

Notus School District No. 135

Year Ended June 30, 2023

Audited Financial Statements



NOTUS SCHOOL DISTRICT NO. 135

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Independent Auditor's Report

Board of Trustees
Notus School District No. 135

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 Notus School District No. 135 (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 2, 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 2, 2023

NOTUS SCHOOL DISTRICT NO. 135

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$2,021,055
Receivables:	
Local Sources	230,555
State Sources	68,061
Federal Sources	460,342
Total Current Assets	<u>2,780,013</u>
Noncurrent Assets	
Nondepreciable Capital Assets	10,000
Depreciable Net Capital Assets	5,156,763
Total Noncurrent Assets	<u>5,166,763</u>
Total Assets	<u>7,946,776</u>
Deferred Outflows of Resources	
Pension Items	1,242,179
Total Deferred Outflows of Resources	<u>1,242,179</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$9,188,955</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$3,500
Salaries & Benefits Payable	708,757
Unspent Grant Allocation	337,950
Accrued Interest	32,181
Long-Term Liabilities, Current	234,573
Total Current Liabilities	<u>1,316,961</u>
Noncurrent Liabilities	
Long-Term Liabilities, Noncurrent	5,421,612
Total Noncurrent Liabilities	<u>5,421,612</u>
Total Liabilities	<u>6,738,573</u>
Deferred Inflows of Resources	
Pension Items	8,845
Total Deferred Inflows of Resources	<u>8,845</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,747,418</u>
Net Position	
Net Investment in Capital Assets	1,460,126
Restricted:	
Special Programs	381,722
Debt Service	400,252
Capital Projects	355,069
Unrestricted	(155,632)
Total Net Position	<u>2,441,537</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$9,188,955</u></u>

See Accompanying Notes

NOTUS SCHOOL DISTRICT NO. 135

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions		
Governmental Activities					
Instructional Programs					
Elementary School	\$740,594		\$285,394		(\$455,200)
Secondary School	919,664	\$5,850	197,382		(716,432)
Special Education	277,265				(277,265)
Special Education Preschool	43,335		37,615		(5,720)
Interscholastic	10,163		5,515		(4,648)
School Activity	95,538				(95,538)
Summer School	0				0
Support Service Programs					
Attendance - Guidance - Health	136,951				(136,951)
Instruction Improvement	591,233		660,374		69,141
Board of Education	40,595				(40,595)
District Administration	293,914				(293,914)
School Administration	191,264				(191,264)
Business Operation	90,191				(90,191)
Buildings - Care	198,140				(198,140)
Maintenance - Student Occupied	332,582				(332,582)
Pupil-To-School Transportation	119,351				(119,351)
Pupil-Activity Transportation	5,196				(5,196)
Non-Instructional Programs					
Child Nutrition	250,105	42,327	189,900		(17,878)
Community Services	0				0
Student Activity	103,533	114,351			10,818
Capital Assets - Student Occupied	395,016				(395,016)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	102,587				(102,587)
Total	<u>\$4,937,217</u>	<u>\$162,528</u>	<u>\$1,376,180</u>	<u>\$0</u>	<u>(3,398,509)</u>
General Revenues					
					748,361
Local Taxes					147,287
Other Local Revenues					2,946,744
State Revenues					0
Federal Revenues					(398,393)
Pension Revenue (Expense)					<u>3,443,999</u>
Total					
Change in Net Position					
					45,490
Net Position - Beginning					
					<u>2,396,047</u>
Net Position - Ending					
					<u><u>\$2,441,537</u></u>

NOTUS SCHOOL DISTRICT NO. 135

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund	Plant Facilities Fund
Assets				
Cash & Investments	\$964,253	\$84,003	\$348,027	\$235,817
Receivables:				
Local Sources	71,911	532	62,318	61,169
State Sources	64,311			
Federal Sources		1,881		
Due From Other Funds	63,276			
Total Assets	\$1,163,751	\$86,416	\$410,345	\$296,986
Liabilities				
Accounts Payable	\$3,500			
Due To Other Funds				
Salaries & Benefits Payable	592,473	\$30,812		
Unspent Grant Allocation				
Total Liabilities	595,973	30,812	\$0	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues	10,758		10,093	14,892
Total Deferred Inflows of Resources	10,758	0	10,093	14,892
Fund Balances				
Restricted:				
Special Programs		55,604		
Debt Service			400,252	
Capital Projects				282,094
Unassigned	557,020			
Total Fund Balances	557,020	55,604	400,252	282,094
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,163,751	\$86,416	\$410,345	\$296,986

