JOINT SCHOOL DISTRICT NO. 171

FINANCIAL STATEMENTS

Year Ended June 30, 2026

JOINT SCHOOL DISTRICT NO. 171

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PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Joint School District No. 171
Orofino, Idaho

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 the Joint School District No. 171, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Joint School District No. 171's basic financial statements as listed in the table of contents.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint School District No. 171, as of June 30, 2026, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint School District No. 171, as of June 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Joint School District No. 171 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 qualified and unmodified audit opinions.

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Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Matter Giving Rise to Qualified Opinion on the Governmental Activities

Management has not recorded a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, which would increase the liabilities, decrease the net position in the statement of net position, and increase expenses in the statement of activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Joint School District No. 171's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Joint School District No. 171'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 Joint School District No. 171's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 13, and the schedules of pension and OPEB funding and budgetary comparison information on pages 46 through 51, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Joint School District No. 171's basic financial statements. The supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, 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.

Reports on Summarized Comparative Information

We have previously audited the Joint School District No. 171's 2025 and 2024 financial statements, and we expressed qualified audit opinions on the financial statements of each major fund and the aggregate remaining fund information in our reports dated October 20, 2025 and October 21, 2024. We qualified our opinions on the financial statements of the governmental activities for the omission of a liability for the implicit rate subsidy of the retiree healthcare. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2026, on our consideration of the Joint School District No. 171's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Joint School District No. 171'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 Joint School District No. 171's internal control over financial reporting and compliance.

October 19, 2026
Lewiston, Idaho

Our discussion and analysis of the School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2026.

USING THIS ANNUAL REPORT

This annual report consists of four distinct series of financial statements: the District-wide financial statements, the fund financial statements, the fiduciary financial statements, and supplementary information.

- The statement of net position and the statement of activities (on pages 14 and 15), provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (on pages 16 through 22), also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

- The fiduciary funds (on pages 23 and 24), provide information about activities for which the District acts solely as a trustee.

- The remaining statements and schedules provide information about major funds within the District and the results of their operations compared to budget.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that may help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position—the difference between assets and the liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and student enrollment to assess the overall health of the District.

Financial Highlights

- Total District assets amount to $24,834,721 vs. $22,282,692 in 2025. This includes $7,341,075 in noncurrent assets (which includes $6,903,164 in capital assets, $437,911 OPEB asset). In addition, the District reflects $2,041,953 in deferred outflows related to PERSI (vs. $2,594,000 in 2025).

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

Financial Highlights (Continued)

- Total District liabilities amount to $11,268,622 vs. $14,170,108 in 2025. Liabilities are primarily salary, benefits, and taxes due of $1,606,418 in July and August ($1,585,945 in 2025) for employees working the prior year plus $4,220,406 for PERSI net pension liability ($7,021,708 liability in 2025). In addition, the District reflects $2,028,750 in deferred inflows related to PERSI ($(26,545) in 2025). The District also reflects $5,349,581 in school modernization facilities fund that started in 2025.

- The District's net position changed by $2,846,173 to a total of $13,579,302 in fiscal year 2026. This is compared to $785,755 in 2025.

- The total cost of District operations amounted to $19,106,597, a change from $18,849,661 in 2025.

- District revenue amounted to $21,952,770, a change from $19,635,416 in 2025.

TABLE 1 – FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2025 expenses:

Expenditures were up in 2026 primarily due to instructional, regular, and special programs and support services maintenance and operations.

	2026	2025	Increase (Decrease)
Program Expenses			
Instruction			
Regular programs	$ 6,998,936	$ 6,574,880	$ 424,056
Special programs	1,634,517	1,434,320	200,197
Interscholastic and school activity	326,073	256,426	69,647
Total instruction	8,959,526	8,265,626	693,900
Support services			
Pupil support	1,096,908	994,831	102,077
Staff support	3,630,517	3,627,105	3,412
General administration	280,992	262,640	18,352
School administration	864,353	913,180	(48,827)
Business services	289,011	280,441	8,570
Maintenance and operations	1,765,175	1,196,153	569,022
Transportation	1,077,487	1,126,110	(48,623)
Other support services	7,394	7,302	92
Total support services	9,011,837	8,407,762	604,075
Food services	876,793	963,703	(86,910)
Community services	5,223	5,916	(693)
Student activity	451,048	482,445	(31,397)
PERSI retirement actuarial charges	(197,830)	724,209	(922,039)
Total governmental activities	$ 19,106,597	$ 18,849,661	$ 256,936

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

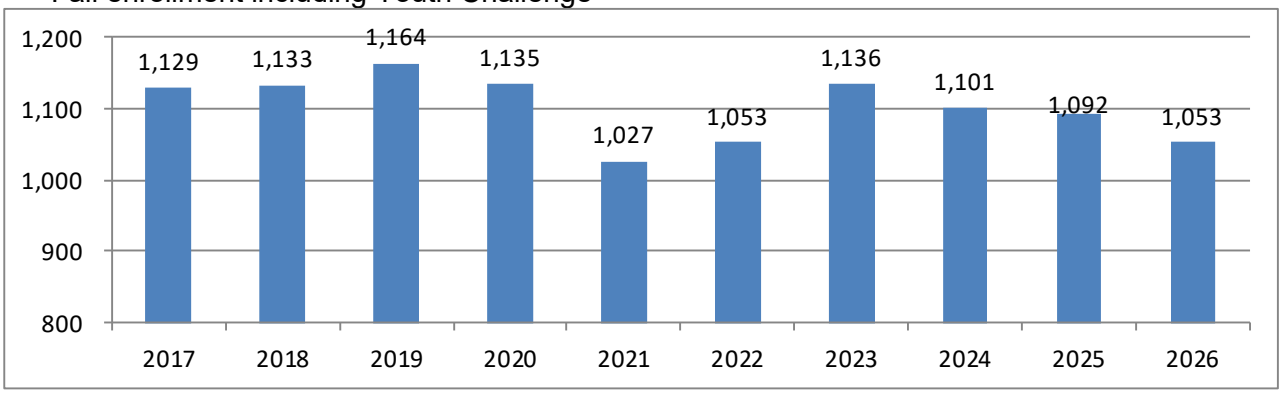
TABLE 2 – FOUNDATION PROGRAM REVENUE

Foundation program revenue from the State of Idaho remains the District's primary revenue source. For 2025-2026, District revenue increased by $1,187,791 primarily due to increased funding in salary apportionment.

