

Challis Joint School District No. 181

Year Ended June 30, 2024

Audited Financial Statements



CHALLIS JOINT SCHOOL DISTRICT NO. 181

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Independent Auditor's Report

Board of Trustees
Challis Joint School District No. 181

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Challis Joint School District No. 181 (the School) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Matter Giving Rise to the Qualified Opinion on the Governmental Activities section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2024, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions on All Other Opinion Units Described Below

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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. 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 School 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.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 School'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 Responsibility 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of employer's share of net pension asset and liability and schedule of employer contributions listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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, and 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.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, 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*, 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Meridian, Idaho
August 15, 2024

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Current Assets	
Cash & Investments	\$5,109,116
Receivables:	
Local Sources	142,731
State Sources	161,844
Federal Sources	127,305
Total Current Assets	<u>5,540,996</u>
Noncurrent Assets	
Cash & Investments	2,609
Nondepreciable Capital Assets	121,872
Depreciable Net Capital Assets	1,542,258
Total Noncurrent Assets	<u>1,666,739</u>
Total Assets	<u>7,207,735</u>
Deferred Outflows of Resources	
Pension Items	1,125,940
Total Deferred Outflows of Resources	<u>1,125,940</u>
Total Assets and Deferred Outflows of Resources	<u>\$8,333,675</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$0
Salaries & Benefits Payable	445,818
Unspent Grant Allocation	89,795
Total Current Liabilities	<u>535,613</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	2,213,324
Total Liabilities	<u>2,748,937</u>
Deferred Inflows of Resources	
Pension Items	0
Total Deferred Inflows of Resources	<u>0</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,748,937</u>
Net Position	
Net Investment in Capital Assets	1,664,130
Restricted:	
Special Programs	4,243,965
Capital Projects	117,596
Unrestricted (Deficit)	(440,953)
Total Net Position	<u>5,584,738</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$8,333,675</u>

See Accompanying Notes

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Revenue And Changes in Net Position
					Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$999,836		\$783,819		(\$216,017)
Secondary School	896,864	\$3,800	122,227		(770,837)
Vocational-Technical	154,448		39,081		(115,367)
Special Education	406,597		116,048		(290,549)
Special Education Preschool	4,301		4,301		0
Gifted & Talented	0				0
Interscholastic	71,327	43,377			(27,950)
School Activity	7,568	4,603			(2,965)
Support Service Programs					
Attendance - Guidance - Health	148,084		17,495		(130,589)
Special Education Support Services	122,626		39,500		(83,126)
Instruction Improvement	2,412		6,460		4,048
Educational Media	70,275				(70,275)
Instruction-Related Technology	50,537		8,237		(42,300)
Board of Education	44,114				(44,114)
District Administration	80,350		15,542		(64,808)
School Administration	253,578				(253,578)
Business Operation	162,122				(162,122)
Administrative Technology	170,151		98,104		(72,047)
Buildings - Care	403,214		1,000		(402,214)
Maintenance - Non-Student Occupied	15,618		255,948		240,330
Maintenance - Student Occupied	282,989		60,000		(222,989)
Maintenance - Grounds	14,341				(14,341)
Pupil-To-School Transportation	321,157				(321,157)
Pupil-Activity Transportation	30,118	18,316			(11,802)
General Transportation	9,872				(9,872)
Non-Instructional Programs					
Child Nutrition	205,247	40,480	127,952		(36,815)
Community Services	0				0
Student Activity	99,697	60,630			(39,067)
Capital Assets - Student Occupied	187,097				(187,097)
Capital Assets - Non-Student Occupied	2,000				(2,000)
Total	<u>\$5,216,540</u>	<u>\$171,206</u>	<u>\$1,695,714</u>	<u>\$0</u>	<u>(3,349,620)</u>
General Revenues					
					638,699
Local Taxes					546,161
Other Local Revenue					3,606,376
State Revenue					0
Federal Revenue					(541,961)
Pension Revenue (Expense)					<u>4,249,275</u>
Total					
Change in Net Position					
					899,655
Net Position - Beginning - As Previously Stated					
					<u>4,685,083</u>
Net Position - Ending					
					<u><u>\$5,584,738</u></u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Balance Sheet - Governmental Funds

June 30, 2024

	General Fund	Forest Reserve Fund	Child Nutrition Fund	Bus Depreciation Fund
Assets				
Cash & Investments	\$763,801	\$3,444,245	\$8,569	\$429,796
Receivables:				
Local Sources	127,142			
State Sources	161,844			
Federal Sources				
Due From Other Funds	37,510			
Total Assets	<u>\$1,090,297</u>	<u>\$3,444,245</u>	<u>\$8,569</u>	<u>\$429,796</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable	\$444,680			
Unspent Grant Allocation				
Total Liabilities	<u>444,680</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	6,724			
Total Deferred Inflows of Resources	<u>6,724</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs		3,444,245	8,569	429,796
Capital Projects				
Unassigned	638,893			
Total Fund Balances	<u>638,893</u>	<u>3,444,245</u>	<u>8,569</u>	<u>429,796</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$1,090,297</u>	<u>\$3,444,245</u>	<u>\$8,569</u>	<u>\$429,796</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Balance Sheet - Governmental Funds