NOTUS SCHOOL DISTRICT NO. 135

Balance Sheet - Governmental Funds

June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Assets		
Cash & Investments	\$388,955	\$2,021,055
Receivables:		
Local Sources	34,625	230,555
State Sources	3,750	68,061
Federal Sources	458,461	460,342
Due From Other Funds	0	63,276
Total Assets	\$885,791	\$2,843,289
Liabilities		
Accounts Payable	\$0	\$3,500
Due To Other Funds	63,276	63,276
Salaries & Benefits Payable	85,472	708,757
Unspent Grant Allocation	337,950	337,950
Total Liabilities	486,698	1,113,483
Deferred Inflows of Resources		
Unavailable Tax Revenues	0	35,743
Total Deferred Inflows of Resources	0	35,743
Fund Balances		
Restricted:		
Special Programs	326,118	381,722
Debt Service	0	400,252
Capital Projects	72,975	355,069
Unassigned	0	557,020
Total Fund Balances	399,093	1,694,063
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$885,791	\$2,843,289

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

Total Governmental Fund Balances	\$1,694,063
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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.	5,166,763
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	35,743
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(5,688,366)
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Pension deferred outflows/inflows are not due and payable in the current period and therefore are not reported in the funds.	1,233,334
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Net Position of Governmental Activities	<u><u>\$2,441,537</u></u>
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NOTUS SCHOOL DISTRICT NO. 135

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General Fund	Child Nutrition Fund	Bond R & I Fund	Plant Facilities Fund
Revenues				
Local Taxes	\$291,192		\$252,877	\$222,226
Other Local Revenue	108,735	\$42,327	2,558	6,947
State Revenue	2,815,378		84,785	46,581
Federal Revenue	2,500	189,900		
Total Revenues	<u>3,217,805</u>	<u>232,227</u>	<u>340,220</u>	<u>275,754</u>
Expenditures				
Instructional Programs				
Elementary School	578,179			
Secondary School	851,367			
Special Education	277,265			
Special Education Preschool				
Interscholastic				
School Activity	95,538			
Summer School				
Support Service Programs				
Attendance - Guidance - Health	136,951			
Instruction Improvement				
Board of Education	40,595			
District Administration	289,427			
School Administration	191,264			
Business Operation	90,191			
Buildings - Care	198,140			
Maintenance - Student Occupied				332,582
Pupil-To-School Transportation	119,351			
Pupil-Activity Transportation	5,196			
Non-Instructional Programs				
Child Nutrition	5,629	244,476		
Community Services				
Student Activity				
Capital Assets - Student Occupied				204,371
Capital Assets - Non-Student Occupied				
Debt Service - Principal			220,000	
Debt Service - Interest			114,085	
Total Expenditures	<u>2,879,093</u>	<u>244,476</u>	<u>334,085</u>	<u>536,953</u>
Excess (Deficiency) of Revenues Over Expenditures	338,712	(12,249)	6,135	(261,199)
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(23,503)			
Total Other Financing Sources (Uses)	<u>(23,503)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	315,209	(12,249)	6,135	(261,199)
Fund Balances - Beginning	241,811	67,853	394,117	543,293
Fund Balances - Ending	<u>\$557,020</u>	<u>\$55,604</u>	<u>\$400,252</u>	<u>\$282,094</u>