The funding formula for the State Foundation Program revenue is largely dependent on student ADA. Fall enrollment has changed from 1,129 students, 9 years ago to 1,053 in 2025-2026. The 2014 opening of the Youth Challenge Program is a contributing factor to the count of ADA in students since then.

	2026	2025	2026 vs. 2025
State Foundation Program			
State salary apportionment	$ 8,172,531	$ 7,187,522	$ 985,009
State transportation funding	693,171	658,545	34,626
Entitlement	3,445,702	3,425,636	20,066
Other	728,819	580,729	148,090
Total State Foundation Program	$ 13,040,223	$ 11,852,432	$ 1,187,791

Fall enrollment including Youth Challenge



THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

TABLE 3 – TOTAL REVENUE

The following table compares 2026 revenue to 2025 revenue.

	2026	2025	2026 vs. 2025
Total Revenue			
Program Revenue			
Charges for services	$ 612,219	$ 642,578	$ (30,359)
Federal and state funds	3,541,381	3,542,338	(957)
Total program revenue	4,153,600	4,184,916	(31,316)
General Revenue			
Property Taxes	1,740,011	2,187,633	(447,622)
Federal funds	886,386	98,844	787,542
State funds	13,999,832	12,409,773	1,590,059
Other revenue	1,172,941	754,250	418,691
Total general revenue	17,799,170	15,450,500	2,348,670
Total revenue	$ 21,952,770	$ 19,635,416	$ 2,317,354

Net Pension Liability. The District recognized a net pension liability of $4,220,406 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 91 percent of the pension obligation. The District recognized deferred outflows of $1,895,308 for payments made towards the net pension liability and deferred inflows of $1,827,070 for the District's share of earnings in excess of the minimum expectation by PERSI.

Net OPEB Asset. The District recognized a net OPEB asset of $437,911 for its share of PERSI's net OPEB asset for the sick leave plan. PERSI is one of the strongest retirement systems in the nation, with funding at approximately 126 percent of the OPEB obligation. The District recognized deferred outflows of $146,645 for payments made to increase the net OPEB asset and deferred inflows of $201,680 for the District's share of earnings in excess of the minimum expectation by PERSI.

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

Governmental funds—All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Proprietary funds—The District started a Medical Benefit Pool in 2009-2010, which is accounted for as a proprietary fund. This fund is reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when cash is received or paid.

Fiduciary funds—The District is the fiduciary for scholarship trusts. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position on page 23. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Highlights

- The fund balance for the governmental funds—the part of net position that can be used to finance day-to-day operations—changed by $2,316,952 to $7,688,522, at June 30, 2026 (vs. $1,320,118 in 2025). The fund balance has amounts set aside as restricted, committed, and assigned for various purposes. See the financial statements for how the fund balances are allocated.

- Total revenues changed from ($19,642,749 in 2025) to $21,968,560; while expenditures changed from ($18,322,631 in 2025) to $19,651,608.

The District continues to face the challenge of adequate state funding. However, state foundation funding increased in 2026 due to increased funding in salary apportionment. The Supplemental Levy remained the same for 2026, $2,685,000.

The District continues to hold the line on budgeted expenditures where possible as well as continuing a four-day school week. The largest cost to the District has been and will be salaries and benefits. The District continues to experience increases in salary and benefit expense in order to remain competitive. The District will again proceed with a four-day school week for 2026-27.

The District's base property tax was eliminated through the change in the state funding formula in 2006. However, patrons approved a supplemental tax levy of $2,685,000 for 2026-27.

The District has historically used the Forest Reserve Fund to supplement the deficit in the other District funds. The District made a transfer of $0 (vs. $0 in 2025) to other funds to balance the budget, and has a remaining balance of $3,291,534 ($2,440,330 in 2025). The District receives a substantial amount of Forest Reserve Fund revenue, which was temporarily underwritten by the Craig-Wyden legislation guaranteeing districts a comparable amount of revenue relative to base years before timber harvesting was curtailed on the national forests. The amount received during 2026 was $749,551 ($46,474 in 2025). Terms for the future renewal of the Craig-Wyden support is uncertain. It is the hope of the District to not transfer these funds to pick up shortfalls until the forest funds are renewed.

FUND FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

The School Lunch Fund operated at a net loss of $150,134 for the year. The balance was reimbursed from the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2026, the District had $6,903,164 invested in capital assets, net of accumulated depreciation. This includes buildings, computer equipment, and major school equipment and is an increase of $77,502 from the prior year. Current year depreciation of $559,665 ($560,501 in 2025) was less than capital purchases of $637,167 ($524,525 in 2025). More detailed information about the District's capital assets is presented in Notes 1 and 6 to the financial statements. The primary capital asset purchases in 2025-26 were for vehicle, bus purchases and School building improvements and additions.

Debt

The District has no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2027 budget, tax rates, and fees that will be charged to students. Personnel costs are tied to a state-wide salary index career ladder and certified staff and classified staff received an average 1.5 percent increase for 2027. The District has added no new major programs or initiatives to the 2027 budget. The Supplemental Levy will fund salaries and benefits for all staffing positions, maintenance and operations, and safety and security technology.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 208-476-5593, located in Orofino, Idaho.