June 30, 2024

	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
Assets		
Cash & Investments	\$465,314	\$5,111,725
Receivables:		
Local Sources	15,589	142,731
State Sources	0	161,844
Federal Sources	127,305	127,305
Due From Other Funds	0	37,510
Total Assets	<u>\$608,208</u>	<u>\$5,581,115</u>
 Liabilities		
Accounts Payable	\$0	\$0
Due To Other Funds	37,510	37,510
Salaries & Benefits Payable	1,138	445,818
Unspent Grant Allocation	89,795	89,795
Total Liabilities	<u>128,443</u>	<u>573,123</u>
 Deferred Inflows of Resources		
Unavailable Tax Revenues	814	7,538
Total Deferred Inflows of Resources	<u>814</u>	<u>7,538</u>
 Fund Balances		
Restricted:		
Special Programs	361,355	4,243,965
Capital Projects	117,596	117,596
Unassigned	0	638,893
Total Fund Balances	<u>478,951</u>	<u>5,000,454</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$608,208</u>	<u>\$5,581,115</u>

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	\$5,000,454
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,664,130
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	7,538
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,213,324)
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Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	1,125,940
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Net Position of Governmental Activities	<u><u>\$5,584,738</u></u>
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CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2024

	General Fund	Forest Reserve Fund	Child Nutrition Fund	Bus Depreciation Fund
Revenues				
Local Taxes	\$573,497			
Other Local Revenue	300,630	\$155,897	\$42,755	\$24,307
State Revenue	3,606,376			
Federal Revenue		255,948	127,952	
Total Revenues	<u>4,480,503</u>	<u>411,845</u>	<u>170,707</u>	<u>24,307</u>
Expenditures				
Instructional Programs				
Elementary School	373,255			
Secondary School	942,568			
Vocational-Technical	115,367			
Special Education	290,549			
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health	130,589			
Special Education Support Services	83,126			
Instruction Improvement				
Educational Media	70,275			
Instruction-Related Technology	42,249			
Board of Education	44,114			
District Administration	64,808			
School Administration	253,578			
Business Operation	162,122			
Administrative Technology	18,444			
Buildings - Care	378,579			
Maintenance - Non-Student Occupied	15,618			
Maintenance - Student Occupied	305,728			
Maintenance - Grounds	13,116			
Pupil-To-School Transportation	321,157			153,365
Pupil-Activity Transportation				
General Transportation	9,872			
Non-Instructional Programs				
Child Nutrition			205,247	
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>3,635,114</u>	<u>0</u>	<u>205,247</u>	<u>153,365</u>
Excess (Deficiency) of Revenues Over Expenditures	845,389	411,845	(34,540)	(129,058)
Other Financing Sources (Uses)				
Transfers In		802,444	41,075	20,176
Transfers Out	(780,529)	(257,444)		
Total Other Financing Sources (Uses)	<u>(780,529)</u>	<u>545,000</u>	<u>41,075</u>	<u>20,176</u>
Net Change in Fund Balances	64,860	956,845	6,535	(108,882)
Fund Balances - Beginning	574,033	2,487,400	2,034	538,678
Fund Balances - Ending	<u>\$638,893</u>	<u>\$3,444,245</u>	<u>\$8,569</u>	<u>\$429,796</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2024

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues		
Local Taxes	\$63,075	\$636,572
Other Local Revenue	214,147	737,736
State Revenue	176,114	3,782,490
Federal Revenue	1,115,331	1,499,231
Total Revenues	<u>1,568,667</u>	<u>6,656,029</u>
Expenditures		
Instructional Programs		
Elementary School	795,078	1,168,333
Secondary School	105,439	1,048,007
Vocational-Technical	39,081	154,448
Special Education	116,048	406,597
Special Education Preschool	4,301	4,301
Gifted & Talented	0	0
Interscholastic	71,327	71,327
School Activity	7,568	7,568
Support Service Programs		
Attendance - Guidance - Health	17,495	148,084
Special Education Support Services	39,500	122,626
Instruction Improvement	2,412	2,412
Educational Media	0	70,275
Instruction-Related Technology	8,288	50,537
Board of Education	0	44,114
District Administration	15,542	80,350
School Administration	0	253,578
Business Operation	0	162,122
Administrative Technology	167,382	185,826
Buildings - Care	24,635	403,214
Maintenance - Non-Student Occupied	0	15,618
Maintenance - Student Occupied	60,000	365,728
Maintenance - Grounds	1,225	14,341
Pupil-To-School Transportation	0	474,522
Pupil-Activity Transportation	30,118	30,118
General Transportation	0	9,872
Non-Instructional Programs		
Child Nutrition	0	205,247
Community Services	0	0
Student Activity	99,697	99,697
Capital Assets - Student Occupied	40,189	40,189
Capital Assets - Non-Student Occupied	2,000	2,000
Total Expenditures	<u>1,647,325</u>	<u>5,641,051</u>
Excess (Deficiency) of Revenues Over Expenditures	(78,658)	1,014,978
Other Financing Sources (Uses)		
Transfers In	188,986	1,052,681
Transfers Out	(14,708)	(1,052,681)
Total Other Financing Sources (Uses)	<u>174,278</u>	<u>0</u>
Net Change in Fund Balances	95,620	1,014,978
Fund Balances - Beginning	383,331	3,985,476
Fund Balances - Ending	<u>\$478,951</u>	<u>\$5,000,454</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2024

