

Twin Falls School District No. 411

Year Ended June 30, 2023

Audited Financial Statements



TWIN FALLS SCHOOL DISTRICT NO. 411

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Independent Auditor's Report

Board of Trustees
Twin Falls School District No. 411

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 Twin Falls School District No. 411 (the School) as of and for the year ended June 30, 2023, 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, 2023, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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, 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 October 11, 2023, 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

Payette, Idaho
October 11, 2023

TWIN FALLS SCHOOL DISTRICT NO. 411

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$29,581,913
Receivables:	
Local Sources	6,376,221
State Sources	719,801
Federal Sources	15,100,741
Prepaid Expenses	211,659
Inventory	115,740
Total Current Assets	<u>52,106,075</u>
Noncurrent Assets	
Nondepreciable Capital Assets	3,413,909
Depreciable Net Capital Assets	94,322,928
Total Noncurrent Assets	<u>97,736,837</u>
Total Assets	<u>149,842,912</u>
 Deferred Outflows of Resources	
Pension Items	28,405,987
Total Deferred Outflows of Resources	<u>28,405,987</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$178,248,899</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	\$993,326
Salaries & Benefits Payable	9,416,329
Unspent Grant Allocation	11,595,621
Accrued Interest	580,603
Long-Term Liabilities, Current	4,869,515
Total Current Liabilities	<u>27,455,394</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	114,238,734
Total Noncurrent Liabilities	<u>114,238,734</u>
Total Liabilities	<u>141,694,128</u>
 Deferred Inflows of Resources	
Pension Items	201,537
Total Deferred Inflows of Resources	<u>201,537</u>
Total Liabilities and Deferred Inflows of Resources	<u>141,895,665</u>
 Net Position	
Net Investment in Capital Assets	23,201,837
Restricted:	
Special Programs	4,888,896
Debt Service	10,473,578
Capital Projects	2,893,270
Unrestricted	(5,104,347)
Total Net Position	<u>36,353,234</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$178,248,899</u></u>

TWIN FALLS SCHOOL DISTRICT NO. 411

Statement of Activities Year Ended June 30, 2023

					Net (Expense) Revenue And Changes in Net Position
		Program Revenues			
			Operating	Capital	
Functions/Programs	Expenses	Charges For	Grants And	Grants And	Governmental
Governmental Activities		Services	Contributions	Contributions	Activities
Instructional Programs					
Elementary School	\$15,901,721		\$2,671,965		(\$13,229,756)
Secondary School	15,738,123	\$43,134	1,866,503		(13,828,486)
Alternative School	1,608,269		196,163		(1,412,106)
Vocational-Technical	259,100		216,925		(42,175)
Special Education	6,014,008		1,864,945		(4,149,063)
Special Education Preschool	632,998		145,340		(487,658)
Gifted & Talented	152,586		8,990		(143,596)
Interscholastic	872,085		80,572		(791,513)
School Activity	89,294				(89,294)
Summer School	382,356		237,612		(144,744)
Detention Center	100,562		9,499		(91,063)
Support Service Programs					
Attendance - Guidance - Health	3,745,755		1,012,288		(2,733,467)
Special Education Support Services	2,990,020		1,094,094		(1,895,926)
Instructional Improvement	8,044,495		3,765,906		(4,278,589)
Educational Media	918,815		66,467		(852,348)
Board of Education	188,819		27,423		(161,396)
District Administration	2,620,151		183,474		(2,436,677)
School Administration	5,156,213		258,404		(4,897,809)
Business Operation	576,441		185,953		(390,488)
Central Service	211				(211)
Buildings - Care	5,079,773		126,756		(4,953,017)
Maintenance - Non-Student Occupied	2,256,976		669,940		(1,587,036)
Maintenance - Student Occupied	2,221,372		48,170		(2,173,202)
Maintenance - Grounds	113,619				(113,619)
Security	1,355,424		213,493		(1,141,931)
Pupil-To-School Transportation	2,738,587		33,421		(2,705,166)
Pupil-Activity Transportation	291,002		19,559		(271,443)
General Transportation	59,663				(59,663)
Non-Instructional Programs					
Child Nutrition	4,514,126	524,559	4,164,167		174,600
Community Services	76,202		71,838		(4,364)
Student Activities	2,021,636	1,871,035	40,357		(110,244)
Capital Assets - Student Occupied	4,274,269		30,677		(4,243,592)
Capital Assets - Non-Student Occupied	0		100,823		100,823
Debt Service - Principal	0				0
Debt Service - Interest	1,780,828				(1,780,828)
Total	\$92,775,499	\$2,438,728	\$19,411,724	\$0	(70,925,047)
General Revenues					
					17,513,809
					1,329,688
					64,696,941
					0
					(11,769,454)
					71,770,984
Change in Net Position					
845,937					
Net Position - Beginning					
35,507,297					
Net Position - Ending					
\$36,353,234					

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Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund	Plant Facilities Fund
Assets				
Cash & Investments	\$15,638,452	\$2,141,738	\$8,291,735	\$1,305,104
Receivables:				
Local Sources	2,258,974		2,380,072	1,737,119
State Sources	719,801			
Federal Sources		40,967		
Prepaid Expenditures	211,659			
Inventory		115,740		
Due From Other Funds	2,266,659			
Total Assets	\$21,095,545	\$2,298,445	\$10,671,807	\$3,042,223
Liabilities				
Accounts Payable	\$564,674	\$132,212	\$900	\$7,659
Due To Other Funds				
Salaries & Benefits Payable	8,158,332	195,216		
Unspent Grant Allocation				
Total Liabilities	8,723,006	327,428	900	7,659
Deferred Inflows of Resources				
Unavailable Tax Revenues	169,843		197,329	142,322
Total Deferred Inflows of Resources	169,843	0	197,329	142,322
Fund Balances				
Nonspendable	211,659	115,740		
Restricted:				
Special Programs	982,875	1,855,277		
Debt Service			10,473,578	
Capital Projects				2,892,242
Committed - Contingency	3,200,000			
Unassigned	7,808,162			
Total Fund Balances	12,202,696	1,971,017	10,473,578	2,892,242
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$21,095,545	\$2,298,445	\$10,671,807	\$3,042,223