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JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF NET POSITION
June 30, 2026

	Governmental Activities	Prior Year 2025	Prior Year 2024
ASSETS			
Current assets			
Cash	$ 532,673	$ 896,514	$ 931,860
Investments	15,423,396	12,882,116	5,205,979
Property taxes receivable	669,951	805,767	842,155
Accounts receivable	867,626	438,592	1,060,121
Total current assets	17,493,646	15,022,989	8,040,115
Noncurrent assets			
Net OPEB asset	437,911	434,041	353,714
Capital assets	16,795,918	16,332,926	15,808,401
Less accumulated depreciation	(9,892,754)	(9,507,264)	(8,946,763)
Total noncurrent assets	7,341,075	7,259,703	7,215,352
Total assets	24,834,721	22,282,692	15,255,467
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Plan	146,645	123,916	245,610
Defined benefit pension	1,895,308	2,470,084	3,765,579
Total deferred outflows of resources	2,041,953	2,594,000	4,011,189
LIABILITIES			
Current liabilities			
Accounts payable	92,217	58,136	128,301
Payroll and taxes payable	1,606,418	1,585,945	1,582,427
Accrued expenses	5,349,581	5,504,319	738
Total current liabilities	7,048,216	7,148,400	1,711,466
Noncurrent liabilities			
Net pension liability	4,220,406	7,021,708	7,462,611
Total noncurrent liabilities	4,220,406	7,021,708	7,462,611
Total liabilities	11,268,622	14,170,108	9,174,077
DEFERRED INFLOWS OF RESOURCES			
OPEB Plan	201,680	(154,001)	145,205
Defined benefit pension	1,827,070	127,456	
Total deferred inflows of resources	2,028,750	(26,545)	145,205
NET POSITION			
Invested in capital assets, net of related debt	6,903,164	6,825,662	6,861,638
Restricted for:			
Capital projects	52,628	67,720	5,766
Unrestricted	6,623,510	3,839,747	3,079,970
Total net position	$ 13,579,302	$ 10,733,129	$ 9,947,374

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Prior Year 2025	Prior year 2024
Instruction						
Regular programs	$ 6,998,936	$ 800	$ 1,342,261	$ (5,655,875)	$ (5,267,293)	$ (7,433,304)
Special programs	1,634,517		318,885	(1,315,632)	(1,025,648)	(914,139)
Interscholastic and school activity	326,073			(326,073)	(256,426)	(262,111)
Support services						
Pupil support	1,096,908		15,981	(1,080,927)	(951,754)	(870,096)
Staff support	3,630,517		657,823	(2,972,694)	(2,958,306)	(549,420)
General administration	280,992		1,645	(279,347)	(262,640)	(425,624)
School administration	864,353			(864,353)	(913,180)	(914,938)
Business services	289,011		1,659	(287,352)	(273,104)	(298,946)
Maintenance and operations	1,765,175			(1,765,175)	(1,196,153)	(1,722,783)
Transportation	1,077,487	3,028	693,171	(381,288)	(456,652)	(410,988)
Other support services	7,394		2,512	(4,882)	(7,302)	(5,543)
Food services	876,793	179,946	507,444	(189,403)	(350,964)	(200,282)
Community services	5,223			(5,223)	(5,916)	
Student activity	451,048	428,445		(22,603)	(15,198)	6,172
Debt services						(3,752)
PERSI actuarial charges	(197,830)			197,830	(724,209)	(1,098,728)
Total governmental activities	$ 19,106,597	$ 612,219	$ 3,541,381	(14,952,997)	(14,664,745)	(15,104,482)
General revenues:						
Property taxes, levied for general purposes				1,740,011	2,187,633	2,369,368
State base support				13,995,728	12,405,669	12,726,132
In lieu revenue				4,104	4,104	4,104
Other state and federal funding not restricted to specific programs				886,386	98,844	690,416
Interest and investment earnings				646,268	533,006	344,636
Other general revenues				526,673	221,244	155,480
				17,799,170	15,450,500	16,290,136
Change in net position				2,846,173	785,755	1,185,654
Net position, beginning				10,733,129	9,947,374	8,761,720
Net position, ending				$ 13,579,302	$ 10,733,129	$ 9,947,374

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Tax	School Plant Facility Bus Depreciation	School Plant Facility Reserve	School Modernization Facility	Other Governmental Funds	Total Governmental Funds	Prior year 2025	Prior year 2024
ASSETS												
Cash									$ 237,546	$ 237,546	$ 260,149	$ 275,347
Investments	$ 7,496,730	$ 2,481,354				$ 133,334		$ 5,281,482	4,209	15,397,109	12,856,874	5,181,915
Property taxes receivable	669,674				$ 277					669,951	805,767	842,155
Accounts receivable	228,479		$ 226,404	$ 19,563					393,180	867,626	438,592	1,060,121
Due from other funds		810,180		34,805	11,093				2,409,651	3,265,729	427,235	2,573,816
Total assets	$ 8,394,883	$ 3,291,534	$ 226,404	$ 54,368	$ 11,370	$ 133,334	$ 0	$ 5,281,482	$ 3,044,586	$ 20,437,961	$ 14,788,617	$ 9,933,354
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accounts payable	$ 22,423		$ 68,988	$ 619					$ 187	$ 92,217	$ 58,136	$ 127,571
Payroll and taxes payable	1,414,856		171	53,749					137,642	1,606,418	1,585,945	1,582,427
Due to other funds	5,148,863		157,245			$ 92,076		$ 23,521	163,858	5,585,563	2,136,152	4,030,159
Unearned revenue								5,257,961	91,620	5,349,581	5,504,319	738
Total liabilities	6,586,142	$ 0	226,404	54,368	$ 0	92,076	$ 0	5,281,482	393,307	12,633,779	9,284,552	5,740,895
DEFERRED INFLOWS OF RESOURCES												
Receivables not collected in 60 days	115,383				277					115,660	132,495	141,007
Total deferred inflows of resources	115,383	0	0	0	277	0	0	0	0	115,660	132,495	141,007
FUND BALANCES												
Restricted for capital improvements					11,093	41,258				52,351	65,930	
Committed for capital improvements		3,291,534							2,221,112	5,512,646	2,511,275	2,391,347
Assigned									430,167	430,167	383,538	389,199
Unassigned	1,693,358									1,693,358	2,410,827	1,270,906
Total fund balances	1,693,358	3,291,534	0	0	11,093	41,258	0	0	2,651,279	7,688,522	5,371,570	4,051,452
Total liabilities and fund balances	$ 8,394,883	$ 3,291,534	$ 226,404	$ 54,368	$ 11,370	$ 133,334	$ 0	$ 5,281,482	$ 3,044,586	$ 20,437,961	$ 14,788,617	$ 9,933,354