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

Net Change in Fund Balances - Total Governmental Funds \$1,014,978

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense or allocated over the appropriate term as amortization expense. This is the excess of capital outlays over (under) depreciation/amortization expense in the current period. 104,871

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 2,127

Changes in net pension asset/liability and related pension deferred outflows/inflows do not provide or require current financial resources and therefore are not reflected in the funds. (222,321)

Change in Net Position of Governmental Activities \$899,655

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Fiduciary Net Position

June 30, 2024

	Private Purpose Trust Funds
Assets	
Cash & Investments	\$1,249,361
Total Assets	<u>\$1,249,361</u>
Net Position	
Restricted:	
Held in Trust	\$1,249,361
Total Net Position	<u>\$1,249,361</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Private Purpose Trust Funds
Additions	
Contributions	\$32,089
Investment Income (Loss)	62,844
Total Additions	<u>94,933</u>
Deductions	
Trust Expenses	36,867
Total Deductions	<u>36,867</u>
Change in Net Position	58,066
Transfers In	5,528
Transfers Out	(5,528)
Net Position - Beginning	<u>1,191,295</u>
Net Position - Ending	<u><u>\$1,249,361</u></u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Challis Joint School District No. 181 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Custer and Lemhi Counties.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School 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 government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Notes to Financial Statements

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the forest reserve fund, used primarily for major capital outlay, and the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the bus depreciation fund, used to account for the acquisition of transportation equipment.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the School include:

Private Purpose Trust Funds – Private purpose trust funds are used to account for the assets, and related income producing and disbursement activities, for which the School acts as a trustee.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is paid to the general fund unless Idaho Code specifies otherwise. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants. Investments also include the diversified bond fund and are stated at fair value using the market approach and Level 2 inputs (inputs other than quoted prices included in Level 1 that are observable for an asset, liability, either directly or indirectly). The fair value of the diversified bond fund is not the same as the value of its shares.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

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Notes to Financial Statements

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

Leases/SBITAs and Amortization – Material long-term leases and subscription-based information technology arrangements (SBITAs) are reported in accordance with the provisions of GASB 87 *Leases* and GASB 96 *SBITAs*. When incurred, amortization over the appropriate lease or SBITA term is recorded using the straight-line method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Compensated absences will be paid by the fund in which the employee works.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis. Other post-employment benefits will be paid by the fund in which the employee works.

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

Deferred Outflows/Inflows of Resources – The School’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those

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assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

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Subsequent Events – Subsequent events were evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$844,408		\$844,408
Investments - Local Gov't Investment Pool	4,264,708	\$1,249,361	5,514,069
Investments - Diversified Bond Fund	2,609		2,609
Total	\$5,111,725	\$1,249,361	\$6,361,086

Deposits – At year end, the carrying amounts of the School's deposits were \$844,408 and the bank balances were \$940,111. Of the bank balances, \$280,991 was insured and the remainder was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

<u>Investment Type</u>	Investment Maturity Schedule (In Years)		
	<u>Less Than 1</u>	<u>1 - 5</u>	<u>Total</u>
Local Gov't Invest Pool	\$5,514,069		\$5,514,069
Diversified Bond Fund		\$2,609	2,609
Total	\$5,514,069	\$2,609	\$5,516,678

Credit rate risk:

<u>Investment Type</u>	Investment Rating Schedule	
	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$5,514,069	\$5,514,069
Diversified Bond Fund	2,609	2,609
Total	\$5,516,678	\$5,516,678

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool and diversified bond fund are managed by the state treasurer's office and are invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer’s office investment

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policy for the local government investment pool includes the following three primary objectives in order of priority: safety, liquidity, and yield. Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

For the diversified bond fund, participants have availability to their funds by providing five business days' notice, up to \$10 million. Withdrawals of \$10 million or more may require 25 business days' notification. Accordingly, due to the relatively liquid aspect of the diversified bond fund as well as the School's historic use of this fund, its policy is to report this investment as a current asset.