NOTUS SCHOOL DISTRICT NO. 135

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$766,295
Other Local Revenue	296,588	457,155
State Revenue	220,250	3,166,994
Federal Revenue	816,190	1,008,590
Total Revenues	<u>1,333,028</u>	<u>5,399,034</u>
Expenditures		
Instructional Programs		
Elementary School	271,795	849,974
Secondary School	204,125	1,055,492
Special Education	0	277,265
Special Education Preschool	43,335	43,335
Interscholastic	10,163	10,163
School Activity	0	95,538
Summer School	0	0
Support Service Programs		
Attendance - Guidance - Health	0	136,951
Instruction Improvement	671,697	671,697
Board of Education	0	40,595
District Administration	4,487	293,914
School Administration	0	191,264
Business Operation	0	90,191
Buildings - Care	0	198,140
Maintenance - Student Occupied	0	332,582
Pupil-To-School Transportation	0	119,351
Pupil-Activity Transportation	0	5,196
Non-Instructional Programs		
Child Nutrition	0	250,105
Community Services	0	0
Student Activity	103,533	103,533
Capital Assets - Student Occupied	0	204,371
Capital Assets - Non-Student Occupied	0	0
Debt Service - Principal	0	220,000
Debt Service - Interest	0	114,085
Total Expenditures	<u>1,309,135</u>	<u>5,303,742</u>
Excess (Deficiency) of Revenues Over Expenditures	23,893	95,292
Other Financing Sources (Uses)		
Transfers In	23,503	23,503
Transfers Out	0	(23,503)
Total Other Financing Sources (Uses)	<u>23,503</u>	<u>0</u>
Net Change in Fund Balances	47,396	95,292
Fund Balances - Beginning	351,697	1,598,771
Fund Balances - Ending	<u><u>\$399,093</u></u>	<u><u>\$1,694,063</u></u>

NOTUS SCHOOL DISTRICT NO. 135
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2023

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 \$95,292

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. (110,181)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (17,934)

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. 229,573

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 1,925

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. (153,185)

Change in Net Position of Governmental Activities \$45,490

NOTUS SCHOOL DISTRICT NO. 135
Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Notus School District No. 135 (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 Canyon 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.

NOTUS SCHOOL DISTRICT NO. 135

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.

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.

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 \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition

NOTUS SCHOOL DISTRICT NO. 135

Notes to Financial Statements

value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method.

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

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

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

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

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

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

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Notes to Financial Statements

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

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

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

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

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

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

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

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

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.

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Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$223,644
Investments - Local Gov't Investment Pool	<u>1,797,411</u>
Total	<u><u>\$2,021,055</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$223,644 and the bank balances were \$250,733. Of the bank balances, \$250,000 was insured, and the remainder was uninsured and uncollateralized.

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

Interest rate risk:

<u>Investment Type</u>	<u>Investment Maturity Schedule (In Years)</u>	
	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	<u>\$1,797,411</u>	<u>\$1,797,411</u>
Total	<u><u>\$1,797,411</u></u>	<u><u>\$1,797,411</u></u>

Credit rate risk:

<u>Investment Type</u>	<u>Investment Rating Schedule</u>	
	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	<u>\$1,797,411</u>	<u>\$1,797,411</u>
Total	<u><u>\$1,797,411</u></u>	<u><u>\$1,797,411</u></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 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.

NOTUS SCHOOL DISTRICT NO. 135
Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Local Sources					
Local Taxes	\$71,296		\$62,318	\$61,169	\$194,783
Other Local Sources	615	\$35,157			35,772
Total	<u>\$71,911</u>	<u>\$35,157</u>	<u>\$62,318</u>	<u>\$61,169</u>	<u>\$230,555</u>
State Sources					
Foundation Program	\$64,311				\$64,311
Special Programs		\$3,750			3,750
Total	<u>\$64,311</u>	<u>\$3,750</u>			<u>\$68,061</u>
Federal Sources					
Special Programs		\$460,342			\$460,342
Total		<u>\$460,342</u>			<u>\$460,342</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	\$10,000			\$10,000
Total	<u>10,000</u>	<u>\$0</u>	<u>\$0</u>	<u>10,000</u>
Depreciable Capital Assets				
Buildings	7,763,484			7,763,484
Equipment	567,258	80,464		647,722
Transportation	673,785			673,785
Subtotal	<u>9,004,527</u>	<u>80,464</u>	<u>0</u>	<u>9,084,991</u>
Accumulated Depreciation				
Buildings	2,607,316	155,270		2,762,586
Equipment	567,258	8,046		575,304
Transportation	563,009	27,329		590,338
Subtotal	<u>3,737,583</u>	<u>190,645</u>	<u>0</u>	<u>3,928,228</u>
Total	<u>5,266,944</u>	<u>(110,181)</u>	<u>0</u>	<u>5,156,763</u>
Net Capital Assets	<u>\$5,276,944</u>	<u>(\$110,181)</u>	<u>\$0</u>	<u>\$5,166,763</u>