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	Total Governmental Funds	Prior Year 2025	Prior Year 2024
Total fund balances - Governmental Funds	$ 7,688,522	$ 5,371,570	$ 4,051,452
Amounts reported for governmental activities in the statement of net position are different because:			
Excess funding of long-term liabilities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Net OPEB asset	437,911	434,041	353,714
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	16,795,918	16,332,926	15,808,401
Accumulated depreciation	(9,892,754)	(9,507,264)	(8,946,763)
Property taxes receivable to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	115,660	132,495	141,007
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Deferred outflows	2,041,953	2,594,000	4,011,189
Deferred inflows	(2,028,750)	26,545	(145,205)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			
Net pension (liability) asset	(4,220,406)	(7,021,708)	(7,462,611)
An internal service fund is used by management to charge employee medical insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	2,641,248	2,370,524	2,136,190
Total net position - Governmental Activities	$ 13,579,302	$ 10,733,129	$ 9,947,374

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	General	Forest Reserve	Youth Challenge	School Lunch	School Plant Facility Tax	School Plant Facility Bus Depreciation	School Plant Facility Reserve	School Modernization Facility	Other Governmental Funds	Total Governmental Funds	Prior Year 2025	Prior Year 2024
REVENUES												
General property taxes	$ 1,755,357				$ 1,489					$ 1,756,846	$ 2,196,145	$ 2,386,886
State foundation program	12,626,511		$ 1,938,321					$ 123,652	$ 182,762	14,871,246	13,236,313	13,542,078
Other state revenue	4,104								281,506	285,610	197,982	492,059
Federal revenue		$ 749,551		$ 424,715					1,066,014	2,240,280	1,805,796	2,341,895
Charges for services				127,135					429,245	556,380	618,690	510,169
Earnings on investments	317,966	98,625				$ 5,300		220,840	167	642,898	529,677	340,884
Other revenues	81,432	3,028	953,840	76,550	9,604				490,846	1,615,300	1,058,146	1,171,480
Total revenues	14,785,370	851,204	2,892,161	628,400	11,093	5,300	$ 0	344,492	2,450,540	21,968,560	19,642,749	20,785,451
EXPENDITURES												
Instruction												
Regular programs	6,046,953		2,847,832						539,737	9,434,522	8,987,455	9,832,203
Special programs	1,334,855								299,662	1,634,517	1,434,320	1,311,244
Interscholastic and school activity	326,073									326,073	256,426	262,111
Support services												
Pupil support	1,090,451								6,457	1,096,908	994,831	934,754
Staff support	564,695								561,385	1,126,080	1,140,040	1,034,679
General administration	267,689								1,645	269,334	248,210	408,812
School administration	864,353									864,353	913,180	914,938
Business services	289,011									289,011	280,441	341,288
Maintenance and operations	1,414,616			376					108,301	1,523,293	1,283,375	1,747,474
Transportation	863,851									863,851	1,065,180	998,257
Other support services									7,394	7,394	7,302	5,543
Food services	95,302			778,158						873,460	959,204	907,381
Community services									5,223	5,223	5,916	
Student activity									451,048	451,048	482,445	360,180
Debt services												169,975
Capital outlay	4,023					162,642		344,492	375,384	886,541	264,306	337,553
Total expenditures	13,161,872	0	2,847,832	778,534	0	162,642	0	344,492	2,356,236	19,651,608	18,322,631	19,566,392
EXCESS OF REVENUES OVER EXPENDITURES	1,623,498	851,204	44,329	(150,134)	11,093	(157,342)	0	0	94,304	2,316,952	1,320,118	1,219,059
OTHER FINANCING SOURCES (USES)												
Transfers from other funds	96,172		671	150,134		198,600			2,153,664	2,599,241	389,335	341,056
Transfers to other funds	(2,437,139)		(45,000)				(65,930)		(51,172)	(2,599,241)	(389,335)	(341,056)
Total other financing sources (uses)	(2,340,967)	0	(44,329)	150,134	0	198,600	(65,930)	0	2,102,492	0	0	0
NET CHANGE IN FUND BALANCES	(717,469)	851,204	0	0	11,093	41,258	(65,930)	0	2,196,796	2,316,952	1,320,118	1,219,059
FUND BALANCES AT BEGINNING OF YEAR	2,410,827	2,440,330	0	0	0	0	65,930	0	454,483	5,371,570	4,051,452	2,832,393
FUND BALANCES AT END OF YEAR	$ 1,693,358	$ 3,291,534	$ 0	$ 0	$ 11,093	$ 41,258	$ 0	$ 0	$ 2,651,279	$ 7,688,522	$ 5,371,570	$ 4,051,452

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2026

	Total Governmental Funds	Prior Year 2025	Prior Year 2024
Net change in fund balances - Total Governmental Funds	$ 2,316,952	$ 1,320,118	$ 1,219,059
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:			
Current year capital outlay	637,167	524,525	1,232,670
Current year depreciation	(559,665)	(560,501)	(564,601)
Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the repayment of funds is reflected as a payment of outstanding long-term debt:			
Current year repayment of long-term debt			166,223
Some revenues will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues:			
Current year taxes receivable	115,660	132,495	141,007
Prior year taxes receivable	(132,495)	(141,007)	(158,525)
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.			
Current year net pension liability, deferred outflows, and deferred inflows	526,912	(982,048)	(1,031,840)
Current year net OPEB asset, deferred outflows, and deferred inflows	(329,082)	257,839	(66,888)
An internal service fund is used by management to charge employee medical insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.	270,724	234,334	248,549
Change in net position - Governmental Activities	$ 2,846,173	$ 785,755	$ 1,185,654

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - PROPRIETARY FUNDS
June 30, 2026

	Governmental Activities		
	Internal Service Fund	Prior Year 2025	Prior Year 2024
ASSETS			
CURRENT ASSETS			
Cash	$ 295,127	$ 636,365	$ 656,513
Investments	26,287	25,242	24,064
Due from other funds	2,319,834	1,708,917	1,456,343
Total current assets	$ 2,641,248	$ 2,370,524	$ 2,136,920
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 0	$ 0	$ 730
Total current liabilities	0	0	730
NET POSITION			
Unrestricted	2,641,248	2,370,524	2,136,190
Total net position	2,641,248	2,370,524	2,136,190
Total liabilities and net position	$ 2,641,248	$ 2,370,524	$ 2,136,920