More information on the local governmental investment pool and diversified bond fund including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Local Sources				
Local Taxes	\$127,142		\$15,589	\$142,731
Total	<u>\$127,142</u>		<u>\$15,589</u>	<u>\$142,731</u>
State Sources				
Foundation Program	\$161,844			\$161,844
Total	<u>\$161,844</u>			<u>\$161,844</u>
Federal Sources				
Special Programs		\$127,305		\$127,305
Total		<u>\$127,305</u>		<u>\$127,305</u>

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D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$39,133			\$39,133
Construction In Progress	0	\$82,739		82,739
Total	<u>39,133</u>	<u>82,739</u>	<u>\$0</u>	<u>121,872</u>
Depreciable Capital Assets				
Buildings	8,807,114	15,675		8,822,789
Equipment	605,663	15,287		620,950
Transportation	1,424,022	153,365		1,577,387
Subtotal	<u>10,836,799</u>	<u>184,327</u>	<u>0</u>	<u>11,021,126</u>
Accumulated Depreciation				
Buildings	7,674,646	28,876		7,703,522
Equipment	523,035	17,006		540,041
Transportation	1,118,992	116,313		1,235,305
Subtotal	<u>9,316,673</u>	<u>162,195</u>	<u>0</u>	<u>9,478,868</u>
Total	<u>1,520,126</u>	<u>22,132</u>	<u>0</u>	<u>1,542,258</u>
Net Capital Assets	<u><u>\$1,559,259</u></u>	<u><u>\$104,871</u></u>	<u><u>\$0</u></u>	<u><u>\$1,664,130</u></u>

Depreciation expense of \$162,195 was charged to the capital assets – student occupied program.

E. LONG-TERM LIABILITIES

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Net Pension Liability	\$2,289,153		\$75,829	\$2,213,324	-
Total	<u>\$2,289,153</u>	<u>\$0</u>	<u>\$75,829</u>	<u>\$2,213,324</u>	<u>\$0</u>

F. PENSION PLAN

Plan description

The School 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

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Notes to Financial Statements

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.

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. 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 74% for police and firefighters. As of June 30, 2023 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$319,640 for the year ended June 30, 2024.

Pension asset/liabilities, pension revenue (expense), and deferred outflows/inflows of resources related to pensions

At June 30, 2024, the School 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 School's proportion of the net pension liability was based on the School'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, 2023, the School's proportion was 0.05546247%.

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For the year ended June 30, 2024, the School recognized pension revenue (expense) of (\$541,961). At June 30, 2024, the School 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	\$379,381	
Changes in assumptions or other inputs	219,166	
Net difference between projected and actual earnings on pension plan investments	207,753	
Employer contributions subsequent to the measurement date	319,640	
Total	<u>\$1,125,940</u>	<u>\$0</u>

\$319,640 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an adjustment to the pension revenue (expense) in the year ending June 30, 2025.

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, 2023 the beginning of the measurement period ended June 30, 2022 is 4.6 and 4.4 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 revenue (expense) as follows:

Year Ended	
6/30/25	(\$286,738)
6/30/26	(134,746)
6/30/27	(419,174)
6/30/28	34,358
Total	<u>(\$806,300)</u>

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.

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Notes to Financial Statements

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Contributing members, service retirement members, and beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
	5% of Fire & Police active member deaths are assumed to be duty related. This assumption was adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2023 is based on the results of an actuarial valuation date of July 1, 2023.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2023.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0%	0.00%
Large Cap	18%	4.50%
Small/Mid Cap	11%	4.70%
International Equity	15%	4.50%
Emerging Markets Equity	10%	4.90%
Domestic Fixed	20%	-0.25%
TIPS	10%	-0.30%
Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount rate

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$3,980,755</u>	<u>\$2,213,324</u>	<u>\$768,781</u>

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.

Impact on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net

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pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan when deemed necessary), such deficits are not deemed to be of substantial concern.

G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	
	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$37,510	\$37,510
Total	\$37,510	\$37,510

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$780,529	Depreciation, Support
Forest Reserve	\$802,444	257,444	Support
Child Nutrition	41,075		Support
Bus Depreciation	20,176		Depreciation
Nonmajor Governmental	188,986	14,708	Support, Transferability
Total Governmental	1,052,681	1,052,681	
Private Purpose Trust Funds	5,528	5,528	Support
Total	\$1,058,209	\$1,058,209	

H. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

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Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2024