Depreciation expense of \$190,645 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>
2015 - \$4,705,000 - general obligation bonds for capital improvements due in annual principal installments and semiannual interest payments with interest at 2.00% - 3.30% through 2035/36, secured by future taxes, paid through the bond redemption and interest fund	<u>\$3,550,000</u>
Total	<u>\$3,550,000</u>

NOTUS SCHOOL DISTRICT NO. 135
Notes to Financial Statements

Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/24	\$225,000	\$106,960
6/30/25	235,000	100,060
6/30/26	240,000	92,935
6/30/27	250,000	85,585
6/30/28	255,000	78,010
6/30/29-33	1,400,000	266,869
6/30/34-36	945,000	47,049
Total	<u><u>\$3,550,000</u></u>	<u><u>\$777,468</u></u>

Changes in long-term liabilities are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2015 G.O. Bonds	\$3,770,000		\$220,000	\$3,550,000	\$225,000
Bond Premium	134,029		9,573	124,456	9,573
Net Pension Liability	0	\$1,981,729		1,981,729	-
Total	<u><u>\$3,904,029</u></u>	<u><u>\$1,981,729</u></u>	<u><u>\$229,573</u></u>	<u><u>\$5,656,185</u></u>	<u><u>\$234,573</u></u>

Interest and related costs during the year amounted to \$102,587 and was charged to the debt service – interest program.

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

NOTUS SCHOOL DISTRICT NO. 135

Notes to Financial Statements

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 \$245,208 for the year ended June 30, 2023.

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 0.05031356 percent.

For the year ended June 30, 2023, the School recognized pension revenue (expense) of (\$398,393). 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	\$217,918	\$8,845
Changes in assumptions or other inputs	323,081	
Net difference between projected and actual earnings on pension plan investments	455,972	
Employer contributions subsequent to the measurement date	245,208	
Total	<u>\$1,242,179</u>	<u>\$8,845</u>

NOTUS SCHOOL DISTRICT NO. 135

Notes to Financial Statements

\$245,208 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	(\$236,297)
6/30/25	(256,523)
6/30/26	(118,642)
6/30/27	<u>(376,665)</u>
Total	<u>(\$988,127)</u>

Actuarial assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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.

NOTUS SCHOOL DISTRICT NO. 135

Notes to Financial Statements

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.

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.

NOTUS SCHOOL DISTRICT NO. 135
Notes to Financial Statements

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

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

	1% Decrease	Current Discount Rate	1% Increase
	(5.35%)	(6.35%)	(7.35%)
School's proportionate share of the net pension liability	<u>\$3,497,558</u>	<u>\$1,981,729</u>	<u>\$741,063</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 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

Interfund balances at year end consist of the following:

	Due From Fund	
Due To Fund	Nonmajor Governmental	Total
General	\$63,276	\$63,276
Total	<u>\$63,276</u>	<u>\$63,276</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.

NOTUS SCHOOL DISTRICT NO. 135

Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$23,503	Depreciation, Support
Nonmajor Governmental	\$23,503		Depreciation, Support
Total	<u>\$23,503</u>	<u>\$23,503</u>	

H. CANYON OWYHEE SCHOOL SERVICE AGENCY

The School is involved in a cooperative effort with the Homedale, Marsing, Parma, and Wilder School Districts to provide special and vocational education to the School's students through the Canyon Owyhee School Service Agency (COSSA). During the year, the School paid COSSA \$367,255 for instruction of School students served by COSSA.

I. 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.

NOTUS SCHOOL DISTRICT NO. 135
Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2023

General Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			Amounts
	Original	Final		Positive
				(Negative)
Revenues				
Local Taxes	\$331,481	\$274,787	\$291,192	\$16,405
Other Local Revenue	20,000	100,976	108,735	7,759
State Revenue	2,724,385	2,799,375	2,815,378	16,003
Federal Revenue	0	0	2,500	2,500
Total Revenues	3,075,866	3,175,138	3,217,805	42,667
Expenditures				
Instructional Programs				
Elementary School	606,804	562,989	578,179	(15,190)
Secondary School	993,432	884,150	851,367	32,783
Special Education	290,967	290,967	277,265	13,702
Special Education Preschool	0	0	0	0
Interscholastic	0	0	0	0
School Activity	80,245	99,208	95,538	3,670
Summer School	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	148,085	146,147	136,951	9,196
Instruction Improvement	0	0	0	0
Board of Education	27,163	50,680	40,595	10,085
District Administration	336,608	313,658	289,427	24,231
School Administration	179,470	188,508	191,264	(2,756)
Business Operation	82,811	82,811	90,191	(7,380)
Buildings - Care	158,657	158,657	198,140	(39,483)
Maintenance - Student Occupied	0	0	0	0
Pupil-To-School Transportation	141,396	156,989	119,351	37,638
Pupil-Activity Transportation	9,250	9,250	5,196	4,054
Non-Instructional Programs				
Child Nutrition	5,588	5,588	5,629	(41)
Community Services	0	0	0	0
Student Activity	0	0	0	0
Capital Assets - Student Occupied	153,793	150,000	0	150,000
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	3,214,269	3,099,602	2,879,093	220,509 *
Excess (Deficiency) of Revenues				
Over Expenditures	(138,403)	75,536	338,712	263,176
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(15,390)	(21,812)	(23,503)	(1,691) *
Total Other Financing Sources (Uses)	(15,390)	(21,812)	(23,503)	(1,691)
Net Change in Fund Balances	(153,793)	53,724	315,209	261,485
Fund Balances - Beginning	552,985	241,811	241,811	0
Fund Balances - Ending	\$399,192	\$295,535	\$557,020	\$261,485

**Total expenditures (over) under appropriations are: \$218,818*

NOTUS SCHOOL DISTRICT NO. 135
 Budgetary Comparison Schedule -
 General and Major Special Revenue Funds
 Year Ended June 30, 2023

Child Nutrition Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			
	Original	Final		Positive
				(Negative)
Revenues				
Other Local Revenue	\$2,300	\$34,992	\$42,327	\$7,335
Federal Revenue	171,000	171,000	189,900	18,900
Total Revenues	<u>173,300</u>	<u>205,992</u>	<u>232,227</u>	<u>26,235</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	216,092	273,845	244,476	29,369
Total Expenditures	<u>216,092</u>	<u>273,845</u>	<u>244,476</u>	<u>29,369</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	(42,792)	(67,853)	(12,249)	55,604
Other Financing Sources (Uses)				
Transfers In	11,305	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>11,305</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>(31,487)</u>	<u>(67,853)</u>	<u>(12,249)</u>	<u>55,604</u>
Fund Balances - Beginning	<u>31,487</u>	<u>67,853</u>	<u>67,853</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$55,604</u>	<u>\$55,604</u>
				<u>\$29,369</u>

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

NOTUS SCHOOL DISTRICT NO. 135
Schedule of Employer's Share of Net Pension Asset and Liability
and Schedule of Employer Contributions
PERSI - Base Plan

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

Fiscal Year Ended June 30	Employer's Portion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Employer's Proportional Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability
2015	0.05732900%	\$422,031	\$1,553,118	27.17%	94.95%
2016	0.05693630%	\$749,758	\$1,559,664	48.07%	91.38%
2017	0.05948700%	\$1,205,893	\$1,705,936	70.69%	87.26%
2018	0.06319350%	\$993,293	\$1,942,853	51.13%	90.68%
2019	0.06241010%	\$920,560	\$1,962,633	46.90%	91.69%
2020	0.06078340%	\$693,826	\$2,064,443	33.61%	93.79%
2021	0.06168080%	\$1,432,310	\$2,170,494	65.99%	88.22%
2022	0.05955457%	(\$47,035)	\$2,222,119	-2.12%	100.36%
2023	0.05031356%	\$1,981,729	\$2,120,821	93.44%	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	\$176,554	\$176,554	\$0	\$1,559,664	11.32%
2016	\$193,112	\$193,112	\$0	\$1,705,936	11.32%
2017	\$219,931	\$219,931	\$0	\$1,942,853	11.32%
2018	\$222,170	\$222,170	\$0	\$1,962,633	11.32%
2019	\$233,695	\$233,695	\$0	\$2,064,443	11.32%
2020	\$259,157	\$259,157	\$0	\$2,170,494	11.94%
2021	\$265,321	\$265,321	\$0	\$2,222,119	11.94%
2022	\$253,226	\$253,226	\$0	\$2,120,821	11.94%
2023	\$245,208	\$245,208	\$0	\$2,053,668	11.94%

