

SWAN VALLEY SCHOOL DISTRICT #92

**Report on Audit of Basic Financial Statements,
Required Supplemental Information,
And Supplemental Information**

For the Year Ended June 30, 2023

SWAN VALLEY SCHOOL DISTRICT #92

For the year ended June 30, 2023

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SWAN VALLEY SCHOOL DISTRICT #92

For the year ended June 30, 2023

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JENSEN POULSEN & COMPANY, PLLC

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Swan Valley School District #92
Irwin, ID 83428

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Swan Valley School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Swan Valley School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Swan Valley School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Swan Valley School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
October 18, 2023

SWAN VALLEY SCHOOL DISTRICT #92
STATEMENT OF NET POSITION
June 30, 2023

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash | \$ 1,069,309 |
| Receivables: | |
| Local sources - taxes | \$ 90,570 |
| Other receivables | 22,203 |
| Total receivables | \$ 112,773 |
| Prepaid Expenses | 28,488 |
| Total current assets | \$ 1,210,570 |
| Net capital assets | \$ 801,795 |
| Total Assets | \$ 2,012,365 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension deferred outflows | \$ 313,914 |
| Unspent grant allocation | 2,759 |
| Total deferred outflows of resources | \$ 316,673 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 2,329,038 |
| LIABILITIES | |
| Accounts payable | \$ 8,252 |
| Salaries and benefits payable | 92,601 |
| Current portion of long term debt | - |
| Total current liabilities | \$ 100,853 |
| Long-term liabilities | |
| Debt portion due in more than one year | \$ - |
| Net pension liability | 502,786 |
| Compensated absences payable | 15,315 |
| Total Liabilities | \$ 618,954 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension deferred inflows | \$ 2,244 |
| Unspent grant allocation | 2,759 |
| Total deferred inflows of resources | \$ 5,003 |
| NET POSITION | |
| Investment in capital assets - net of related debt | \$ 801,795 |
| Restricted for: | |
| Special programs | 139,793 |
| Capital projects | 9,055 |
| Unrestricted | 754,438 |
| Total Net Position | \$ 1,705,081 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | \$ 2,329,038 |

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

SWAN VALLEY SCHOOL DISTRICT #92
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | |
|--|----------------------------|-------------------------|--|--|--|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | | CAPITAL GRANTS AND CONTRIBUTIONS |
| <i>Governmental activities:</i> | | | | | |
| Instructions: | | | | | |
| Elementary programs | \$ 642,345 | \$ - | \$ 199,803 | \$ - | \$ (442,542) |
| Secondary/alternative programs | 54,021 | - | - | - | (54,021) |
| Exceptional/preschool programs | 48,450 | - | 24,269 | - | (24,181) |
| Other instructional programs | 6,994 | - | 23,520 | - | 16,526 |
| Support services: | | | | | |
| Student services | 43,212 | - | 2,725 | - | (40,487) |
| Educational media | 3,763 | - | - | - | (3,763) |
| School administration | 11,521 | - | - | - | (11,521) |
| Administration | 239,219 | - | - | - | (239,219) |
| Plant services | 139,752 | - | - | 6,323 | (133,429) |
| Pupil transportation | 130,839 | - | - | - | (130,839) |
| Non Instructional programs: | | | | | |
| Food services | 53,503 | 13,254 | 33,715 | - | (6,534) |
| Total Governmental Activities | <u>\$ 1,373,619</u> | <u>\$ 13,254</u> | <u>\$ 284,032</u> | <u>\$ 6,323</u> | <u>\$ (1,070,010)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | | | | | \$ 286,153 |
| Property taxes, levied for capital projects | | | | | 51,799 |
| Grants and contributions not restricted to specific programs | | | | | |
| Foundation program | | | | | 917,552 |
| Other state revenue | | | | | 7,148 |
| Interest and investment earnings general fund | | | | | 29,201 |
| Other funds | | | | | 405 |
| Miscellaneous revenues | | | | | - |
| Net pension revenue(expense) | | | | | (261,389) |
| Total general revenues and special items | | | | | <u>\$ 1,030,869</u> |
| | | | | Changes in net position | \$ (39,141) |
| | | | | Net position - beginning | <u>1,744,222</u> |
| | | | | Net position - ending | <u>\$ 1,705,081</u> |

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

SWAN VALLEY SCHOOL DISTRICT #92
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