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
Year Ended June 30, 2026

	Governmental Activities		
	Internal Service Fund	Prior Year 2025	Prior Year 2024
REVENUES			
Interfund charges for medical insurance	$ 2,790,918	$ 2,642,377	$ 398,165
Total revenues	2,790,918	2,642,377	398,165
OPERATING EXPENSES			
Instruction improvement	2,368,667	2,244,883	8,929
Maintenance and operations	152,572	164,339	141,919
Total operating expenses	2,521,239	2,409,222	150,848
OPERATING INCOME	269,679	233,155	247,317
NONOPERATING REVENUES			
Earnings on investments	1,045	1,179	1,232
Total nonoperating revenues	1,045	1,179	1,232
CHANGE IN NET POSITION	270,724	234,334	248,549
NET POSITION AT BEGINNING OF YEAR	2,370,524	2,136,190	1,887,641
NET POSITION AT END OF YEAR	$ 2,641,248	$ 2,370,524	$ 2,136,190

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended June 30, 2026

	Governmental Activities		
	Internal Service Fund	Prior Year 2025	Prior Year 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund charges	$ 2,790,918	$ 2,642,377	$ 398,165
Cash paid for fund expenses	(2,521,239)	(2,409,952)	(150,118)
Net cash provided by operating activities	269,679	232,425	248,047
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to other funds	(610,917)	(252,574)	(382,862)
Purchase of investments	(1,045)	(1,178)	(1,232)
Interest received	1,045	1,179	1,232
Net cash provided (used) by investing activities	(610,917)	(252,573)	(382,862)
NET CHANGE IN CASH	(341,238)	(20,148)	(134,815)
CASH AT BEGINNING OF YEAR	636,365	656,513	791,328
CASH AT END OF YEAR	$ 295,127	$ 636,365	$ 656,513
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 269,679	$ 233,155	$ 247,317
Changes in accounts payable		(730)	730
Net cash provided by operating activities	$ 269,679	$ 232,425	$ 248,047

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2026

	Private-Purpose Trusts	Prior Year 2025	Prior Year 2024
ASSETS			
Current assets			
Investments	$ 26,751	$ 24,788	$ 23,246
Total current assets	26,751	24,788	23,246
Total assets	26,751	24,788	23,246
LIABILITIES			
Current liabilities			
Total current liabilities	0	0	0
Total liabilities	0	0	0
NET POSITION			
Unrestricted	26,751	24,788	23,246
Total net position	$ 26,751	$ 24,788	$ 23,246

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
Year Ended June 30, 2026

	Private-Purpose Trusts	Prior Year 2025	Prior Year 2024
ADDITIONS			
Earnings on investments	$ 3,022	$ 2,302	$ 2,084
Total additions	3,022	2,302	2,084
DEDUCTIONS			
Scholarships	1,059	760	1,080
Total deductions	1,059	760	1,080
Change in net position	1,963	1,542	1,004
Net position at beginning of year	24,788	23,246	22,242
NET POSITION AT END OF YEAR	$ 26,751	$ 24,788	$ 23,246

See accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Joint School District No. 171 conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies used by the District.

Reporting Entity. Joint School District No. 171 is based in Orofino, Idaho, and located primarily within Clearwater County but also includes part of Lewis and Nez Perce Counties. The District operates a kindergarten through twelve grade program through two high school facilities: Orofino High School and Timberline High School; and four elementary schools: Orofino Elementary, Timberline Schools Elementary, Cavendish Elementary, and Peck Elementary. Total District enrollment is approximately 1,053 students.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of that entity.

The District's reporting entity includes the District government and all the student activity funds for which the District exercises oversight responsibility. The District does not exercise oversight responsibilities for any booster organizations or related groups such as Parent-Teacher Organizations.

Measurement Focus and Basis of Accounting. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered susceptible to accrual.

The District reports deferred inflows and unearned revenue in its fund financial statements. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Available means that the funds are received within 60 days of year-end. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed Includes amounts that can only be used for the specific purposes determined by a formal action of the District's School Board.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

Assigned Includes amounts that are intended by the District's School Board to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

District-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the School District. The District's Medical Benefit Pool is reported as an internal service fund and combined with the governmental activities in the district-wide statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Program Revenue
The statement of activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net position are available.

Fund Financial Statements. The fund financial statements provide information about the District's fund categories. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds
Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

- Forest Reserve. The U.S. Government pays an amount under the *Secure Rural Schools and Community Self Determination Act* to state and counties containing national forest system lands. This fund is used to account for the District's allocation of these federal forest funds.

- Youth Challenge. The District provides education services to the Youth Challenge Program in Pierce and acts as a conduit for State of Idaho funding to the program.

- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.

- School Plant Facility Tax. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons.

- School Plant Facility Bus Depreciation. The State of Idaho allows the District to establish a special fund to track required bus depreciation expenditures and bus purchases.

- School Plant Facility Reserve. The State of Idaho allows the District to establish a special fund to track Lottery funds that the State distributes.

- School Modernization Facilities. The State of Idaho gave the District funds to improve core educational facilities after submitting a 10 year facility needs plan to the Idaho Department of Education.

Proprietary Funds
Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The proprietary funds include the Medical Benefit Pool as an internal service fund. The internal service fund is included in governmental activities for the district-wide financial statements. The revenue and expenses of the internal service fund has been eliminated from the district-wide financial statements and the excess revenue has been allocated to regular instruction expenditures.

Fiduciary Funds
The District reports one type of fiduciary fund: Private Purpose Trusts.

Private Purpose Trusts are reported using the economic resources measurement focus and the accrual basis of accounting. The private purpose trusts are used to account for scholarship trusts where the contributions and earnings will benefit an individual. These revenues are not available to finance District operations.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments. The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool, securities and deposits with the Department of Health and Welfare. Public reports on the Local Government Investment Pool can be found at sto.idaho.gov/Investments.

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. The state treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities

The entities participating in the pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and SLIC limits.

Investments in time certificates of deposits and savings accounts are authorized by Board policy as permitted by *Idaho Code,* Section 67-1210.

Prepaid Supplies. The District does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased. Significant supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid supplies.