TWIN FALLS SCHOOL DISTRICT NO. 411

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Balance Sheet - Governmental Funds

June 30, 2023

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$2,204,884	\$29,581,913
Receivables:		
Local Sources	56	6,376,221
State Sources	0	719,801
Federal Sources	15,059,774	15,100,741
Prepaid Expenditures	0	211,659
Inventory	0	115,740
Due From Other Funds	0	2,266,659
Total Assets	\$17,264,714	\$54,372,734
Liabilities		
Accounts Payable	\$287,881	\$993,326
Due To Other Funds	2,266,659	2,266,659
Salaries & Benefits Payable	1,062,781	9,416,329
Unspent Grant Allocation	11,595,621	11,595,621
Total Liabilities	15,212,942	24,271,935
Deferred Inflows of Resources		
Unavailable Tax Revenues	0	509,494
Total Deferred Inflows of Resources	0	509,494
Fund Balances		
Nonspendable	0	327,399
Restricted:		
Special Programs	2,050,744	4,888,896
Debt Service	0	10,473,578
Capital Projects	1,028	2,893,270
Committed - Contingency	0	3,200,000
Unassigned	0	7,808,162
Total Fund Balances	2,051,772	29,591,305
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$17,264,714	\$54,372,734

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

Total Governmental Fund Balances	\$29,591,305
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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.	97,736,837
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	509,494
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(119,688,852)
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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.	28,204,450
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Net Position of Governmental Activities	<u><u>\$36,353,234</u></u>
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TWIN FALLS SCHOOL DISTRICT NO. 411
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

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	General Fund	Child Nutrition Fund	Bond R & I Fund	Plant Facilities Fund
Revenues				
Local Taxes	\$5,698,048		\$6,789,044	\$4,965,371
Other Local Revenue	1,301,173	\$528,158	212,304	84,860
State Revenue	63,153,113		1,543,828	
Federal Revenue		4,104,746		
Total Revenues	70,152,334	4,632,904	8,545,176	5,050,231
Expenditures				
Instructional Programs				
Elementary School	16,091,416			
Secondary School	16,661,145			
Alternative School	1,412,106			
Vocational-Technical	42,900			
Special Education	4,150,989			
Special Education Preschool	487,658			
Gifted & Talented	143,596			
Interscholastic	796,068			76,017
School Activity	89,294			
Summer School	144,744			
Detention Center	91,063			
Support Service Programs				
Attendance - Guidance - Health	2,833,134			
Special Education Support Services	1,750,496			
Instructional Improvement	4,215,766			263,855
Educational Media	875,212			
Board of Education	186,519		2,300	
District Administration	2,413,885			22,792
School Administration	4,898,480			
Business Operation	390,488			
Central Service	211			
Buildings - Care	4,718,880			234,137
Maintenance - Non-Student Occupied	738,983			529,301
Maintenance - Student Occupied	1,513,895			659,307
Maintenance - Grounds				113,619
Security	1,162,225			19,314
Pupil-To-School Transportation	2,705,166			
Pupil-Activity Transportation	272,080			
General Transportation				59,663
Non-Instructional Programs				
Child Nutrition	92,927	4,361,778		
Community Services	4,364			
Student Activities				
Capital Assets - Student Occupied	338			2,971,165
Capital Assets - Non-Student Occupied	100,823			923,722
Debt Service - Principal	59,088		4,300,000	
Debt Service - Interest	48,771		2,092,814	
Total Expenditures	69,092,710	4,361,778	6,395,114	5,872,892
Excess (Deficiency) of Revenues Over Expenditures	1,059,624	271,126	2,150,062	(822,661)
Other Financing Sources (Uses)				
Transfers In	0			
Transfers Out	(165,302)			(300,000)
Total Other Financing Sources (Uses)	(165,302)	0	0	(300,000)
Net Change in Fund Balances	894,322	271,126	2,150,062	(1,122,661)
Fund Balances - Beginning	11,308,374	1,699,891	8,323,516	4,014,903
Fund Balances - Ending	\$12,202,696	\$1,971,017	\$10,473,578	\$2,892,242

See Accompanying Notes

TWIN FALLS SCHOOL DISTRICT NO. 411
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

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	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$17,452,463
Other Local Revenue	2,175,597	4,302,092
State Revenue	1,177,882	65,874,823
Federal Revenue	13,595,420	17,700,166
Total Revenues	16,948,899	105,329,544
Expenditures		
Instructional Programs		
Elementary School	2,669,972	18,761,388
Secondary School	1,907,224	18,568,369
Alternative School	196,163	1,608,269
Vocational-Technical	216,200	259,100
Special Education	1,863,019	6,014,008
Special Education Preschool	145,340	632,998
Gifted & Talented	8,990	152,586
Interscholastic	0	872,085
School Activity	0	89,294
Summer School	237,612	382,356
Detention Center	9,499	100,562
Support Service Programs		
Attendance - Guidance - Health	912,621	3,745,755
Special Education Support Services	1,239,524	2,990,020
Instructional Improvement	3,564,874	8,044,495
Educational Media	43,603	918,815
Board of Education	0	188,819
District Administration	183,474	2,620,151
School Administration	257,733	5,156,213
Business Operation	185,953	576,441
Central Service	0	211
Buildings - Care	126,756	5,079,773
Maintenance - Non-Student Occupied	1,083,830	2,352,114
Maintenance - Student Occupied	48,170	2,221,372
Maintenance - Grounds	0	113,619
Security	173,885	1,355,424
Pupil-To-School Transportation	33,421	2,738,587
Pupil-Activity Transportation	18,922	291,002
General Transportation	0	59,663
Non-Instructional Programs		
Child Nutrition	59,421	4,514,126
Community Services	71,838	76,202
Student Activities	2,021,636	2,021,636
Capital Assets - Student Occupied	30,677	3,002,180
Capital Assets - Non-Student Occupied	0	1,024,545
Debt Service - Principal	0	4,359,088
Debt Service - Interest	0	2,141,585
Total Expenditures	17,310,357	103,032,851
Excess (Deficiency) of Revenues Over Expenditures	(361,458)	2,296,693
Other Financing Sources (Uses)		
Transfers In	465,302	465,302
Transfers Out	0	(465,302)
Total Other Financing Sources (Uses)	465,302	0
Net Change in Fund Balances	103,844	2,296,693
Fund Balances - Beginning	1,947,928	27,294,612
Fund Balances - Ending	\$2,051,772	\$29,591,305