| ASSETS | General Fund | Food Service | Plant Facilities | Non Major Governmental Funds | Total Governmental Funds |
|--|-------------------------|-------------------------|-----------------------------|---|---|
| Cash..... | \$ 917,661 | \$ 9,601 | \$ 703 | \$ 141,344 | \$ 1,069,309 |
| Tax receivable..... | 80,187 | - | 10,383 | - | 90,570 |
| Other receivable..... | 14,851 | - | - | 7,352 | 22,203 |
| Interfund receivable..... | - | - | - | - | - |
| Prepaid expense..... | 27,380 | - | 1,108 | - | 28,488 |
| Total Assets..... | \$ 1,040,079 | \$ 9,601 | \$ 12,194 | \$ 148,696 | \$ 1,210,570 |
| LIABILITIES AND FUND BALANCE | | | | | |
| LIABILITIES | | | | | |
| Accounts payable..... | \$ 35 | \$ - | \$ 914 | \$ 7,303 | \$ 8,252 |
| Accrued salaries payable..... | 70,442 | 5,117 | - | 3,117 | 78,676 |
| Accrued benefits payable..... | 10,958 | 2,192 | - | 775 | 13,925 |
| Interfund payable..... | - | - | - | - | - |
| Deferred revenue..... | 22,497 | - | 2,225 | - | 24,722 |
| Total Liabilities..... | \$ 103,932 | \$ 7,309 | \$ 3,139 | \$ 11,195 | \$ 125,575 |
| FUND BALANCE | | | | | |
| Restricted | | | | | |
| Special programs | \$ - | \$ 2,292 | \$ - | \$ 137,501 | \$ 139,793 |
| Capital projects..... | - | - | 9,055 | - | 9,055 |
| Unassigned..... | 936,147 | - | - | - | 936,147 |
| Total Fund Balance..... | \$ 936,147 | \$ 2,292 | \$ 9,055 | \$ 137,501 | \$ 1,084,995 |
| Total Liabilities and Fund Balance..... | \$ 1,040,079 | \$ 9,601 | \$ 12,194 | \$ 148,696 | \$ 1,210,570 |

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

SWAN VALLEY SCHOOL DISTRICT #92
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Governmental Fund Balances \$ 1,084,995

Amounts reported for governmental activities in the statement of net position are different due to:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.

| | | |
|------------------------------|--------------------|---------|
| Cost of capital assets | 2,435,260 | |
| Depreciation expense to date | <u>(1,633,465)</u> | 801,795 |

| | | |
|--|--|--------|
| Property taxes received that are not available to pay for current period expenditures are deferred in the funds. | | 24,722 |
|--|--|--------|

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

| | | |
|------------------------------|--|-----------------|
| Compensated absences payable | | - |
| | | <u>(15,315)</u> |

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

| | | |
|--|------------------|------------------|
| Change in deferred outflows of resources | 316,673 | |
| Change in deferred inflows of resources | (5,003) | |
| Current change in net pension liability | <u>(502,786)</u> | <u>(191,116)</u> |

Net Position of Governmental Activities \$ 1,705,081

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

SWAN VALLEY SCHOOL DISTRICT #92
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | General Fund | Food Services | Plant Facilities | Non Major Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------|---------------------|------------------------------------|--------------------------------|
| REVENUE | | | | | |
| Local taxes..... | \$ 291,534 | \$ - | \$ 49,971 | \$ - | \$ 341,505 |
| Other local revenues..... | 36,349 | 14,905 | 405 | 3,651 | 55,310 |
| State sources..... | 917,552 | - | 6,323 | 25,432 | 949,307 |
| Federal sources..... | - | 33,715 | - | 221,179 | 254,894 |
| Total Revenues..... | <u>\$ 1,245,435</u> | <u>\$ 48,620</u> | <u>\$ 56,699</u> | <u>\$ 250,262</u> | <u>\$ 1,601,016</u> |
| EXPENDITURES | | | | | |
| Instruction Programs: | | | | | |
| Elementary..... | \$ 539,700 | \$ - | \$ - | \$ 167,071 | \$ 706,771 |
| Secondary..... | 27,833 | - | - | - | 27,833 |
| Preschool exceptional child..... | 12,360 | - | - | - | 12,360 |
| Exceptional child..... | - | - | - | 44,151 | 44,151 |
| Interscholastic program..... | 5,363 | - | - | - | 5,363 |
| School activity..... | - | - | - | - | - |
| Support Service Programs: | | | | | |
| Attendance and guidance..... | 239 | - | - | 1,392 | 1,631 |
| Special services..... | 14,571 | - | - | - | 14,571 |
| Instructional improvement..... | 4,007 | - | - | 24,634 | 28,641 |
| Media..... | 3,763 | - | - | - | 3,763 |
| School board..... | 4,974 | - | - | - | 4,974 |
| Administration - district..... | 238,505 | - | - | - | 238,505 |
| Janitorial - building..... | 63,071 | - | - | - | 63,071 |
| Maintenance - building..... | - | - | - | - | - |
| Maintenance - equipment..... | 20,413 | - | 476 | - | 20,889 |
| Transportation..... | 94,242 | - | - | - | 94,242 |
| Non-Instructional Programs: | | | | | |
| Other support services programs..... | 491 | - | - | - | 491 |
| Food services..... | - | 53,503 | - | - | 53,503 |
| Capital outlay..... | - | - | 87,168 | - | 87,168 |
| Total Expenditures..... | <u>\$ 1,029,532</u> | <u>\$ 53,503</u> | <u>\$ 87,644</u> | <u>\$ 237,248</u> | <u>\$ 1,407,927</u> |
| Excess Revenues Over (Under) Expenditures..... | \$ 215,903 | \$ (4,883) | \$ (30,945) | \$ 13,014 | \$ 193,089 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in (out)..... | (40,000) | - | 40,000 | - | - |
| Excess Revenues and Other Sources..... | <u>\$ 175,903</u> | <u>\$ (4,883)</u> | <u>\$ 9,055</u> | <u>\$ 13,014</u> | <u>\$ 193,089</u> |
| FUND BALANCE | | | | | |
| Beginning Balance..... | 760,244 | 7,175 | - | 124,487 | 891,906 |
| Ending Balance..... | <u>\$ 936,147</u> | <u>\$ 2,292</u> | <u>\$ 9,055</u> | <u>\$ 137,501</u> | <u>\$ 1,084,995</u> |

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

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Swan Valley School District #92 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to school districts. The significant accounting policies of the District are described below.