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$731,000	\$731,000	\$573,497	(\$157,503)
Other Local Revenue	227,242	227,242	300,630	73,388
State Revenue	3,209,035	3,209,035	3,606,376	397,341
Federal Revenue	0	0	0	0
Total Revenues	<u>4,167,277</u>	<u>4,167,277</u>	<u>4,480,503</u>	<u>313,226</u>
Expenditures				
Instructional Programs				
Elementary School	978,643	978,643	373,255	605,388
Secondary School	1,031,161	1,031,161	942,568	88,593
Vocational-Technical	111,706	111,706	115,367	(3,661)
Special Education	245,906	245,906	290,549	(44,643)
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	138,444	138,444	130,589	7,855
Special Education Support Services	110,000	110,000	83,126	26,874
Instruction Improvement	0	0	0	0
Educational Media	73,461	73,461	70,275	3,186
Instruction-Related Technology	46,295	46,295	42,249	4,046
Board of Education	52,158	52,158	44,114	8,044
District Administration	68,158	68,158	64,808	3,350
School Administration	266,529	266,529	253,578	12,951
Business Operation	169,300	169,300	162,122	7,178
Administrative Technology	32,200	32,200	18,444	13,756
Buildings - Care	417,866	417,866	378,579	39,287
Maintenance - Non-Student Occupied	16,452	16,452	15,618	834
Maintenance - Student Occupied	230,778	230,778	305,728	(74,950)
Maintenance - Grounds	22,404	22,404	13,116	9,288
Pupil-To-School Transportation	356,402	356,402	321,157	35,245
Pupil-Activity Transportation	0	0	0	0
General Transportation	12,600	12,600	9,872	2,728
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Community Services	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Total Expenditures	<u>4,380,463</u>	<u>4,380,463</u>	<u>3,635,114</u>	<u>745,349 *</u>
Excess (Deficiency) of Revenues Over Expenditures	(213,186)	(213,186)	845,389	1,058,575
Other Financing Sources (Uses)				
Transfers In	180,208	180,208	0	(180,208)
Transfers Out	(367,022)	(367,022)	(780,529)	(413,507) *
Total Other Financing Sources (Uses)	<u>(186,814)</u>	<u>(186,814)</u>	<u>(780,529)</u>	<u>(593,715)</u>
Net Change in Fund Balances	<u>(400,000)</u>	<u>(400,000)</u>	<u>64,860</u>	<u>464,860</u>
Fund Balances - Beginning	<u>400,000</u>	<u>400,000</u>	<u>574,033</u>	<u>174,033</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$638,893</u>	<u>\$638,893</u>

*Total expenditures (over) under appropriations are: \$331,842

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Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2024

Forest Reserve Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$0	\$0	\$0	\$0
Other Local Revenue	43,700	43,700	155,897	112,197
State Revenue	205,000	205,000	0	(205,000)
Federal Revenue	0	0	255,948	255,948
Total Revenues	<u>248,700</u>	<u>248,700</u>	<u>411,845</u>	<u>163,145</u>
Expenditures				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
Vocational-Technical	0	0	0	0
Special Education	0	0	0	0
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Instruction-Related Technology	0	0	0	0
Board of Education	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Business Operation	0	0	0	0
Administrative Technology	0	0	0	0
Buildings - Care	0	0	0	0
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	0	0	0	0
Maintenance - Grounds	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Community Services	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
Excess (Deficiency) of Revenues Over Expenditures	248,700	248,700	411,845	163,145
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	802,444	602,444
Transfers Out	(385,208)	(385,208)	(257,444)	127,764 *
Total Other Financing Sources (Uses)	<u>(185,208)</u>	<u>(185,208)</u>	<u>545,000</u>	<u>730,208</u>
Net Change in Fund Balances	63,492	63,492	956,845	893,353
Fund Balances - Beginning	<u>2,161,500</u>	<u>2,161,500</u>	<u>2,487,400</u>	<u>325,900</u>
Fund Balances - Ending	<u>\$2,224,992</u>	<u>\$2,224,992</u>	<u>\$3,444,245</u>	<u>\$1,219,253</u>

*Total expenditures (over) under appropriations are: \$127,764

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Budgetary Comparison Schedule -
 General and Major Special Revenue Funds
 Year Ended June 30, 2024

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Other Local Revenue	\$43,500	\$43,500	\$42,755	(\$745)
State Revenue	0	0	0	\$0
Federal Revenue	81,400	81,400	127,952	46,552
Total Revenues	<u>124,900</u>	<u>124,900</u>	<u>170,707</u>	<u>45,807</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	236,754	236,754	205,247	31,507
Total Expenditures	<u>236,754</u>	<u>236,754</u>	<u>205,247</u>	<u>31,507</u> *
Excess (Deficiency) of Revenues Over Expenditures	(111,854)	(111,854)	(34,540)	77,314
Other Financing Sources (Uses)				
Transfers In	111,854	111,854	41,075	(70,779)
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>111,854</u>	<u>111,854</u>	<u>41,075</u>	<u>(70,779)</u>
Net Change in Fund Balances	0	0	6,535	6,535
Fund Balances - Beginning	0	0	2,034	2,034
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$8,569</u>	<u>\$8,569</u>
				<u>\$31,507</u>