See Accompanying Notes

TWIN FALLS SCHOOL DISTRICT NO. 411
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

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**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 \$2,296,693

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. (152,406)

Revenues in the statement of activities that do not provide current
financial resources are deferred in the funds. 61,346

Repayment of long-term liability principal is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities in
the statement of net position. 4,359,088

Bond premiums are amortized against interest expense over the term of
the bond. 301,155

In the statement of activities, interest is accrued on long-term debt, but
the expenditure is reported when due in the governmental funds. 59,602

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. (6,079,541)

Change in Net Position of Governmental Activities \$845,937

TWIN FALLS SCHOOL DISTRICT NO. 411

Statement of Fiduciary Net Position

June 30, 2023

	Private Purpose Trust Funds
Assets	
Cash & Investments	\$137,471
Total Assets	<u>\$137,471</u>
Liabilities	
Accounts Payable	\$50,205
Total Liabilities	<u>50,205</u>
Net Position	
Restricted:	
Held in Trust	87,266
Total Net Position	<u>87,266</u>
Total Liabilities and Net Position	<u>\$137,471</u>

TWIN FALLS SCHOOL DISTRICT NO. 411

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Private Purpose Trust Funds
Additions	
Trust Revenue	\$17,399
Total Additions	<u>17,399</u>
Deductions	
Trust Expenses	59,569
Total Deductions	<u>59,569</u>
Change in Net Position	(42,170)
Net Position - Beginning	<u>129,436</u>
Net Position - Ending	<u><u>\$87,266</u></u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Twin Falls School District No. 411 (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 Twin Falls County.

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.

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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 child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the plant facilities fund, used to account for the maintenance of facilities and other capital assets.

Fiduciary funds are used to report assets held in a trustee or custodial 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.

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Notes to Financial Statements

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

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 \$25,000 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.

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Notes to Financial Statements

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 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.

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Notes to Financial Statements

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

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	\$13,312,012	\$137,471	\$13,449,483
Investments - Local Gov't Investment Pool	16,269,901		16,269,901
Total	<u>\$29,581,913</u>	<u>\$137,471</u>	<u>\$29,719,384</u>

Deposits – At year end, the carrying amounts of the School's deposits were \$13,449,483 and the bank balances were \$15,785,406. Of the bank balances, \$256,393 was insured and the remainder was secured by letters of credit.

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

Interest rate risk:

	Investment Maturity Schedule (In Years)	
<u>Investment Type</u>	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	\$16,269,901	\$16,269,901
Total	<u>\$16,269,901</u>	<u>\$16,269,901</u>

Credit rate risk:

	Investment Rating Schedule	
<u>Investment Type</u>	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$16,269,901	\$16,269,901
Total	<u>\$16,269,901</u>	<u>\$16,269,901</u>

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 is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with

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Notes to Financial Statements

the SEC and is a short-term investment pool. The state treasurer's office investment 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. More information on the local governmental investment pool 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:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Local Sources					
Other Local Sources	\$175,034	\$56			\$175,090
Local Taxes	2,083,940		\$2,380,072	\$1,737,119	6,201,131
Total	<u>\$2,258,974</u>	<u>\$56</u>	<u>\$2,380,072</u>	<u>\$1,737,119</u>	<u>\$6,376,221</u>
State Sources					
Foundation Program	\$719,801				\$719,801
Total	<u>\$719,801</u>				<u>\$719,801</u>
Federal Sources					
Special Programs		\$15,100,741			\$15,100,741
Total		<u>\$15,100,741</u>			<u>\$15,100,741</u>

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Notes to Financial Statements

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$3,413,909			\$3,413,909
Total	<u>3,413,909</u>	<u>\$0</u>	<u>\$0</u>	<u>3,413,909</u>
Depreciable Capital Assets				
Buildings	191,507,224	2,969,724		194,476,948
Equipment	<u>6,189,790</u>	<u>95,138</u>		<u>6,284,928</u>
Subtotal	<u>197,697,014</u>	<u>3,064,862</u>	<u>0</u>	<u>200,761,876</u>
Accumulated Depreciation				
Buildings	97,213,131	3,085,507		100,298,638
Equipment	<u>6,008,549</u>	<u>131,761</u>		<u>6,140,310</u>
Subtotal	<u>103,221,680</u>	<u>3,217,268</u>	<u>0</u>	<u>106,438,948</u>
Total	<u>94,475,334</u>	<u>(152,406)</u>	<u>0</u>	<u>94,322,928</u>
Net Capital Assets	<u>\$97,889,243</u>	<u>(\$152,406)</u>	<u>\$0</u>	<u>\$97,736,837</u>

Depreciation expense of \$3,217,268 was charged to the capital assets – student occupied program.