A. Reporting Entity

Swan Valley School District #92 provides public school educational services as authorized by Section 33 of the Idaho Code. The District's boundaries for taxing and school enrollment purposes are located within Bonneville County.

Factors used in defining the reporting entity are as follows: Swan Valley School District #92 was established under the laws of the State of Idaho which designates the Board of Trustees as the governing authority. Members of the Board of Trustees are elected by the public. The Board of Trustees has control over the superintendent and management, and also has the authority to purchase equipment and other capital assets, and to levy taxes. The Board of Trustees has the power to establish annual budgets subject to public input from patrons, is responsible for funding deficits and operating deficiencies, and has the authority to borrow funds or issue bonded indebtedness.

The conclusion of the above criteria is that Swan Valley School District #92 is an independent school district in the State of Idaho, operating under an autonomous Board of Trustees constituting a Local Education Agency of government.

In the evaluation of how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made using criteria set forth in the accounting principles generally accepted in the United States of America. All funds and activities of Swan Valley School District #92 are included in the basic financial statements. Using the above criteria, the District has no component units.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the school district. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal balances and transfers. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. All activities of the District are currently classified as governmental activities. No fiduciary funds are included in the *government-wide statements*.

The statement of activities presents a comparison between direct expenses and direct revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. Basis of Presentation, Basis of Accounting, continued

Basis of Presentation, continued

Allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program, and object. Accordingly, there is no allocation of indirect costs.

The District reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Thus, it is always considered a major fund.

Food Service Fund

The Food Service Fund accounts for all revenues and expenditures related to child nutrition within the District.

Plant Facilities Fund

The Plant Facilities Fund is used to account for revenues and expenditures related to the District's buildings, grounds, and equipment.

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. Basis of Presentation, Basis of Accounting, continued

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs followed by general revenues.

The District reports deferred revenue on its governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue criteria are met, the revenue is recognized. Additionally, for both the government-wide and fund financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditures; any excess revenues are thus reported as deferred revenue.

All governmental activities of the District follow FASB Statements and Interpretations issued on or after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

The District does not maintain an encumbrance system, but in lieu of, exercises control through the administration of the budget process.

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. Cash and Investments

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

D. Property Taxes

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

E. Inventories

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

F. Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of \$3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Swan Valley School District # 92 is a Phase III government meaning that is not required to report infrastructure. Depreciation on all assets (exclusive of land) is provided on the straight-line (SL) method over the following estimated useful lives:

| | |
|---|-------------|
| Computer equipment (SL method) | 5 years |
| Equipment, furniture and fixtures (SL method) | 10-20 years |
| Buildings (SL method) | 50-99 years |

G. Net Position

Net position is the difference between assets and liabilities. Net position invested in capital assets, net of related debt, are capital assets, less accumulated depreciation and outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors, grantors, or enabling legislation. In Swan Valley School District there are restrictions of \$148,848 in the special revenue and capital projects funds. When expenses are incurred for purposes for which both restricted and unrestricted net position is available, restricted net position is applied first.

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

H. Fund Balance Reserves

The five categories of fund balance are nonspendable, restricted, committed, assigned, and unassigned. For the year ended June 30, 2023, the District had restricted fund balances of \$148,848 and unassigned fund balances of \$936,147. Restricted funds are those which are constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation. Unassigned funds are those which are available for any purpose.

I. Teachers Contracts

Contracts for teacher's salaries are payable in twelve monthly installments beginning in September. At June 30, the liability for the remaining two months of the current contracts and associated contracted benefits are accrued.

J. Nonmonetary Transactions

Items received via the Federal Food Commodities Program are recognized at their stated fair market value. For the fiscal year ending June 30, 2023, that amount was \$3,504.

K. Risk Management

The district is exposed to a considerable number of risks of loss including but not limited to a) damage to and loss of property and contents, b) employee torts, c) professional liabilities, i.e. errors and omissions, d) environmental damage, e) workers compensation, i.e. employee injuries and f) medical insurance costs of its employees. Commercial insurance policies transferring the risk of loss, but for a relatively small deductible amount, are purchased for property and content damage, employee's torts and professional liabilities. Settlement claims resulting from these risks have not exceeded the insurance deductible provided for in the last three years.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

M. Pensions

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

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 2 CASH AND INVESTMENTS

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

| | |
|--|--------------------|
| Cash—demand deposits (net of overdrafts) | \$ 174,690 |
| Cash—State Investment Pool | <u>894,619</u> |
| | <u>\$1,069,309</u> |

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. At year end, the carrying amounts of the District's deposits were \$1,069,309 and the bank balances were \$1,077,105. Of the bank balances, \$182,484 was covered by federal depository insurance. Cash held at the Local Government Investment Pool is uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of a bank failure, the district's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. As of June 30, 2023, the District had \$894,619 of their bank balances subject to this risk.