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

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	PBIS Grant	Preschool Grant	Albertsons	Community Schools Grant
Assets				
Cash & Investments	\$7,745		\$37,903	\$44,603
Receivables:				
Local Sources		\$34,500		
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$7,745	\$34,500	\$37,903	\$44,603
Liabilities				
Accounts Payable				
Due To Other Funds		\$5,324		
Salaries & Benefits Payable		4,465		\$3,896
Unspent Grant Allocation				
Total Liabilities	\$0	9,789	\$0	3,896
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	7,745	24,711	37,903	40,707
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	7,745	24,711	37,903	40,707
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$7,745	\$34,500	\$37,903	\$44,603

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Local Special Projects	Rural Arts Grant	Out Of School STEM	Student Activity
Assets				
Cash & Investments	\$68,315	\$8,704	\$2,852	\$116,449
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$68,315</u>	<u>\$8,704</u>	<u>\$2,852</u>	<u>\$116,449</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</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				
Restricted:				
Special Programs	68,315	8,704	2,852	116,449
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>68,315</u>	<u>8,704</u>	<u>2,852</u>	<u>116,449</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$68,315</u>	<u>\$8,704</u>	<u>\$2,852</u>	<u>\$116,449</u>

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Driver Education	Mastery Based System Development	Professional Technical	Technology
Assets				
Cash & Investments	\$2,383		\$10,407	
Receivables:				
Local Sources	125			
State Sources	3,750			
Federal Sources				
Due From Other Funds				
Total Assets	\$6,258	\$0	\$10,407	\$0
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable	\$2,604		\$8,216	
Unspent Grant Allocation				
Total Liabilities	2,604	\$0	8,216	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	3,654		2,191	
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	3,654	0	2,191	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$6,258	\$0	\$10,407	\$0

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Substance Abuse	ESSER III	Title I-A ESSA IBP	ESSER I
Assets				
Cash & Investments	\$12,887			
Receivables:				
Local Sources				
State Sources				
Federal Sources		\$272,924	\$37,393	
Due From Other Funds				
Total Assets	\$12,887	\$272,924	\$37,393	\$0
Liabilities				
Accounts Payable				
Due To Other Funds		\$27,089	\$5,168	
Salaries & Benefits Payable		53,922	8,180	
Unspent Grant Allocation		191,913	24,045	
Total Liabilities	\$0	272,924	37,393	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	12,887			
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	12,887	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$12,887	\$272,924	\$37,393	\$0

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
		Title IV-A	Title V-B	Title II-A
	ESSER II	ESSA SS&AE	ESSA REI	ESSA SEI
Assets				
Cash & Investments		\$3,732		
Receivables:				
Local Sources				
State Sources				
Federal Sources		10,791	\$18,349	\$27,006
Due From Other Funds				
Total Assets	\$0	\$14,523	\$18,349	\$27,006
Liabilities				
Accounts Payable				
Due To Other Funds				\$15,031
Salaries & Benefits Payable		\$4,189		
Unspent Grant Allocation		10,334	\$18,349	11,975
Total Liabilities	\$0	14,523	18,349	27,006
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$0	\$14,523	\$18,349	\$27,006

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Gear Up	Cultivating Readers	SLFRF	Title IV-B ESSA 21st CCLC
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$28,460	\$10,950		\$52,588
Due From Other Funds				
Total Assets	\$28,460	\$10,950	\$0	\$52,588
Liabilities				
Accounts Payable				
Due To Other Funds				\$10,664
Salaries & Benefits Payable				
Unspent Grant Allocation	\$28,460	\$10,950		41,924
Total Liabilities	28,460	10,950	\$0	52,588
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$28,460	\$10,950	\$0	\$52,588

NOTUS SCHOOL DISTRICT NO. 135
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Capital Projects	
	Bus Depreciation	Total
Assets		
Cash & Investments	\$72,975	\$388,955
Receivables:		
Local Sources		34,625
State Sources		3,750
Federal Sources		458,461
Due From Other Funds		0
Total Assets	\$72,975	\$885,791
Liabilities		
Accounts Payable		\$0
Due To Other Funds		63,276
Salaries & Benefits Payable		85,472
Unspent Grant Allocation		337,950
Total Liabilities	\$0	486,698
Deferred Inflows of Resources		
Unavailable Tax Revenues		0
Total Deferred Inflows of Resources	0	0
Fund Balances		
Restricted:		
Special Programs		326,118
Debt Service		0
Capital Projects	72,975	72,975
Unassigned		0
Total Fund Balances	72,975	399,093
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$72,975	\$885,791