E. LONG-TERM LIABILITIES

Bonded Debt – At year end, the School’s bonded debt was as follows:

	<u>Outstanding</u>
2014C - \$28,320,000 - general obligation refunding bonds due in annual principal installments and semiannual interest payments with interest at 2.00% - 5.00% through 2025, secured by future taxes, paid through the bond redemption and interest fund	\$10,565,000
2020 - \$61,385,000 - general obligation refunding bonds due in annual principal installments and semiannual interest payments with interest at 1.531% - 4.00% through 2035, secured by future taxes, paid through the bond redemption and interest fund	<u>58,810,000</u>
Total	<u>\$69,375,000</u>

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Maturities on the bonds are estimated as follows:

Year Ended	Principal	Interest
6/30/24	\$4,505,000	\$1,909,038
6/30/25	4,670,000	1,738,432
6/30/26	4,845,000	1,552,526
6/30/27	5,040,000	1,354,826
6/30/28	5,240,000	1,149,226
6/30/29-33	29,085,000	3,022,611
6/30/34-36	15,990,000	417,737
Total	\$69,375,000	\$11,144,396

Notes Payable – At year end, the School had a note payable as follows:

Note payable, due in monthly payments of \$8,988 with interest at 7% through 2031, secured by a building, paid through the general fund	\$664,382
Total	\$664,382

Maturities on the note are estimated as follows:

Year Ended	Principal	Interest
6/30/24	\$63,360	\$44,499
6/30/25	67,940	39,919
6/30/26	72,852	35,007
6/30/27	78,118	29,741
6/30/28	83,765	24,094
6/30/29-32	298,347	34,219
Total	\$664,382	\$207,479

Changes in long-term liabilities are as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2014C G.O.R. Bonds	\$13,800,000		\$3,235,000	\$10,565,000	\$3,400,000
2020 G.O.R. Bonds	59,875,000		1,065,000	58,810,000	1,105,000
Note Payable	723,470		59,088	664,382	63,360
Bond Premium	4,216,170		301,155	3,915,015	301,155
Net Pension Liability	0	\$45,153,852		45,153,852	-
Total	\$78,614,640	\$45,153,852	\$4,660,243	\$119,108,249	\$4,869,515

Interest and related costs during the year amounted to \$1,780,828 and were charged to the debt service – interest program in the statement of activities.

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Notes to Financial Statements

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 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, 2022 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The School's contributions were \$5,689,913 for the year ended June 30, 2023.

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Notes to Financial Statements

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

At June 30, 2023, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2022, the School's proportion was 1.14639821 percent.

For the year ended June 30, 2023, the School recognized pension revenue (expense) of (\$11,769,454). At June 30, 2023, 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	\$4,965,275	\$201,537
Changes in assumptions or other inputs	7,361,432	
Net difference between projected and actual earnings on pension plan investments	10,389,367	
Employer contributions subsequent to the measurement date	5,689,913	
Total	<u>\$28,405,987</u>	<u>\$201,537</u>

\$5,689,913 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, 2024.

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, 2022 the beginning of the measurement period ended June 30, 2021 is 4.6 and 4.6 for the measurement period June 30, 2022.

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

Year Ended	
6/30/24	(\$5,384,049)
6/30/25	(5,844,898)
6/30/26	(2,703,259)
6/30/27	(8,582,330)
Total	<u>(\$22,514,536)</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

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Notes to Financial Statements

included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases 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, 2022 is based on the results of an actuarial valuation date of July 1, 2022.

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

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

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 2022.

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Notes to Financial Statements

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	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$79,692,126</u>	<u>\$45,153,852</u>	<u>\$16,885,168</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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Notes to Financial Statements

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:

	Due From Fund	
	Nonmajor Governmental	Total
Due To Fund		
General	\$2,266,659	\$2,266,659
Total	<u>\$2,266,659</u>	<u>\$2,266,659</u>

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:

Fund	Transfer In	Transfer Out	Purpose
General		\$165,302	Support
Plant Facilities		300,000	Support
Nonmajor Governmental	\$465,302		Support
Total	<u>\$465,302</u>	<u>\$465,302</u>	

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.

Twin Falls County entered into tax abatement agreements with local businesses under Idaho code section 63-602NN. Under the code, in exchange for investing in new plant and building facilities within Idaho, businesses receive exemption from local property taxes for a period of up to five years. For fiscal year ending June 30, 2023, Twin Falls County abated property taxes totaling \$201,378 related to the School.

TWIN FALLS SCHOOL DISTRICT NO. 411
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2023