Investments

Idaho statutes authorize school districts to invest in obligations of the United States Treasury, agencies and instrumentalities of the United States, repurchase agreements, interest-bearing bonds of any city, county, school district or municipality in Idaho, tax anticipation notes, time deposit accounts in state depositories, accounts in financial institutions, and the State of Idaho's Local Government Investment Pool. The District's investment policy complies with state statutes.

The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U. S. government securities. The certificates of deposits are federally insured. The U. S. government securities and the collateral for the repurchase agreement are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the District in proportion to each fund's respective investment balances.

Statement 3 of the Government Accounting Standards Board requires government entities disclose the level of risk assumed on deposit and investment balances.

Statement 40 of the Government Accounting Standards Board requires more comprehensive disclosure requirements addressing other common risks of the deposits and investments of governmental entities. At June 30, 2023 the District did not hold any investments that require disclosure. The District has chosen to recognize the monies held at the Local Government Investment Pool as cash.

Credit Risk

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

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

| | <u>General Fund</u> | <u>Capital Projects</u> | <u>Non Major Fund</u> |
|--------------------------|-------------------------|-----------------------------|---------------------------|
| Local Sources | | | |
| Local Taxes | \$ 80,187 | \$ 10,383 | \$ 7,352 |
| State Sources | | | |
| State of Idaho | \$ 14,851 | \$ - | \$ - |
| Total Receivables | <u>\$ 95,038</u> | <u>\$ 10,383</u> | <u>\$ 7,352</u> |

NOTE 4

CAPITAL ASSETS

A summary of Capital Assets is as follows:

| | <u>Balance 07-01-22</u> | <u>Capital Acquisitions</u> | <u>Sales & Other Dispositions</u> | <u>Balance 06-30-23</u> |
|-------------------------------------|-----------------------------|---------------------------------|---|-----------------------------|
| Non-depreciable Assets | | | | |
| Land | \$ 1,000 | \$ 200 | \$ - | \$ 1,200 |
| Work in Progress | 132,030 | 66,014 | - | 198,044 |
| Total Cost | <u>\$ 132,030</u> | <u>\$ 66,214</u> | <u>\$ -</u> | <u>\$ 199,244</u> |
| Depreciable Assets | | | | |
| Buildings/Sites | \$ 1,090,356 | \$ 14,736 | \$ 200 | \$ 1,104,892 |
| Equip, Furn & Fixtures | 720,089 | 59,925 | 182,173 | 597,841 |
| Transportation | 555,395 | - | 22,111 | 533,284 |
| Total Cost | <u>\$ 2,365,840</u> | <u>\$ 74,661</u> | <u>\$ 204,484</u> | <u>\$ 2,236,017</u> |
| Accumulated Depreciation | | | | |
| Buildings/Sites | \$ 829,184 | \$ 25,890 | \$ - | \$ 855,074 |
| Equip, Furn & Fixtures | 532,212 | 39,580 | 177,739 | 394,053 |
| Transportation | 369,108 | 37,341 | 22,111 | 384,338 |
| Total Accum. Deprec. | <u>\$ 1,730,504</u> | <u>\$ 102,811</u> | <u>\$ 199,850</u> | <u>\$ 1,730,504</u> |
| Net Capital Assets | <u>\$ 768,365</u> | <u>\$ 38,064</u> | <u>\$ 4,634</u> | <u>\$ 801,795</u> |

Depreciation expense was charged to functions as follows:

| | |
|-----------------------|-------------------|
| Education | \$ 52,376 |
| School Administration | 6,547 |
| Plant Services | 6,547 |
| Transportation | 37,341 |
| Total | <u>\$ 102,811</u> |

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 5 PENSION PLAN

Plan Description

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

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

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2022 it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The Swan Valley School District's contributions were \$60,972 for the year ended June 30, 2023.

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 6 PENSION PLAN (continued)

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

At June 30, 2023 the Swan Valley School District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Swan Valley School District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2022, the District's proportion was .0127651%.

For the year ended June 30, 2023, the Swan Valley School District recognized pension expense of \$60,972. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 55,288 | \$ 2,244 |
| Changes in assumptions or other inputs | - | - |
| Net difference between projected and actual earnings on pension plan investments | 81,969 | - |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | - | - |
| Contributions subsequent to the measurement date | <u>60,972</u> | <u>-</u> |
| TOTAL | <u>\$198,299</u> | <u>\$ 2,244</u> |

\$60,972 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020 the beginning of the measurement period ended June 30, 2023 is 4.8 and 4.7 years for the measurement period June 30, 2023.