**Total expenditures (over) under appropriations are:*

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

Schedule of Employer's Share of Net Pension Asset and Liability*

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.07030770%	\$517,575	\$1,904,726	27.17%	94.95%
2016	0.06502730%	\$856,304	\$1,815,336	47.17%	91.38%
2017	0.06502730%	\$1,318,203	\$1,692,076	77.90%	87.26%
2018	0.06572520%	\$1,033,087	\$1,830,486	56.44%	90.68%
2019	0.06193750%	\$913,589	\$1,957,438	46.67%	91.69%
2020	0.05918960%	\$675,633	\$2,003,816	33.72%	93.79%
2021	0.05731130%	\$1,330,844	\$1,996,097	66.67%	88.22%
2022	0.05820712%	(\$45,971)	\$2,136,516	-2.15%	100.36%
2023	0.05811864%	\$2,289,153	\$2,268,878	100.89%	83.09%
2024	0.05546247%	\$2,213,324	\$2,367,471	93.49%	83.83%

*As of the measurement date of the net pension (asset) liability.

Schedule of Employer Contributions

Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$205,496	\$205,496	\$0	\$1,815,336	11.32%
2016	\$191,543	\$191,543	\$0	\$1,692,076	11.32%
2017	\$207,211	\$207,211	\$0	\$1,830,486	11.32%
2018	\$221,582	\$221,582	\$0	\$1,957,438	11.32%
2019	\$226,832	\$226,832	\$0	\$2,003,816	11.32%
2020	\$238,334	\$238,334	\$0	\$1,996,097	11.94%
2021	\$255,100	\$255,100	\$0	\$2,136,516	11.94%
2022	\$270,904	\$270,904	\$0	\$2,268,878	11.94%
2023	\$282,676	\$282,676	\$0	\$2,367,471	11.94%
2024	\$319,640	\$319,640	\$0	\$2,518,834	12.69%

Schedules above intended to show information for 10 years. Information for additional years will be presented as it becomes available.

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Miscellaneous Grants	Stanley Cell Tower	School Activity Programs	Student Activities Buses
Assets				
Cash & Investments	\$8,449	\$24,364	\$230,664	\$81,951
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$8,449	\$24,364	\$230,664	\$81,951
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable			\$1,138	
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	1,138	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	8,449	24,364	229,526	81,951
Capital Projects				
Unassigned				
Total Fund Balances	8,449	24,364	229,526	81,951
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$8,449	\$24,364	\$230,664	\$81,951

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Driver Education	Securing Our Future	Professional Technical	Technology
Assets				
Cash & Investments	\$3,877			
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$3,877	\$0	\$0	\$0
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	\$0	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	3,877			
Capital Projects				
Unassigned				
Total Fund Balances	3,877	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$3,877	\$0	\$0	\$0

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Substance Abuse	ESSER III	Title I-A ESSA IBP	IDEA Part B 611 School Age 3-21
Assets				
Cash & Investments	\$13,188			
Receivables:				
Local Sources				
State Sources				
Federal Sources			\$5,502	
Due From Other Funds				
Total Assets	\$13,188	\$0	\$5,502	\$0
Liabilities				
Accounts Payable				
Due To Other Funds			\$1,293	
Salaries & Benefits Payable				
Unspent Grant Allocation			4,209	
Total Liabilities	\$0	\$0	5,502	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	13,188			
Capital Projects				
Unassigned				
Total Fund Balances	13,188	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$13,188	\$0	\$5,502	\$0

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title IV-A ESSA SS & AE	Title V-B ESSA REI
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$21,877		
Due From Other Funds				
Total Assets	\$0	\$21,877	\$0	\$0
Liabilities				
Accounts Payable				
Due To Other Funds		\$21,877		
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	21,877	\$0	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$0	\$21,877	\$0	\$0

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Perkins III Professional Technical Act	IDEA Mini Grants	Title II-A ESSA SEI	Stronger Connections
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$503	\$2,334	\$97,089
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$503</u>	<u>\$2,334</u>	<u>\$97,089</u>
Liabilities				
Accounts Payable				
Due To Other Funds		\$503		\$13,837
Salaries & Benefits Payable				
Unspent Grant Allocation			\$2,334	83,252
Total Liabilities	<u>\$0</u>	<u>503</u>	<u>2,334</u>	<u>97,089</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$503</u>	<u>\$2,334</u>	<u>\$97,089</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Capital Projects		Total
	Plant		
	Facilities		
	Fund		
Assets			
Cash & Investments	\$102,821		\$465,314
Receivables:			
Local Sources	15,589		15,589
State Sources			0
Federal Sources			127,305
Due From Other Funds			0
Total Assets	\$118,410		\$608,208
Liabilities			
Accounts Payable			\$0
Due To Other Funds			37,510
Salaries & Benefits Payable			1,138
Unspent Grant Allocation			89,795
Total Liabilities	\$0		128,443
Deferred Inflows of Resources			
Unavailable Tax Revenues	814		814
Total Deferred Inflows of Resources	814		814
Fund Balances			
Restricted:			
Special Programs			361,355
Capital Projects	117,596		117,596
Unassigned			0
Total Fund Balances	117,596		478,951
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$118,410		\$608,208