Page 1 of 2

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$5,813,565	\$5,813,565	\$5,698,048	(\$115,517)
Other Local Revenue	128,000	1,052,824	1,301,173	248,349
State Revenue	63,431,575	63,511,070	63,153,113	(357,957)
Federal Revenue	0	0	0	0
Total Revenues	69,373,140	70,377,459	70,152,334	(225,125)
Expenditures				
Instructional Programs				
Elementary School	16,901,375	16,418,073	16,091,416	326,657
Secondary School	17,347,603	17,022,023	16,661,145	360,878
Alternative School	1,546,545	1,431,175	1,412,106	19,069
Vocational-Technical	45,800	43,800	42,900	900
Special Education	4,616,323	4,354,200	4,150,989	203,211
Special Education Preschool	580,725	515,275	487,658	27,617
Gifted & Talented	147,000	152,079	143,596	8,483
Interscholastic	695,570	840,579	796,068	44,511
School Activity	96,160	100,990	89,294	11,696
Summer School	164,000	208,500	144,744	63,756
Detention Center	107,146	104,069	91,063	13,006
Support Service Programs				
Attendance - Guidance - Health	2,893,561	2,974,601	2,833,134	141,467
Special Education Support Services	1,649,843	1,365,793	1,750,496	(384,703)
Instructional Improvement	4,675,427	5,006,945	4,215,766	791,179
Educational Media	926,877	904,694	875,212	29,482
Board of Education	159,300	229,045	186,519	42,526
District Administration	2,421,168	2,533,990	2,413,885	120,105
School Administration	4,938,608	4,941,878	4,898,480	43,398
Business Operation	405,885	446,905	390,488	56,417
Central Service	500	500	211	289
Buildings - Care	4,322,642	4,440,521	4,718,880	(278,359)
Maintenance - Non-Student Occupied	841,624	768,551	738,983	29,568
Maintenance - Student Occupied	1,525,964	1,518,268	1,513,895	4,373
Maintenance - Grounds	0	0	0	0
Security	706,957	1,136,833	1,162,225	(25,392)
Pupil-To-School Transportation	2,377,500	2,768,594	2,705,166	63,428
Pupil-Activity Transportation	184,200	310,289	272,080	38,209
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	116,000	124,773	92,927	31,846
Community Services	7,500	7,500	4,364	3,136
Student Activities	0	0	0	0
Capital Assets - Student Occupied	3,200,000	3,202,471	338	3,202,133
Capital Assets - Non-Student Occupied	0	107,471	100,823	6,648
Debt Service - Principal	55,500	59,433	59,088	345
Debt Service - Interest	67,000	49,000	48,771	229
Total Expenditures	73,724,303	74,088,818	69,092,710	4,996,108 *
Excess (Deficiency) of Revenues				
Over Expenditures	(4,351,163)	(3,711,359)	1,059,624	4,770,983
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(335,000)	(335,000)	(165,302)	169,698 *
Total Other Financing Sources (Uses)	(335,000)	(335,000)	(165,302)	169,698
Net Change in Fund Balances	(4,686,163)	(4,046,359)	894,322	4,940,681
Fund Balances - Beginning	6,353,633	11,308,373	11,308,374	1
Fund Balances - Ending	\$1,667,470	\$7,262,014	\$12,202,696	\$4,940,682

*Total expenditures (over) under appropriations are: \$5,165,806

TWIN FALLS SCHOOL DISTRICT NO. 411
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2023

Page 2 of 2

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$22,030	\$429,797	\$528,158	\$98,361
State Revenue	0	0	0	0
Federal Revenue	2,680,000	3,412,553	4,104,746	692,193
Total Revenues	<u>2,702,030</u>	<u>3,842,350</u>	<u>4,632,904</u>	<u>790,554</u>
Expenditures				
Instructional Programs				
Buildings - Care	10,500	10,500	0	10,500
Non-Instructional Programs				
Child Nutrition	4,263,500	4,583,234	4,361,778	221,456
Total Expenditures	<u>4,274,000</u>	<u>4,593,734</u>	<u>4,361,778</u>	<u>231,956 *</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,571,970)	(751,384)	271,126	1,022,510
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(1,571,970)	(751,384)	271,126	1,022,510
Fund Balances - Beginning	1,671,970	1,699,891	1,699,891	0
Fund Balances - Ending	<u>\$100,000</u>	<u>\$948,507</u>	<u>\$1,971,017</u>	<u>\$1,022,510</u>
*Total expenditures (over) under appropriations are:				<u>\$231,956</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
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	1.08598350%	\$7,994,538	\$29,420,707	27.17%	94.95%
2016	1.08767260%	\$14,322,879	\$30,465,406	47.01%	91.38%
2017	1.09282870%	\$22,153,316	\$31,961,935	69.31%	87.26%
2018	1.13259490%	\$21,768,977	\$35,178,323	61.88%	90.68%
2019	1.17118750%	\$17,275,220	\$37,681,334	45.85%	91.69%
2020	1.17696210%	\$13,434,694	\$39,974,399	33.61%	93.79%
2021	1.16070210%	\$26,953,037	\$41,005,980	65.73%	88.22%
2022	1.13295647%	(\$894,786)	\$36,316,955	-2.46%	100.36%
2023	1.14639821%	\$45,153,852	\$44,142,906	102.29%	83.09%

*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	\$3,448,684	\$3,448,684	\$0	\$30,465,406	11.32%
2016	\$3,618,041	\$3,618,041	\$0	\$31,961,935	11.32%
2017	\$3,982,106	\$3,982,106	\$0	\$35,178,323	11.32%
2018	\$4,265,527	\$4,265,527	\$0	\$37,681,334	11.32%
2019	\$4,525,102	\$4,525,102	\$0	\$39,974,399	11.32%
2020	\$4,896,114	\$4,896,114	\$0	\$41,005,980	11.94%
2021	\$4,336,125	\$4,336,125	\$0	\$36,316,955	11.94%
2022	\$5,270,663	\$5,270,663	\$0	\$44,142,906	11.94%
2023	\$5,689,913	\$5,689,913	\$0	\$47,654,213	11.94%

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

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 1 of 8

	Special Revenue Funds			
	Forest Reserve	Student Activity	Driver Education	Professional Technical
Assets				
Cash & Investments	\$59,924	\$1,696,012	\$48,412	\$16,138
Receivables:				
Local Sources				56
State Sources				
Federal Sources	17,179			
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$77,103</u>	<u>\$1,696,012</u>	<u>\$48,412</u>	<u>\$16,194</u>
Liabilities				
Accounts Payable		\$20,836	\$419	\$181
Due To Other Funds				
Salaries & Benefits Payable			6,979	12,456
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>20,836</u>	<u>7,398</u>	<u>12,637</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				
Nonspendable				
Restricted:				
Special Programs	77,103	1,675,176	41,014	3,557
Debt Service				
Capital Projects				
Committed - Contingency				
Unassigned				
Total Fund Balances	<u>77,103</u>	<u>1,675,176</u>	<u>41,014</u>	<u>3,557</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$77,103</u>	<u>\$1,696,012</u>	<u>\$48,412</u>	<u>\$16,194</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 2 of 8