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

Year ended 2023:

| | |
|------|-----------|
| 2023 | \$ 59,951 |
| 2024 | \$ 65,083 |
| 2025 | \$ 30,101 |
| 2026 | \$ 93,777 |

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

SWAN VALLEY SCHOOL DISTRICT #92

Notes to the Basic Financial Statements
June 30, 2023

NOTE 6 PENSION 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing Member, Service Retirement Member, and Beneficiaries

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

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

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

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

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 6 PENSION PLAN (continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2021.

| Asset Class | | Target Allocation | Long-Term Expected Nominal Rate of Return | of | Long-Term Expected Real Rate of Return |
|---|-----------------------------|-------------------|---|----|--|
| Core Fixed Income | Barclays Aggregate | 30.00% | 1.80% | | (.20%) |
| Broad US Equities | Wilshire 5000/ Russell 3000 | 55.00% | 8.00% | | 6.00% |
| Developed Foreign Equities | MSCI EAFE/World ex US | 15.00% | 8.25% | | 6.25% |
| Assumed Inflation -Mean | | | 2.00% | | 2.00% |
| Assumed Inflation – Standard Deviation | | | 1.50% | | 1.50% |
| Portfolio Arithmetic Mean Return | | | 6.18% | | 4.18% |
| Portfolio Standard Deviation | | | 12.29% | | 12.29% |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | | 5.55% | | 3.46% |
| Assumed Investment Expenses | | | 0.40% | | 0.40% |
| Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses | | | 5.15% | | 3.06% |
| Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | | | 4.14% |
| Portfolio Standard Deviation | | | | | 14.16% |
| <u>Investment Policy Assumptions from PERSI November 2019</u> | | | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | | | 4.14% |
| Portfolio Standard Deviation | | | | | 14.16% |
| <u>Economic/Demographic Assumptions from Milliman 2021</u> | | | | | |
| Valuation Assumptions chosen by PERSI Board | | | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | | | 4.05% |
| Assumed Inflation | | | | | 2.30% |
| Long-Term Expected Nominal Rate of Return, Net of Investment Expenses | | | | | 6.35% |

Discount Rate

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

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 6 PENSION PLAN (continued)

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

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

| | 1% Decrease (5.35%) | Current Discount Rate (6.35%) | 1% Increase (7.35%) |
|--|--------------------------------|--|--------------------------------|
| Proportionate share of the net pension liability (asset) | \$ 887,367 | \$ 502,786 | \$ 188,015 |

Pension plan fiduciary net position

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

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

NOTE 7 COMPENSATED ABSENCES

The District provides personal and sick leave to its employees, as well as paid vacations depending on job classifications, lengths of service, and other factors. The estimated amount of compensation for future amounts is \$15,315 which is reported as a liability, on the Statement of Net Position.

NOTE 8 DEFERRED REVENUES – FUND FINANCIAL STATEMENTS

Revenues are recognized when they become available to the District. Taxes and other receivables not received soon enough after year end to pay current liabilities do not represent available expendable resources and recognition of revenue is deferred until collection. Deferred revenues at year end consist of the following:

| | |
|---------------------------------------|-------------------------|
| Property Taxes – General Fund | \$ 22,497 |
| Property Taxes – Capital Project Fund | <u>2,225</u> |
| Total Deferred Revenue | <u>\$ 24,722</u> |

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 9 EXCESS OF EXPENDITURES OVER APPROPRIATION

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

| <u>Fund</u> | <u>Budgeted</u> <u>Expenditures</u> | <u>Actual</u> <u>Expenditures</u> | <u>Excess Over</u> <u>Budget</u> |
|------------------------|--|--------------------------------------|-------------------------------------|
| Plant Facilities | \$ 5,880 | \$ 87,644 | \$ 81,764 |
| Technology – State | 20,850 | 25,886 | 5,036 |
| Title VI-B IDEA Part B | 15,154 | 23,171 | 8,017 |
| Substance Abuse | 2,660 | 2,725 | 65 |
| Title V-B ESSA Revenue | 20,000 | 23,520 | 3,520 |
| Special Distributions | - | 10,975 | 10,975 |
| Beckman Foundation | - | 20,054 | 20,054 |
| Child Nutrition | 40,000 | 53,303 | 13,503 |

NOTE 10 CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial.

NOTE 11 RELATED PARTY TRANSACTIONS

The District has not been involved in any related party transactions that would violate the Idaho Code or applicable federal regulation.

NOTE 12 SUBSEQUENT EVENTS

As of October 18, 2023 the date through which subsequent events were evaluated, no material subsequent events were identified.

NOTE 13 ECONOMIC DEPENDENCY

The District is economically reliant on the State of Idaho, from which it received \$949,307 or 59% of the District's revenue.

NOTE 14 POST RETIREMENT BENEFITS

Swan Valley School District #92 funds post-retirement benefits through PERSI. During the school year ended June 30, 2023, the district paid 1.16% of the wages covered by PERSI to the State of Idaho. Upon retirement, one-half of the employee's accumulated sick leave is transferred from the sick leave pool established by PERSI to the individual employee's retirement account. These funds are used to pay post-retirement health insurance premiums.

SWAN VALLEY SCHOOL DISTRICT #92

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

NOTE 15 RETIREMENT HEALTHCARE PLAN

GASB Statement 45, is an accounting and financial reporting requirement for employers to measure and report the cost and liabilities associated with other (than pension) postemployment benefits (OPEB).

Swan Valley School District #92's Employee Group Benefits Plan is a single-employer defined benefit healthcare plan administered by Blue Cross of Idaho. Blue Cross provides medical, prescription drug insurance and dental benefits to eligible retirees and their eligible dependents.

