature of operations, the need for audit adjustments should be reduced or eliminated altogether.
Management's Response	The District has already committed to and has actively enrolled personnel in various training opportunities, and will also continue to develop and implement documented procedures for reconciling and adjusting account balances for each general ledger account, including a process to ensure that any new funding sources are properly recorded in separate special revenue funds, if required or deemed appropriate. Future trainings will also be made available on an as-needed basis, in an effort to eliminate audit adjustments.

**Section III – Federal Award Findings and Questioned Costs**

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs) related to federal awards that are required to be reported in accordance with the Uniform Guidance.

There were no findings in the current year.

**West Bonner County School District No. 83**  
**Status of Prior Year Findings**  
**Year Ended June 30, 2021**

**Finding 2020-001**

Condition: The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.

Status: This condition continues to exist as of June 30, 2021, but has been expanded to better reflect the District's specific condition. See Finding 2021-001.