	Special Revenue Funds			
	Technology	Substance Abuse	LEP Enhancement	ESSER III
Assets				
Cash & Investments	\$110,396	\$79,438	\$184,433	
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$10,645,606
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$110,396</u>	<u>\$79,438</u>	<u>\$184,433</u>	<u>\$10,645,606</u>
Liabilities				
Accounts Payable	\$110,396		\$3,250	\$127,404
Due To Other Funds				614,408
Salaries & Benefits Payable		\$6,676	51	148,770
Unspent Grant Allocation				9,755,024
Total Liabilities	<u>110,396</u>	<u>6,676</u>	<u>3,301</u>	<u>10,645,606</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				
Nonspendable				
Restricted:				
Special Programs		72,762	181,132	
Debt Service				
Capital Projects				
Committed - Contingency				
Unassigned				
Total Fund Balances	<u>0</u>	<u>72,762</u>	<u>181,132</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$110,396</u>	<u>\$79,438</u>	<u>\$184,433</u>	<u>\$10,645,606</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 3 of 8

	Special Revenue Funds			
	Title I-A ESSA IBP	ESSER I	Title I-C ESSA EMC	ESSER II
Assets				
Cash & Investments				\$2,724
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$1,095,381		\$371,812	
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$1,095,381</u>	<u>\$0</u>	<u>\$371,812</u>	<u>\$2,724</u>
Liabilities				
Accounts Payable	\$3,924		\$5,913	\$2,724
Due To Other Funds	338,515		20,675	
Salaries & Benefits Payable	308,614		52,003	
Unspent Grant Allocation	444,328		293,221	
Total Liabilities	<u>1,095,381</u>	<u>\$0</u>	<u>371,812</u>	<u>2,724</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				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Committed - Contingency				
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>\$1,095,381</u>	<u>\$0</u>	<u>\$371,812</u>	<u>\$2,724</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

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	Special Revenue Funds			
	Title I-D ESSA N & DC	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	IDEA Part B ARPA
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$70,651	\$1,905,880	\$98,806	\$16,265
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$70,651</u>	<u>\$1,905,880</u>	<u>\$98,806</u>	<u>\$16,265</u>
Liabilities				
Accounts Payable		\$955		\$5,500
Due To Other Funds	\$2,715	967,051	\$65,755	3,019
Salaries & Benefits Payable	5,444	315,136	13,053	193
Unspent Grant Allocation	62,492	622,738	19,998	7,553
Total Liabilities	<u>70,651</u>	<u>1,905,880</u>	<u>98,806</u>	<u>16,265</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				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Committed - Contingency				
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>\$70,651</u>	<u>\$1,905,880</u>	<u>\$98,806</u>	<u>\$16,265</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

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	Special Revenue Funds			
	School Based Medicaid	Title IV-A ESSA SS & AE	Perkins III Professional Technical Act	Title III ESSA ELA
Assets				
Cash & Investments	\$6,379			
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$263,212	\$120,122	\$108,710
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$6,379</u>	<u>\$263,212</u>	<u>\$120,122</u>	<u>\$108,710</u>
Liabilities				
Accounts Payable	\$6,379			
Due To Other Funds		\$48,255	\$118,797	\$22,449
Salaries & Benefits Payable		65,033	1,325	24,246
Unspent Grant Allocation		149,924		62,015
Total Liabilities	<u>6,379</u>	<u>263,212</u>	<u>120,122</u>	<u>108,710</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				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Committed - Contingency				
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>\$6,379</u>	<u>\$263,212</u>	<u>\$120,122</u>	<u>\$108,710</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 6 of 8

	Special Revenue Funds			
	Title II-A ESSA SEI	Stronger Connections Grant	Refugee School Impact Grant	Title III Immigrant
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$96,367	\$150,000	\$38,901	\$26,449
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$96,367</u>	<u>\$150,000</u>	<u>\$38,901</u>	<u>\$26,449</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$27,368		\$12,953	\$16,172
Salaries & Benefits Payable	68,999		25,948	
Unspent Grant Allocation		\$150,000		10,277
Total Liabilities	<u>96,367</u>	<u>150,000</u>	<u>38,901</u>	<u>26,449</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				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Committed - Contingency				
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>\$96,367</u>	<u>\$150,000</u>	<u>\$38,901</u>	<u>\$26,449</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 7 of 8

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>
	<u>Gear Up</u>	<u>SLFRF</u>	<u>Title IX-A EH</u>	<u>Insurance Adjustment</u>
Assets				
Cash & Investments				\$1,028
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$28,551		\$5,882	
Prepaid Expenditures				
Inventory				
Due From Other Funds				
Total Assets	<u>\$28,551</u>	<u>\$0</u>	<u>\$5,882</u>	<u>\$1,028</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$5,367		\$3,160	
Salaries & Benefits Payable	5,168		2,687	
Unspent Grant Allocation	18,016		35	
Total Liabilities	<u>28,551</u>	<u>\$0</u>	<u>5,882</u>	<u>\$0</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				
Nonspendable				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				1,028
Committed - Contingency				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,028</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$28,551</u>	<u>\$0</u>	<u>\$5,882</u>	<u>\$1,028</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

Page 8 of 8

	Total
Assets	
Cash & Investments	\$2,204,884
Receivables:	
Local Sources	56
State Sources	0
Federal Sources	15,059,774
Prepaid Expenditures	0
Inventory	0
Due From Other Funds	0
Total Assets	\$17,264,714
Liabilities	
Accounts Payable	\$287,881
Due To Other Funds	2,266,659
Salaries & Benefits Payable	1,062,781
Unspent Grant Allocation	11,595,621
Total Liabilities	15,212,942
Deferred Inflows of Resources	
Unavailable Tax Revenues	0
Total Deferred Inflows of Resources	0
Fund Balances	
Nonspendable	0
Restricted:	
Special Programs	2,050,744
Debt Service	0
Capital Projects	1,028
Committed - Contingency	0
Unassigned	0
Total Fund Balances	2,051,772
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$17,264,714