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	Miscellaneous Grants	Stanley Cell Tower	School Activity Programs	Student Activities Buses
Revenues				
Local Taxes				
Other Local Revenue	\$3,829	\$61,688	\$131,148	\$4,088
State Revenue				
Federal Revenue				
Total Revenues	<u>3,829</u>	<u>61,688</u>	<u>131,148</u>	<u>4,088</u>
Expenditures				
Instructional Programs				
Elementary School		11,259		
Secondary School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic			71,327	
School Activity			7,568	
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement		154		
Educational Media				
Instruction-Related Technology		51		
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care		24,635		
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds		1,225		
Pupil-To-School Transportation				
Pupil-Activity Transportation			30,118	
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity			99,697	
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>0</u>	<u>37,324</u>	<u>208,710</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,829	24,364	(77,562)	4,088
Other Financing Sources (Uses)				
Transfers In			100,000	5,000
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>5,000</u>
Net Change in Fund Balances	3,829	24,364	22,438	9,088
Fund Balances - Beginning	4,620	0	207,088	72,863
Fund Balances - Ending	<u>\$8,449</u>	<u>\$24,364</u>	<u>\$229,526</u>	<u>\$81,951</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2024

	<u>Special Revenue Funds</u>			
	<u>Driver Education</u>	<u>Securing Our Future</u>	<u>Professional Technical</u>	<u>Technology</u>
Revenues				
Local Taxes				
Other Local Revenue	\$3,800			
State Revenue	3,000	\$60,000	\$39,081	\$67,993
Federal Revenue				
Total Revenues	<u>6,800</u>	<u>60,000</u>	<u>39,081</u>	<u>67,993</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	5,581			
Vocational-Technical			39,081	
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				137,271
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied		60,000		
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>5,581</u>	<u>60,000</u>	<u>39,081</u>	<u>137,271</u>
Excess (Deficiency) of Revenues Over Expenditures	1,219	0	0	(69,278)
Other Financing Sources (Uses)				
Transfers In				69,278
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>69,278</u>
Net Change in Fund Balances	1,219	0	0	0
Fund Balances - Beginning	2,658	0	0	0
Fund Balances - Ending	<u>\$3,877</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	Substance Abuse	ESSER III	Title I-A ESSA IBP	IDEA Part B 611 School Age 3-21
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$6,040			
Federal Revenue		\$634,789	\$123,075	\$111,048
Total Revenues	<u>6,040</u>	<u>634,789</u>	<u>123,075</u>	<u>111,048</u>
Expenditures				
Instructional Programs				
Elementary School		604,471	116,148	
Secondary School		207	6,093	
Vocational-Technical				
Special Education				111,048
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement	1,838			
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration			15,542	
School Administration				
Business Operation				
Administrative Technology		30,111		
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>1,838</u>	<u>634,789</u>	<u>137,783</u>	<u>111,048</u>
Excess (Deficiency) of Revenues Over Expenditures	4,202	0	(14,708)	0
Other Financing Sources (Uses)				
Transfers In			14,708	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>14,708</u>	<u>0</u>
Net Change in Fund Balances	4,202	0	0	0
Fund Balances - Beginning	8,986	0	0	0
Fund Balances - Ending	<u>\$13,188</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2024

	Special Revenue Funds			
	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title IV-A ESSA SS & AE	Title V-B ESSA REI
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$4,301	\$138,080	\$14,708	\$13,204
Total Revenues	<u>4,301</u>	<u>138,080</u>	<u>14,708</u>	<u>13,204</u>
Expenditures				
Instructional Programs				
Elementary School		52,158		5,744
Secondary School		46,422		7,460
Vocational-Technical				
Special Education				
Special Education Preschool	4,301			
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services		39,500		
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>4,301</u>	<u>138,080</u>	<u>0</u>	<u>13,204</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	14,708	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out			(14,708)	
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(14,708)</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue Funds			
	Perkins III Professional Technical Act	IDEA Mini Grants	Title II-A ESSA SEI	Stronger Connections
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue		\$5,000	\$13,647	\$57,479
Total Revenues	<u>\$0</u>	<u>5,000</u>	<u>13,647</u>	<u>57,479</u>
Expenditures				
Instructional Programs				
Elementary School			5,298	
Secondary School			7,929	31,747
Vocational-Technical				
Special Education		5,000		
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				17,495
Special Education Support Services				
Instruction Improvement			420	
Educational Media				
Instruction-Related Technology				8,237
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>13,647</u>	<u>57,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2024