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Assets acquired prior to 2003 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

The District capitalizes equipment with an original unit cost of $5,000 or more and an expected life of more than 3 years. The District capitalizes property improvements with an original cost of $10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between $100 and $5,000 is not capitalized for depreciation purposes but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 30 years; vehicles - 7 years; buses - 10 years; machinery and equipment - 10 years; computer equipment - 3 years.

Property Taxes. The District's property tax is levied by Lewis, Clearwater, and Nez Perce Counties in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent, and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources. The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 7 – Defined Benefit Pension Plan and in Note 8 – OPEB Sick Leave Plan. No deferred outflows of resources affect the fund financial statements in the current year.

The District reports increases in net assets that relate to future periods as deferred inflows in a separate section of the District-wide statement of net position and the District governmental fund balance sheet. Deferred inflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 7 – Defined Benefit Pension Plan and in Note 8 – OPEB Sick Leave Plan. Deferred inflows of resources reported in the fund financial statements include property tax revenues that are not collected for 30 days after year-end and are not considered available to pay current year bills under the modified accrual basis of accounting.

Budgets. Annual non-appropriated budgets are adopted for all governmental funds. Expenditures may not exceed the budget at the individual fund level.

Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Pensions. For purposes of measuring the net pension liability, asset, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. 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.

Other Post Employment Benefits (OPEB). For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or system) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences. District employees are granted vacation and sick leave days in varying amounts under the terms of District policy. Employees are not compensated for unused sick leave. The estimated amount of compensation for future absences is immaterial to these financial statements and, accordingly, no liability has been recorded.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates. Management of the District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

Cash Flows. The District considers the proprietary fund's share of the District's pooled checking to be cash for the statement of cash flows.

Reclassifications. Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

2. LEGAL COMPLIANCE – BUDGETS

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.

2. A public hearing is set to obtain taxpayers' comments.

3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.

4. Prior to July 15, the final budget is filed with the State Department of Education.

5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption.

Expenditures may not exceed the budget at the individual fund level. The District incurred expenditures in excess of budget in the following funds:

	Budget	Expenditures
General	$ 14,055,086	$ 15,599,011
Student Activity	0	451,048
Driver Education	12,691	13,491
Public School Technology	149,561	206,717
Challenge Title I	0	1,198
Vocational Rehabilitation	0	415
ESSER III Grant	0	13,101
Rural Education	0	2,367
Cell Phone Free Learning Grant	1,361	1,403
Stronger Connections Grant	41,163	42,442
School Plant Facility Bus Depreciation	109,762	162,642
School Plant Facility Reserve	0	65,930

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

The additional expenditures were incurred due to the availability of grants and carryovers in the funds.

Deficit Fund Balance in Individual Funds. No funds had a deficit fund balance at June 30, 2026.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2026, the carrying amount of the District's deposits was $532,673 in governmental activities, and $0 in fiduciary activities. The bank balance was $864,675 of which $492,459 would be considered covered by FDIC insurance.

Investments. At June 30, 2026, District investments are classified in the following categories of credit risk. The carrying value of investments approximates market value.

	Governmental Activities	Fiduciary Funds
Uninsured balance held by Idaho Department of Health and Welfare	$ 5,008	
Uninsured and unregistered with securities held in the District's name		
Pioneer Value Fund		$ 15,401
Idaho State Treasurer's Local Government Investment Pool	15,418,388	11,350
Total investments	$ 15,423,396	$ 26,751

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and all investments are held in the name of the pool.

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. The District's investments with the Idaho State Treasurer's Local Government Investment Pool have not been issued an external credit quality rating.

Concentration of Credit Risk. The District has no policy on the amount they may invest in any one issuer.

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2026, are as follows:

	Governmental Activities	Fiduciary Activities
State of Idaho - Foundation program	$ 222,858	
State of Idaho - State grants	2,191	
State of Idaho - Federal grants	336,659	
Federal funds due from other agencies	76,084	
Youth Challenge Program	157,416	
Other	72,418	
	$ 867,626	$ 0

5. PROPERTY TAXES

The District's property tax levies for calendar years 2025 and 2024 were as follows:

	2025	2024
Certified Budget Request		
Tort levy	$ 7,632	$ 6,174
Supplemental levy approved	1,608,802	2,040,798
63-1305 levy approved	30,174	

District assessed market value and tax levies:

	Actual Tax Charge	Total Market Valuation	Levy
2025	$ 1,646,936	$1,127,503,883	0.1460181%
2024	2,043,102	1,076,901,645	0.1897181%
2023	2,328,782	987,743,458	0.2356828%
2022	2,775,910	932,150,806	0.2990368%
2021	2,772,509	692,898,353	0.4022088%
2020	2,798,150	660,628,096	0.4245532%
2019	2,790,098	630,743,128	0.4440069%
2018	2,781,187	606,741,485	0.4600907%
2017	2,789,100	556,827,510	0.5021066%
2016	2,794,564	546,450,198	0.5126347%

6. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2026, is as follows:

	6/30/25 Balance	Additions	Deletions	6/30/26 Balance
Capital assets				
Land	$ 132,000			$ 132,000
Construction in process				
Equipment				
Elementary	285,985	38,531		324,516
Secondary	992,050	83,470		1,075,520
School lunch	410,702			410,702
Other	161,179	47,736		208,915
Buildings				
Elementary	3,763,817	201,489		3,965,306
Secondary	6,997,733	53,558		7,051,291
Bus Shop	521,249			521,249
Buses	2,768,167	162,643	$ (170,400)	2,760,410
Vehicles	300,044	49,740	(3,775)	346,009
	$16,332,926	$ 637,167	$ (174,175)	16,795,918
Accumulated depreciation				
Equipment				
Elementary	127,430	25,724		153,154
Secondary	709,506	62,888		772,394
School lunch	395,178	3,333		398,511
Other	121,550	11,658		133,208
Buildings				
Elementary	2,297,718	73,140		2,370,858
Secondary	3,273,423	169,261		3,442,684
Bus Shop	409,523	16,847		426,370
Buses	1,966,801	164,398	$ (170,400)	1,960,799
Vehicles	206,135	32,416	(3,775)	234,776
	$ 9,507,264	$ 559,665	$ (174,175)	9,892,754
Capital assets, net				$ 6,903,164

Depreciation of $559,665 was charged to the following functions, in the statement of activities:

Instruction, regular programs	$ 331,013
School lunch	3,333
Transportation	213,661
Other	11,658

7. DEFINED BENEFIT PENSION PLAN

The District contributes to the Base Plan, which is a cost-sharing, multiple-employer, defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) 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.