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

Page 1 of 8

	Special Revenue Funds			
	Forest Reserve	Student Activity	Driver Education	Professional Technical
Revenues				
Local Taxes				
Other Local Revenue		\$2,132,463	\$43,134	
State Revenue			42,644	\$216,925
Federal Revenue	\$17,179			
Total Revenues	<u>17,179</u>	<u>2,132,463</u>	<u>85,778</u>	<u>216,925</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School			78,334	
Alternative School				
Vocational-Technical				216,200
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Detention Center				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instructional Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Buildings - Care			5,031	
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activities		2,021,636		
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>0</u>	<u>2,021,636</u>	<u>83,365</u>	<u>216,200</u>
Excess (Deficiency) of Revenues				
Over Expenditures	17,179	110,827	2,413	725
Other Financing Sources (Uses)				
Transfers In		4		
Transfers Out		0		
Total Other Financing Sources (Uses)	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	17,179	110,831	2,413	725
Fund Balances - Beginning	59,924	1,564,345	38,601	2,832
Fund Balances - Ending	<u>\$77,103</u>	<u>\$1,675,176</u>	<u>\$41,014</u>	<u>\$3,557</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

Page 2 of 8

	Special Revenue Funds			
	Technology	Substance Abuse	LEP Enhancement	ESSER III
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$706,840	\$111,473	\$100,000	
Federal Revenue				\$5,518,685
Total Revenues	706,840	111,473	100,000	5,518,685
Expenditures				
Instructional Programs				
Elementary School				1,038,668
Secondary School			5,764	782,322
Alternative School				124,729
Vocational-Technical				
Special Education				273,057
Special Education Preschool				40,043
Gifted & Talented				5,356
Interscholastic				
School Activity				
Summer School				162,846
Detention Center				3,329
Support Service Programs				
Attendance - Guidance - Health		6,500		280,022
Special Education Support Services				53,727
Instructional Improvement	87,099	24,222	48,919	1,793,622
Educational Media				43,239
Board of Education				
District Administration				118,691
School Administration				250,243
Business Operation				185,953
Central Service				
Buildings - Care	812			112,423
Maintenance - Non-Student Occupied	1,049,998			33,832
Maintenance - Student Occupied				48,170
Maintenance - Grounds				
Security		41,143		25,664
Pupil-To-School Transportation				21,552
Pupil-Activity Transportation			1,028	5,365
General Transportation				
Non-Instructional Programs				
Child Nutrition				59,421
Community Services				56,411
Student Activities				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	1,137,909	71,865	55,711	5,518,685
Excess (Deficiency) of Revenues				
Over Expenditures	(431,069)	39,608	44,289	0
Other Financing Sources (Uses)				
Transfers In	319,868			
Transfers Out				
Total Other Financing Sources (Uses)	319,868	0	0	0
Net Change in Fund Balances	(111,201)	39,608	44,289	0
Fund Balances - Beginning	111,201	33,154	136,843	0
Fund Balances - Ending	\$0	\$72,762	\$181,132	\$0

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	Special Revenue Funds			
	Title I-A ESSA IBP	ESSER I	Title I-C ESSA EMC	ESSER II
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$2,395,974	\$5,769	\$189,270	\$311,155
Total Revenues	<u>2,395,974</u>	<u>5,769</u>	<u>189,270</u>	<u>311,155</u>
Expenditures				
Instructional Programs				
Elementary School	1,073,417		28,583	
Secondary School	377,334		27,636	1,721
Alternative School	41,316			
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School			26,901	
Detention Center	2,442			333
Support Service Programs				
Attendance - Guidance - Health	114,243	1,542	91,886	186,941
Special Education Support Services				
Instructional Improvement	706,526	4,227	856	113,670
Educational Media				
Board of Education				
District Administration	62,870			
School Administration			7,490	
Business Operation				
Central Service				
Buildings - Care				8,490
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation			5,706	
Pupil-Activity Transportation	2,399		212	
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services	15,427			
Student Activities				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>2,395,974</u>	<u>5,769</u>	<u>189,270</u>	<u>311,155</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	Special Revenue Funds			
	Title I-D ESSA N & DC	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	IDEA Part B ARPA
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$27,780	\$1,859,015	\$78,808	\$405,216
Total Revenues	<u>27,780</u>	<u>1,859,015</u>	<u>78,808</u>	<u>405,216</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Alternative School				
Vocational-Technical				
Special Education		1,342,579		172,932
Special Education Preschool			78,808	26,489
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Detention Center	1,434			
Support Service Programs				
Attendance - Guidance - Health	26,346	92,487		41,876
Special Education Support Services		403,691		
Instructional Improvement		11,338		133,167
Educational Media				
Board of Education				
District Administration		1,913		
School Administration				
Business Operation				
Central Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation		6,163		
Pupil-Activity Transportation		844		75
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activities				
Capital Assets - Student Occupied				30,677
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>27,780</u>	<u>1,859,015</u>	<u>78,808</u>	<u>405,216</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	Special Revenue Funds			
	School Based Medicaid	Title IV-A ESSA SS & AE	Perkins III Professional Technical Act	Title III ESSA ELA
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$609,741	\$162,093	\$120,122	\$178,920
Total Revenues	<u>609,741</u>	<u>162,093</u>	<u>120,122</u>	<u>178,920</u>
Expenditures				
Instructional Programs				
Elementary School		7,150		40,724
Secondary School			118,622	44,184
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School		47,865		
Detention Center				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services	755,171			
Instructional Improvement				93,957
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security		107,078		
Pupil-To-School Transportation				
Pupil-Activity Transportation			1,500	55
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activities				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>755,171</u>	<u>162,093</u>	<u>120,122</u>	<u>178,920</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(145,430)	0	0	0
Other Financing Sources (Uses)				
Transfers In	145,430			
Transfers Out				
Total Other Financing Sources (Uses)	<u>145,430</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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	Special Revenue Funds			
	Title II-A ESSA SEI	Stronger Connections Grant	Refugee School Impact Grant	Title III Immigrant
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$414,193		\$154,959	\$16,172
Total Revenues	<u>414,193</u>	<u>\$0</u>	<u>154,959</u>	<u>16,172</u>
Expenditures				
Instructional Programs				
Elementary School			82,387	
Secondary School			69,032	
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
School Activity				
Summer School				
Detention Center				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instructional Improvement	414,193		3,540	16,172
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activities				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>414,193</u>	<u>0</u>	<u>154,959</u>	<u>16,172</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	<u>Special Revenue Funds</u>			<u>Capital Projects</u>
	<u>Gear Up</u>	<u>SLFRF</u>	<u>Title IX-A EH</u>	<u>Insurance Adjustment</u>
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$81,700	\$1,020,066	\$28,603	
Total Revenues	<u>81,700</u>	<u>1,020,066</u>	<u>28,603</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School		399,043		
Secondary School		402,275		
Alternative School		30,118		
Vocational-Technical				
Special Education		74,451		
Special Education Preschool				
Gifted & Talented		3,634		
Interscholastic				
School Activity				
Summer School				
Detention Center		1,961		
Support Service Programs				
Attendance - Guidance - Health		53,371	17,407	
Special Education Support Services		26,935		
Instructional Improvement	74,256	27,914	11,196	
Educational Media		364		
Board of Education				
District Administration				
School Administration				
Business Operation				
Central Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation	7,444			
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activities				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>81,700</u>	<u>1,020,066</u>	<u>28,603</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	0	0
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>1,028</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,028</u>