A retiree who retires with the Public Employee Retirements System of Idaho (PERSI) is eligible to keep the District's health insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum of reaching age 55 with at least five years of membership with a PERSI employer. The retiree is on the same medical plan as the District's active employees. The District's required contribution is based on projected pay-as-you-go financing requirements.

The District has not implemented the requirements of GASB Statement 45 and as a result has not determined in annual OPEB cost and net OPEB obligation. The District's plan is considered to be unfunded since there are no assets and retiree benefits are paid annually on a cash basis.

REQUIRED SUPPLEMENTAL INFORMATION

SWAN VALLEY SCHOOL DISTRICT #92
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

GENERAL M & O FUND

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|--|---------------------|---------------------|--|
| REVENUES: | | | |
| Local taxes..... | \$ 272,500 | \$ 291,534 | \$ 19,034 |
| Other local revenues..... | - | 36,349 | 36,349 |
| State sources..... | 884,696 | 917,552 | 32,856 |
| Total Revenues..... | <u>\$ 1,157,196</u> | <u>\$ 1,245,435</u> | <u>\$ 88,239</u> |
| EXPENDITURES | | | |
| Instruction Programs: | | | |
| Elementary..... | \$ 547,733 | \$ 539,700 | \$ 8,033 |
| Secondary..... | 45,000 | 27,833 | 17,167 |
| Preschool Exceptional Child..... | 21,000 | 12,360 | 8,640 |
| Exceptional child..... | - | - | - |
| Interscholastic program..... | 5,000 | 5,363 | (363) |
| School Activity..... | - | - | - |
| Support Services: | | | |
| Attendance & Guidance..... | - | 239 | (239) |
| Special Services..... | 39,000 | 14,571 | 24,429 |
| Instructional Improvement..... | 21,500 | 4,007 | 17,493 |
| Media..... | 5,000 | 3,763 | 1,237 |
| School Board..... | 9,000 | 4,974 | 4,026 |
| Administration - district..... | 242,315 | 238,505 | 3,810 |
| Janitorial - building..... | 84,658 | 63,071 | 21,587 |
| Maintenance..... | - | 20,413 | (20,413) |
| Transportation..... | 102,700 | 94,242 | 8,458 |
| Non-Instructional Programs: | | | |
| Other support services programs..... | - | 491 | (491) |
| Capital outlay..... | 19,500 | - | 19,500 |
| Total Expenditures..... | <u>\$ 1,142,406</u> | <u>\$ 1,029,532</u> | <u>\$ 112,874</u> |
| Excess Revenues Over (Under) Expenditures..... | \$ 14,790 | \$ 215,903 | \$ 201,113 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out)..... | - | (40,000) | (40,000) |
| Excess Revenues and Other Sources..... | \$ 14,790 | \$ 175,903 | \$ 161,113 |
| FUND BALANCE | | | |
| Beginning Balance..... | \$ 760,244 | \$ 760,244 | \$ - |
| Ending Balance..... | <u>\$ 775,034</u> | <u>\$ 936,147</u> | <u>\$ 161,113</u> |

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

SWAN VALLEY SCHOOL DISTRICT #92
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - PLANT FACILITIES
June 30, 2023

PLANT FACILITIES

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|--|--------------------|------------------|--|
| REVENUES: | | | |
| Local taxes..... | \$ - | \$ 49,971 | \$ 49,971 |
| Other local revenues..... | - | 405 | 405 |
| State sources..... | (65,880) | 6,323 | 72,203 |
| Total Revenues..... | <u>\$ (65,880)</u> | <u>\$ 56,699</u> | <u>\$ 122,579</u> |
| EXPENDITURES | | | |
| Support Services: | | | |
| Maintenance..... | \$ - | \$ - | \$ - |
| Transportation..... | - | 476 | (476.00) |
| Non-Instructional Programs: | | | |
| Capital Outlay..... | 5,880 | 87,168 | (81,288) |
| Total Expenditures..... | <u>\$ 5,880</u> | <u>\$ 87,644</u> | <u>\$ (81,764)</u> |
| Excess Revenues Over (Under) Expenditures..... | \$ (71,760) | \$ (30,945) | \$ 40,815 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out)..... | 50,000 | 40,000 | (10,000) |
| Excess Revenues and Other Sources..... | \$ (21,760) | \$ 9,055 | \$ 30,815 |
| FUND BALANCE | | | |
| Beginning Balance..... | \$ - | \$ - | \$ - |
| Ending Balance..... | <u>\$ (21,760)</u> | <u>\$ 9,055</u> | <u>\$ 30,815</u> |