NOTUS SCHOOL DISTRICT NO. 135
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			
	<u>PBIS Grant</u>	<u>Preschool Grant</u>	<u>Albertsons</u>	<u>Community Schools Grant</u>
Revenues				
Local Taxes				
Other Local Revenue	\$35,500	\$37,615		\$62,400
State Revenue				
Federal Revenue				
Total Revenues	<u>35,500</u>	<u>37,615</u>	<u>\$0</u>	<u>62,400</u>
Expenditures				
Instructional Programs				
Elementary School				36,354
Secondary School				
Special Education				
Special Education Preschool		43,335		
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement	27,755			
Board of Education				
District Administration			4,487	
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>27,755</u>	<u>43,335</u>	<u>4,487</u>	<u>36,354</u>
Excess (Deficiency) of Revenues Over Expenditures	7,745	(5,720)	(4,487)	26,046
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	7,745	(5,720)	(4,487)	26,046
Fund Balances - Beginning	<u>0</u>	<u>30,431</u>	<u>42,390</u>	<u>14,661</u>
Fund Balances - Ending	<u>\$7,745</u>	<u>\$24,711</u>	<u>\$37,903</u>	<u>\$40,707</u>

NOTUS SCHOOL DISTRICT NO. 135
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	Special Revenue Funds			
	Local Special Projects	Rural Arts Grant	Out Of School STEM	Student Activity
Revenues				
Local Taxes				
Other Local Revenue	\$26,950		\$12,128	\$114,351
State Revenue				
Federal Revenue				
Total Revenues	<u>26,950</u>	<u>\$0</u>	<u>12,128</u>	<u>114,351</u>
Expenditures				
Instructional Programs				
Elementary School	12,447			
Secondary School		6,296		
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement			9,276	
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				103,533
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>12,447</u>	<u>6,296</u>	<u>9,276</u>	<u>103,533</u>
Excess (Deficiency) of Revenues Over Expenditures	14,503	(6,296)	2,852	10,818
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	14,503	(6,296)	2,852	10,818
Fund Balances - Beginning	53,812	15,000	0	105,631
Fund Balances - Ending	<u>\$68,315</u>	<u>\$8,704</u>	<u>\$2,852</u>	<u>\$116,449</u>

NOTUS SCHOOL DISTRICT NO. 135
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	Special Revenue Funds			
	Driver Education	Mastery Based System Development	Professional Technical	Technology
Revenues				
Local Taxes				
Other Local Revenue	\$5,850			\$1,794
State Revenue	3,750	\$8,328	\$142,340	60,317
Federal Revenue				
Total Revenues	<u>9,600</u>	<u>8,328</u>	<u>142,340</u>	<u>62,111</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	8,888		140,149	
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement		8,328		81,934
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>8,888</u>	<u>8,328</u>	<u>140,149</u>	<u>81,934</u>
Excess (Deficiency) of Revenues Over Expenditures	712	0	2,191	(19,823)
Other Financing Sources (Uses)				
Transfers In				13,130
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,130</u>
Net Change in Fund Balances	712	0	2,191	(6,693)
Fund Balances - Beginning	2,942	0	0	6,693
Fund Balances - Ending	<u>\$3,654</u>	<u>\$0</u>	<u>\$2,191</u>	<u>\$0</u>

NOTUS SCHOOL DISTRICT NO. 135
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	Substance Abuse	ESSER III	Title I-A ESSA IBP	ESSER I
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$5,515			
Federal Revenue		\$397,856	\$49,912	\$3,082
Total Revenues	<u>5,515</u>	<u>397,856</u>	<u>49,912</u>	<u>3,082</u>
Expenditures				
Instructional Programs				
Elementary School			49,912	
Secondary School				
Special Education				
Special Education Preschool				
Interscholastic	10,163			
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement		397,856		3,082
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>10,163</u>	<u>397,856</u>	<u>49,912</u>	<u>3,082</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,648)	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	(4,648)	0	0	0
Fund Balances - Beginning	17,535	0	0	0
Fund Balances - Ending	<u>\$12,887</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NOTUS SCHOOL DISTRICT NO. 135
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	Special Revenue Funds			
	ESSER II	Title IV-A ESSA SS&AE	Title V-B ESSA REI	
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$90,570	\$5,355	\$57,395	\$9,287
Total Revenues	<u>90,570</u>	<u>5,355</u>	<u>57,395</u>	<u>9,287</u>
Expenditures				
Instructional Programs				
Elementary School		5,355	42,757	9,287
Secondary School			14,638	
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement	90,570			
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>90,570</u>	<u>5,355</u>	<u>57,395</u>	<u>9,287</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	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NOTUS SCHOOL DISTRICT NO. 135
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2023