The Base Plan provides for retirement, disability, death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classifications. The annual service retirement allowance for each month of credited service is 2.0 percent 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 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

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 percent of the employer rate for general employees. As of June 30, 2026, it was 7.18 percent for general employees and 8.08 percent for school employees. The employer contribution rate, as a percentage of covered payroll, is set by the Retirement Board and was 11.96 percent for general employees and 13.48 percent for school employees. The District's contributions required and paid were $1,099,595, $1,074,342 and $1,046,565 for the three years ended June 30, 2026, 2025, and 2024, respectively.

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, the District reported a liability of $4,220,406 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the District's proportion was .17452945 percent.

For the year ended June 30, 2026, the District recognized a net change in pension expense of $526,912. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 1,100,000	
Differences between expected and actual experience	$ 795,308	
Changes in assumptions or other inputs		$ 742,147
Net difference between projected and actual earnings on pension plan investments		$ 1,084,923

The employer contributions subsequent to the measurement date, mentioned in the table above, will be recognized as a decrease of the net pension liability in the subsequent year.

The average of the expected remaining service lives of all employees that are provided with pensions through PERSI (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2025, is 4.4 and 4.4 for the measurement period June 30, 2024.

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

2027	$ 721,819
2028	(705,356)
2029	(645,485)
2030	(402,740)

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, 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. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under *Idaho Code* is 25 years.

The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return	6.55%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2024.

Contributing Members, Service Retirement Members, and Beneficiaries.

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%

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, 2026, is based on the results of an actuarial valuation date of June 30, 2025.

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

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

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap US Equity	22%	4.75%
Small/Mid Cap US Equity	10%	4.95%
International Equity	11%	4.75%
Emerging Markets Equity	11%	4.95%
Domestic Fixed	20%	2.25%
TIPS	10%	2.05%
Core Real Estate	8%	3.75%
Private Equity	8%	6.00%

Discount Rate. The discount rate used to measure the total pension liability was 6.55 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.55 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 percent), or 1-percentage-point higher (7.55 percent) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
District's proportionate share of the net pension liability (asset)	$10,154,318	$ 4,220,406	$ (627,336)

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.

8. OTHER POST-EMPLOYMENT BENEFIT PLANS

Insurance Extension. Retired employees can remain on the District 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. The estimated amount of this implicit subsidy is considered material to these financial statements; however, the District has no plans to currently fund this liability and has not recorded the liability in the government-wide financial statements. The "implicit subsidy" for retired employees is paid each year on a pay-as-you-go basis.

Sick Leave Plan. The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan), which is a cost-sharing, multiple-employer, defined benefit OPEB Plan that covers members receiving retirement benefits that are administered by PERSI. The Sick Leave Insurance Retirement Fund is made up of two trust funds, one for school district employee benefits and one for state employee benefits. 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 the financial statement and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

The contribution rates for school members are set by statute based on the number of sick days offered by the District to certified teachers. The contribution rate of 1.16 percent for members with nine or ten sick days and 1.26 percent for members with 11-14 sick days. If a member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District was not required to contribute for the year ended June 30, 2026.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2026, the District reported an asset of $437,911 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions in the OPEB Plan relative to the total contributions of all participating employers. At June 30, 2025, the District's proportion was .4874351 percent.

For the year ended June 30, 2026, the District recognized a net change in the OPEB expense of $329,082. There were no deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date that will be recognized as an increase of the net OPEB asset in the subsequent year.

8. OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Actuarial Assumptions. Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years. The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases including inflation	3.15%
Investment rate of return	5.45%, net of investment fees

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation), are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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 the 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.

Asset Class	Target Allocation	Expected Rate of Return (Arithmetic)
Broad U.S. Equity	39.36%	4.85%
Global EX U.S. Equity	10.64%	4.95%
Core US Fixed	50.00%	2.25%

Discount Rate. The discount rate used to measure the total OPEB liability was 5.45 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

8. OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 5.45 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.45 percent), or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
District's proportionate share of the net OPEB liability (asset)	$ (308,122)	$ (437,911)	$ (556,811)

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued PERSI financial report.

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

9. RISK MANAGEMENT

The District purchases commercial insurance through the Idaho Counties Risk Management Program (ICRMP) to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2026, is as follows:

- Property – Replacement cost coverage on scheduled buildings and contents
- Employee Dishonesty - $100,000 limit per occurrence
- General Liability - $2,000,000 limit per occurrence.
- Abuse and Molestation - $2,000,000 limit per occurrence.
- Educator's Legal Liability - $2,000,000 limit per occurrence.
- Automobiles - $3,000,000 liability and $300,000 uninsured motorist;

The District created a Self-Insured Medical Pool in 2009-10 to provide partial self-funded medical benefits and to help fund future increases in the cost of medical insurance. The District purchases commercial insurance with a high family deductible. The District reimburses employees for a percent of their deductible for medical expenses paid. The liability of the Pool is limited to available assets in the Pool.

10. TRANSFERS TO/FROM OTHER FUNDS

The State Department of Education requires that the District pay for the costs of school lunch personnel's Social Security from general fund revenues as a condition of participation in the National School Lunch Program. The general fund has paid $95,302 to cover the costs of school lunch personnel's Social Security.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities fund. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of $132,670 to the school plant facility bus depreciation fund for the current year.

The general fund transferred $2,150,000 to the District Property fund to better track capital projects in its own fund. There were also some other various small transfers to balance funds and close a few funds into the general fund.

11. FUND BALANCE CLASSIFICATIONS

Restricted Net Position. Restricted net position on the District-wide statements represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position restricted for capital projects are restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. The net position is reflected as restricted since they are not available for general education expenditures.

Committed Fund Balances. The forest reserve fund balance is restricted by State *Code* for capital improvements. However, if the Board of Trustees decides that these funds are not currently needed for capital improvements, then the funds may be expended for general educational purposes. This fund balance is reflected as a committed portion of fund balance in the fund financial statements since the Board of Trustees must approve using the funds for general educational expenditures.