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

SWAN VALLEY SCHOOL DISTRICT #92
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOOD SERVICE FUND
June 30, 2023

| <u>CHILD NUTRITION/FOOD SERVICES</u> | Original Budget | Actual | Variance- Favorable (Unfavorable) |
|---|----------------------------|------------------|--|
| REVENUES | | | |
| Local revenues..... | \$ 10,000 | \$ 14,905 | \$ 4,905 |
| Federal grants and assistance..... | 15,000 | 33,715 | 18,715 |
| Total Revenues..... | <u>\$ 25,000</u> | <u>\$ 48,620</u> | <u>\$ 23,620</u> |
| EXPENDITURES | | | |
| Non-Instructional Programs: | | | |
| Food Services..... | \$ 40,000 | \$ 53,503 | \$ (13,503) |
| Total Expenditures..... | <u>\$ 40,000</u> | <u>\$ 53,503</u> | <u>\$ (13,503)</u> |
| Excess Revenues over Expenditures..... | \$ (15,000) | \$ (4,883) | \$ 10,117 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers - To (From)..... | - | - | - |
| Excess Revenues and Other Sources..... | \$ (15,000) | \$ (4,883) | \$ 10,117 |
| FUND BALANCE | | | |
| Beginning Balance..... | \$ 7,175 | \$ 7,175 | \$ - |
| Ending Balance..... | <u>\$ (7,825)</u> | <u>\$ 2,292</u> | <u>\$ 10,117</u> |

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

SWAN VALLEY SCHOOL DISTRICT #92
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 Fiscal Years*

| | <u>2015</u> |
|---|-------------|
| Swan Valley School District's portion of the net pension liability | 0.0169255% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 124,598 |
| Swan Valley School District's covered-employee payroll | \$ 374,228 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 33.29% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.95% |
| - Data reported is measured as of July 1, 2014 | |
| | <u>2016</u> |
| Swan Valley School District's portion of the net pension liability | 0.0133606% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 175,937 |
| Swan Valley School District's covered-employee payroll | \$ 356,657 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 49.33% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.38% |
| - Data reported is measured as of July 1, 2015 | |
| | <u>2017</u> |
| Swan Valley School District's portion of the net pension liability | 0.0121948% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 247,207 |
| Swan Valley School District's covered-employee payroll | \$ 349,925 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 70.65% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.26% |
| - Data reported is measured as of July 1, 2016 | |
| | <u>2018</u> |
| Swan Valley School District's portion of the net pension liability | 0.0087215% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 137,087 |
| Swan Valley School District's covered-employee payroll | \$ 349,925 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 39.18% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.68% |
| - Data reported is measured as of July 1, 2017 | |
| | <u>2019</u> |
| Swan Valley School District's portion of the net pension liability | 0.0119426% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 176,155 |
| Swan Valley School District's covered-employee payroll | \$ 367,345 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 47.95% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.69% |
| - Data reported is measured as of July 1, 2018 | |
| | <u>2020</u> |
| Swan Valley School District's portion of the net pension liability | 0.0108157% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 123,458 |
| Swan Valley School District's covered-employee payroll | \$ 396,906 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 31.11% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.79% |
| - Data reported is measured as of July 1, 2019 | |
| | <u>2021</u> |
| Swan Valley School District's portion of the net pension liability | 0.0111146% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 25,883 |
| Swan Valley School District's covered-employee payroll | \$ 456,440 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 5.67% |
| Plan fiduciary net position as a percentage of the total pension liability | 88.22% |
| - Data reported is measured as of July 1, 2020 | |
| | <u>2022</u> |
| Swan Valley School District's portion of the net pension liability | 0.0121144% |
| Swan Valley School District's proportionate share of the net pension liability | \$ (9,568) |
| Swan Valley School District's covered-employee payroll | \$ 504,154 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | -1.90% |
| Plan fiduciary net position as a percentage of the total pension liability | 100.36% |
| - Data reported is measured as of July 1, 2021 | |
| | <u>2023</u> |
| Swan Valley School District's portion of the net pension liability | 0.0127651% |
| Swan Valley School District's proportionate share of the net pension liability | \$ 502,786 |
| Swan Valley School District's covered-employee payroll | \$ 519,308 |
| Swan Valley School District's proportional share of the net pension liability as a percentage of its covered-employee payroll | 96.82% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.09% |
| - Data reported is measured as of July 1, 2022 | |

full 10-year trend is compiled. Swan Valley School District will only present those years for which information is available.

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

SWAN VALLEY SCHOOL DISTRICT #92
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PERSI - Base Plan
 Last 10 Fiscal Years*

| | 2015 |
|--|------------|
| Statutorily required contribution | \$ 55,015 |
| Contributions in relation to the statutorily required contribution | \$ 52,636 |
| Contribution (deficiency) excess | \$ (2,379) |
| Employer's covered-employee payroll | \$ 457,487 |
| Contributions as a percentage of covered-employee payroll | 11.51% |

- Data reported is measured as of June 30, 2015

| | 2016 |
|--|------------|
| Statutorily required contribution | \$ 43,703 |
| Contributions in relation to the statutorily required contribution | \$ 42,920 |
| Contribution (deficiency) excess | \$ (783) |
| Employer's covered-employee payroll | \$ 372,909 |
| Contributions as a percentage of covered-employee payroll | 11.51% |

- Data reported is measured as of June 30, 2016

| | 2017 |
|--|------------|
| Statutorily required contribution | \$ 36,251 |
| Contributions in relation to the statutorily required contribution | \$ 40,927 |
| Contribution (deficiency) excess | \$ 4,676 |
| Employer's covered-employee payroll | \$ 353,092 |
| Contributions as a percentage of covered-employee payroll | 11.59% |