TWIN FALLS SCHOOL DISTRICT NO. 411
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

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	Total
Revenues	
Local Taxes	\$0
Other Local Revenue	2,175,597
State Revenue	1,177,882
Federal Revenue	13,595,420
Total Revenues	16,948,899
Expenditures	
Instructional Programs	
Elementary School	2,669,972
Secondary School	1,907,224
Alternative School	196,163
Vocational-Technical	216,200
Special Education	1,863,019
Special Education Preschool	145,340
Gifted & Talented	8,990
Interscholastic	0
School Activity	0
Summer School	237,612
Detention Center	9,499
Support Service Programs	
Attendance - Guidance - Health	912,621
Special Education Support Services	1,239,524
Instructional Improvement	3,564,874
Educational Media	43,603
Board of Education	0
District Administration	183,474
School Administration	257,733
Business Operation	185,953
Central Service	0
Buildings - Care	126,756
Maintenance - Non-Student Occupied	1,083,830
Maintenance - Student Occupied	48,170
Maintenance - Grounds	0
Security	173,885
Pupil-To-School Transportation	33,421
Pupil-Activity Transportation	18,922
General Transportation	0
Non-Instructional Programs	
Child Nutrition	59,421
Community Services	71,838
Student Activities	2,021,636
Capital Assets - Student Occupied	30,677
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	17,310,357
Excess (Deficiency) of Revenues	
Over Expenditures	(361,458)
Other Financing Sources (Uses)	
Transfers In	465,302
Transfers Out	0
Total Other Financing Sources (Uses)	465,302
Net Change in Fund Balances	103,844
Fund Balances - Beginning	1,947,928
Fund Balances - Ending	\$2,051,772

TWIN FALLS SCHOOL DISTRICT NO. 411

Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

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	202222/202323N119947	\$536,401
National School Lunch Program*	10.555	202222/202323N119947	3,216,298
Summer Food Service Program for Children	10.559	202222N119947	179,703
Fresh Fruit & Vegetable Program	10.582	202222/202323L160347	172,344
Total Child Nutrition Cluster			4,104,746
Total US Dept of Agriculture			4,104,746
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	1,020,066
Total US Dept of Treasury			1,020,066
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A210088	1,859,015
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.027X	H027X210088	378,727
Total	84.027		2,237,742
Special Education - Preschool Grants	84.173A	H173A210030	78,808
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021	84.173X	H173X210030	26,489
Total	84.173		105,297
Total Special Education Cluster			2,343,039
Title I Grants to Local Educational Agencies	84.010A	S010A21/220012	2,187,496
Migrant Education - State Grant Program	84.011A	S011A20/210012	189,270
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013A	S010A21/220012	27,780
Career & Technical Education - Basic Grants to States	84.048A	V048A210012	120,122
Education for Homeless Children and Youth	84.196A	S196A21/220013	28,603
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334A	P334S180012	81,700
English Language Acquisition State Grants	84.365A	S365A20/210012	195,092
Supporting Effective Instruction State Grants	84.367A	S367A21/220011	414,193
School Improvement Grants	84.377A	S010A20/210012	208,478
Student Support & Academic Enrichment	84.424A	S424A210013	162,093
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	316,924
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	5,490,485
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425W	S425W210013	28,200
- Homeless Children and Youth			
Total	84.425		5,835,609
Total US Dept of Education			11,793,475
US Dept of Health & Human Services			
<i>Passed Through Idaho Office of Refugees Jannus:</i>			
Refugee and Entrant Assistance - State Administered Programs	93.566	IOR-2003 RSIG	154,959
Total US Dept of Health & Human Services			154,959
Total Expenditures of Federal Awards			\$17,073,246

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, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of 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 \$355,643.



**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
Twin Falls School District No. 411

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 Twin Falls School District No. 411 (the School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 11, 2023. 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

Payette, Idaho
October 11, 2023



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

Board of Trustees
Twin Falls School District No. 411

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Twin Falls School District No. 411'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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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 in 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

Payette, Idaho
October 11, 2023

TWIN FALLS SCHOOL DISTRICT NO. 411

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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:

- COVID-19 - Coronavirus State & Local Fiscal Recovery Fund – AL #21.027
- COVID-19 - Elementary and Secondary School Emergency Relief Fund – AL #84.425D, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – AL #84.425U, COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund – Homeless Children and Youth – AL #84.425W

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

Auditee qualified as a low-risk auditee? No