	Special Revenue Funds			
	Gear Up	Cultivating Readers	SLFRF	Title IV-B ESSA 21st CCLC
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$34,154	\$4,425	\$52,896	\$111,258
Total Revenues	<u>34,154</u>	<u>4,425</u>	<u>52,896</u>	<u>111,258</u>
Expenditures				
Instructional Programs				
Elementary School		4,425		111,258
Secondary School	34,154			
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Instruction Improvement			52,896	
Board of Education				
District Administration				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Student Activity				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>34,154</u>	<u>4,425</u>	<u>52,896</u>	<u>111,258</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>

NOTUS SCHOOL DISTRICT NO. 135
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023

	Capital Projects	
	Bus Depreciation	Total
Revenues		
Local Taxes		\$0
Other Local Revenue		296,588
State Revenue		220,250
Federal Revenue		816,190
Total Revenues	\$0	1,333,028
Expenditures		
Instructional Programs		
Elementary School		271,795
Secondary School		204,125
Special Education		0
Special Education Preschool		43,335
Interscholastic		10,163
School Activity		0
Summer School		0
Support Service Programs		
Attendance - Guidance - Health		0
Instruction Improvement		671,697
Board of Education		0
District Administration		4,487
School Administration		0
Business Operation		0
Buildings - Care		0
Maintenance - Student Occupied		0
Pupil-To-School Transportation		0
Pupil-Activity Transportation		0
Non-Instructional Programs		
Child Nutrition		0
Community Services		0
Student Activity		103,533
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
Total Expenditures	0	1,309,135
Excess (Deficiency) of Revenues Over Expenditures	0	23,893
Other Financing Sources (Uses)		
Transfers In	10,373	23,503
Transfers Out		0
Total Other Financing Sources (Uses)	10,373	23,503
Net Change in Fund Balances	10,373	47,396
Fund Balances - Beginning	62,602	351,697
Fund Balances - Ending	\$72,975	\$399,093

NOTUS SCHOOL DISTRICT NO. 135
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	\$38,996
National School Lunch Program*	10.555	202222/202323N119947	150,904
Total Child Nutrition Cluster			<u>189,900</u>
Total US Dept of Agriculture			<u>189,900</u>
US Dept of Treasury			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Fund	21.027	SLFRP0142	52,896
Total US Dept of Treasury			<u>52,896</u>
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Title I Grants to Local Educational Agencies	84.010A	S010A21/220012	49,912
Twenty-First Century Community Learning Centers	84.287A	S287C21/220012	111,258
Special Education - State Personnel Development	84.323A	H323A200002	4,425
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334A	P334S180012	34,154
Rural Education	84.358A	S358A220849	57,395
Supporting Effective Instruction State Grants	84.367A	S367A210011	9,287
Student Support & Academic Enrichment	84.424A	S424A210013	5,355
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D20/210043	93,652
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	S425U210043	392,918
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund - Homeless Children and Youth	84.425W	S425W210013	4,938
Total	84.425		<u>491,508</u>
Total US Dept of Education			<u>763,294</u>
US Dept of Health & Human Services			
<i>Passed Through Idaho Dept of Education:</i>			
COVID-19 - Substance Abuse and Mental Health Survices Projects of Regional and National Significance	93.243	H79SM082129	2,500
Total US Dept of Health & Human Services			<u>2,500</u>
Total Expenditures of Federal Awards			<u>\$1,008,590</u>

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 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

*C. **Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$17,170.



**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
Notus School District No. 135

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 Notus School District No. 135 (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 2, 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 2, 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
Notus School District No. 135

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Notus School District No. 135’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 2, 2023

NOTUS SCHOOL DISTRICT NO. 135
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:

- a. 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