- Data reported is measured as of June 30, 2017

| | 2018 |
|--|------------|
| Statutorily required contribution | \$ 29,410 |
| Contributions in relation to the statutorily required contribution | \$ 31,081 |
| Contribution (deficiency) excess | \$ 1,671 |
| Employer's covered-employee payroll | \$ 269,456 |
| Contributions as a percentage of covered-employee payroll | 11.59% |

- Data reported is measured as of June 30, 2018

| | 2019 |
|--|------------|
| Statutorily required contribution | \$ 46,378 |
| Contributions in relation to the statutorily required contribution | \$ 44,085 |
| Contribution (deficiency) excess | \$ (2,293) |
| Employer's covered-employee payroll | \$ 382,211 |
| Contributions as a percentage of covered-employee payroll | 11.53% |

- Data reported is measured as of June 30, 2019

| | 2020 |
|--|------------|
| Statutorily required contribution | \$ 41,385 |
| Contributions in relation to the statutorily required contribution | \$ 42,190 |
| Contribution (deficiency) excess | \$ 805 |
| Employer's covered-employee payroll | \$ 365,793 |
| Contributions as a percentage of covered-employee payroll | 11.53% |

- Data reported is measured as of June 30, 2020

| | 2021 |
|--|------------|
| Statutorily required contribution | \$ 43,607 |
| Contributions in relation to the statutorily required contribution | \$ 47,864 |
| Contribution (deficiency) excess | \$ 4,257 |
| Employer's covered-employee payroll | \$ 394,127 |
| Contributions as a percentage of covered-employee payroll | 12.14% |

- Data reported is measured as of June 30, 2020

| | 2022 |
|--|------------------|
| Statutorily required contribution | \$ 348,318,165 |
| Contributions in relation to the statutorily required contribution | \$ 397,829,491 |
| Contribution (deficiency) excess | \$ 49,511,326 |
| Employer's covered-employee payroll | \$ 3,278,895,777 |
| Contributions as a percentage of covered-employee payroll | 12.13% |

- Data reported is measured as of June 30, 2021

| | 2023 |
|--|------------|
| Statutorily required contribution | \$ 59,111 |
| Contributions in relation to the statutorily required contribution | \$ 60,815 |
| Contribution (deficiency) excess | \$ 1,704 |
| Employer's covered-employee payroll | \$ 501,226 |
| Contributions as a percentage of covered-employee payroll | 12.13% |

- Data reported is measured as of June 30, 2022

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

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

SWAN VALLEY SCHOOL DISTRICT #92

**Notes to the Required Supplemental Information
June 30, 2023**

NOTE 1 BUDGETS

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all governmental fund types.

NOTE 2 LEGAL COMPLIANCE – BUDGETS

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The District annually prepares a budget by estimating the probable amount of money necessary for all purposes for which an appropriation is to be made (including interest and principal due on the bonded debt) and by itemizing and classifying the proposed expenditures as nearly as may be practicable. To support such proposed expenditures, the District prepares an estimate of the total revenue anticipated during the ensuing fiscal year for which a budget is being prepared and classifies such receipts by source as nearly as may be possible and practicable.
2. The proposed budget is published.
3. A public hearing is conducted to obtain citizen comments.
4. The budget is formally adopted through approval by the board of trustees.
5. The District may, after school starts and actual enrollment figures are known, amend the budget using the same procedures which were used in adopting the original budget. A budget may be amended downward in any instance. However, amendment to a greater amount than adopted can only happen if the District receives additional revenues in that fiscal year as a result of an increase in non-property tax related receipts. Once the change is justified, the process for formal adoption is as described above.
6. Budgetary integration is employed as a management control device during the year for all funds. Legal budgetary control is established based upon total revenues and expenditures.
7. The level of control (level at which expenditures may not exceed budget) is the fund.
8. All annual appropriations lapse at fiscal year end.

NOTE 3 EXCESS OF EXPENDITURES OVER APPROPRIATION

The following individual funds had an excess of expenditures over appropriations at June 30, 2023.

| <u>Fund</u> | <u>Budgeted Expenditures</u> | <u>Actual Expenditures</u> | <u>Excess Over Budget</u> |
|------------------------|------------------------------|----------------------------|---------------------------|
| Plant Facilities | \$5,880 | \$ 87,644 | \$ 81,764 |
| Technology – State | 20,850 | 25,886 | 5,036 |
| Title VI-B IDEA Part B | 15,154 | 23,171 | 8,017 |
| Substance Abuse | 2,660 | 2,725 | 65 |
| Title V-B ESSA Revenue | 20,000 | 23,520 | 3,520 |
| Special Distributions | - | 10,975 | 10,975 |
| Beckman Foundation | - | 20,054 | 20,054 |
| Child Nutrition | 40,000 | 53,303 | 13,503 |

SWAN VALLEY SCHOOL DISTRICT #92

**Notes to the Required Supplemental Information
June 30, 2023**

NOTE 4 PENSIONS

The Swan Valley School District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions.

During the fiscal year ended June 30, 2023, there were no changes of benefit terms, neither was there any significant change in the composition of the population covered by the benefit terms. All assumptions used in actuarial calculations were not significantly different from those used in the past.