	Capital Projects		Total
	Plant		
	Facilities		
	Fund		
Revenues			
Local Taxes	\$63,075		\$63,075
Other Local Revenue	9,594		214,147
State Revenue			176,114
Federal Revenue			1,115,331
Total Revenues	72,669		1,568,667
Expenditures			
Instructional Programs			
Elementary School			795,078
Secondary School			105,439
Vocational-Technical			39,081
Special Education			116,048
Special Education Preschool			4,301
Gifted & Talented			0
Interscholastic			71,327
School Activity			7,568
Support Service Programs			
Attendance - Guidance - Health			17,495
Special Education Support Services			39,500
Instruction Improvement			2,412
Educational Media			0
Instruction-Related Technology			8,288
Board of Education			0
District Administration			15,542
School Administration			0
Business Operation			0
Administrative Technology			167,382
Buildings - Care			24,635
Maintenance - Non-Student Occupied			0
Maintenance - Student Occupied			60,000
Maintenance - Grounds			1,225
Pupil-To-School Transportation			0
Pupil-Activity Transportation			30,118
General Transportation			0
Non-Instructional Programs			
Child Nutrition			0
Community Services			0
Student Activity			99,697
Capital Assets - Student Occupied	40,189		40,189
Capital Assets - Non-Student Occupied	2,000		2,000
Total Expenditures	42,189		1,647,325
Excess (Deficiency) of Revenues			
Over Expenditures	30,480		(78,658)
Other Financing Sources (Uses)			
Transfers In			188,986
Transfers Out			(14,708)
Total Other Financing Sources (Uses)	0		174,278
Net Change in Fund Balances	30,480		95,620
Fund Balances - Beginning	87,116		383,331
Fund Balances - Ending	\$117,596		\$478,951

CHALLIS JOINT SCHOOL DISTRICT NO. 181
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2024

	Private Purpose Trust Funds			Total
	Scholarship	District Trust	Student Activities	
Additions				
Contributions	\$32,089			\$32,089
Investment Income (Loss)	22,113	\$38,662	\$2,069	62,844
Total Additions	<u>54,202</u>	<u>38,662</u>	<u>2,069</u>	<u>94,933</u>
Deductions				
Trust Expenses	36,867			36,867
Total Deductions	<u>36,867</u>	<u>0</u>	<u>0</u>	<u>36,867</u>
Change in Net Position	17,335	38,662	2,069	58,066
Transfers In	2,764		2,764	5,528
Transfers Out		(5,528)		(5,528)
Net Position - Beginning	<u>427,696</u>	<u>724,817</u>	<u>38,782</u>	<u>1,191,295</u>
Net Position - Ending	<u><u>\$447,795</u></u>	<u><u>\$757,951</u></u>	<u><u>\$43,615</u></u>	<u><u>\$1,249,361</u></u>

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	202323/202424N119947	\$17,643
National School Lunch Program*	10.555	202323/202424N119947	93,799
Fresh Fruit & Vegetable Program	10.582	202323/202424L160347	11,693
Total Child Nutrition Cluster			<u>123,135</u>
Child Nutrition Discretionary Grants Limited Availability	10.579	202222N810347	4,817
Total US Dept of Agriculture			<u>127,952</u>
US Dept of Education			
<i>Direct Program:</i>			
Rural Education	84.358A		13,204
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A230088	116,048
Special Education - Preschool Grants	84.173A	H173A230030	4,301
Total Special Education Cluster			<u>120,349</u>
Title I Grants to Local Educational Agencies	84.010A	S010A230012	123,075
Supporting Effective Instruction State Grants	84.367A	S367A230011	13,647
Student Support & Academic Enrichment	84.424A	S424A230013	14,708
Student Support & Academic Enrichment	84.424F	S424F220013	57,479
Total	84.424		<u>72,187</u>
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	634,789
Total US Dept of Education			<u>977,251</u>
Total Expenditures of Federal Awards			<u>\$1,105,203</u>

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No awards were passed through to subrecipients. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

*C. **Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$12,884.



**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
Challis Joint School District No. 181

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the Challis Joint School District No. 181 (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated August 15, 2024. In our report, we expressed a qualified opinion on the governmental activities as management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School’s internal control over financial reporting (internal control) as a basis for designing 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 School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Quest CPAs PLLC

Meridian, Idaho
August 15, 2024



Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Challis Joint School District No. 181

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Challis Joint School District No. 181’s (the School’s) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School’s major federal programs for the year ended June 30, 2024. The School’s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Quest CPAs PLLC

Meridian, Idaho
August 15, 2024

CHALLIS JOINT SCHOOL DISTRICT NO. 181

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Major program identification:

a. COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – AL #84.425U

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

Auditee qualified as a low-risk auditee? No