The District property fund was established by action of the Board of Trustees. The Board directed that proceeds from the sale of certain property be deposited into the fund for facility needs. This fund balance is reflected as a committed portion of fund balance in the fund financial statements since the Board of Trustees must approve expenditures from this fund.

Assigned Fund Balance. The fund balances of certain individual funds are assigned for particular purposes by the Board of Trustees. The assigned fund balances are to account for accruals at year-end.

When expenditures are incurred, the amounts are considered to be first spent from the most restrictive category if it qualifies under multiple fund balance classifications.

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

United States generally accepted accounting principles require disclosure, as part of the combined statement overview, of certain information concerning individual funds, including:

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2026, were:

	Interfund Receivable	Interfund Payable
General		5,148,863
Forest Reserve	810,180	
Food Pantry	13,799	
Youth Challenge		157,245
Nez Perce Tribe	3,063	
District Property	2,216,903	
School Resource Officer	2,293	
Public School Technology	29,577	
Substance Abuse	65,260	
Career Ready Students		7,710
Title I		26,485
IDEA School Age		46,533
IDEA Preschool		1,543
Medicaid		21,342
Title IV-A Student Support		6,453
SLD Professional Development		103
Title II-A Supporting Effective Instruction		45,171
Title IX-A		4,837
Stronger Connections Grant		3,681
School Lunch	34,805	
School Plant Facility Tax	11,093	
School Plant Facility Bus Depreciation		92,076
School Modernization Facility		23,521
Insurance Adjustment Fund	77,599	
Medical Benefit Pool	2,319,834	

The District uses a pooled cash arrangement whereby all receipts are deposited to the general fund on the behalf of all District funds. Expenditures are paid out of this pooled account and charged to all District funds. The excess (deficiency) of receipts over expenditures is recorded as a short-term interfund receivable (payable).

13. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Forest Reserve, Title I, IDEA Part B grants, and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in the *Uniform Guidance* during the course of the annual audit of the District's records and can be subject to additional audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE DISTRICT'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's portion of the net pension (asset) liability	0.1745295%	0.1877138%	0.1870014%	0.1834187%	0.1863776%	0.1901090%	0.1927904%	0.1975328%	0.1995658%	0.1942833%
Employer's proportionate share of the net pension (asset) liability	$ 4,220,406	$ 7,021,708	$ 7,462,611	$ 7,224,420	$ (147,197)	$ 4,415,000	$ 2,201,000	$ 2,914,000	$ 3,137,000	$ 3,938,000
Employer's covered payroll	8,572,650	8,212,428	8,422,116	8,015,000	7,307,900	6,931,400	6,810,600	6,586,100	6,346,200	6,069,800
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	49%	86%	89%	90%	-2%	64%	32%	44%	49%	65%
Plan fiduciary net position as a percentage of the total pension liability	91%	86%	84%	83%	100%	88%	94%	92%	91%	87%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of June 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 1,099,595	$ 1,074,342	$ 1,046,565	$ 956,987	$ 872,560	$ 827,612	$ 813,189	$ 745,545	$ 718,388	$ 687,106
Contributions in relation to the statutorily required contribution	1,099,595	1,074,342	1,046,565	956,987	872,560	827,612	813,189	745,545	718,388	687,106
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	8,572,650	8,212,428	8,422,116	8,015,000	7,307,900	6,931,400	6,810,600	6,586,100	6,346,200	6,069,800
Contributions as a percentage of covered payroll	12.83%	13.08%	12.43%	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF OPEB FUNDING

SCHEDULE OF THE DISTRICT'S SHARE OF NET OPEB ASSET AND LIABILITY - SICK LEAVE INSURANCE RESERVE FUND
Data reported is measured as of June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's portion of the net OPEB (asset) liability	0.4874351%	0.4874351%	0.4874351%	0.4874351%	0.4874351%	0.4874351%	0.5029888%	0.5134516%	(1)	(1)
Employer's proportionate share of the net OPEB (asset) liability	$ 437,911	$ 434,041	$ 353,714	$ 371,070	$ 707,855	$ 600,000	$ 482,000	$ 426,000	$ 406,000	(1)
Employer's covered payroll	0	0	0	0	0	0	2,887,200	6,586,100	6,346,200	6,069,800
Employer's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll							17%	6%	6%	(1)
Plan fiduciary net position as a percentage of the total OPEB liability	126%	129%	124%	127%	153%	153%	139%	136%	137%	(1)

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO OPEB PLANS - SICK LEAVE INSURANCE RESERVE FUND
Data reported is measured as of June 30, 2026

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 33,492	$ 82,498	$ 73,616	$ 70,410
Contributions in relation to the statutorily required contribution	0	0	0	0	0	0	33,492	82,498	73,616	70,410
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	0	0	0	0	0	0	2,887,200	6,586,100	6,346,200	6,069,800
Contributions as a percentage of covered payroll	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%	1.16%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 75.

JOINT SCHOOL DISTRICT NO. 171

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended June 30, 2026

	Budgeted Amounts				
	Original	Final	Variance between Original and Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES					
General property taxes	$ 2,699,494	$ 2,699,494		$ 1,755,357	$ (944,137)
State foundation program	10,615,857	10,620,857	$ 5,000	12,626,511	2,005,654
Other state revenue	65,580	65,580		4,104	(61,476)
Earnings on investments	10,000	10,000		317,966	307,966
Other revenues	1,800	10,348	8,548	81,432	71,084
Total revenues	13,392,731	13,406,279	13,548	14,785,370	1,379,091
EXPENDITURES					
Payroll	7,603,417	7,603,417		7,519,092	84,325
Payroll burden and employee benefits	4,023,761	4,023,761		3,743,318	280,443
Purchased services	925,471	927,471	(2,000)	1,014,823	(87,352)
Supplies and materials	612,313	623,861	(11,548)	574,863	48,998
Capital outlay	104,000	104,000		193,572	(89,572)
Insurance	116,204	116,204		116,204	
Total expenditures	13,385,166	13,398,714	(13,548)	13,161,872	236,842
EXCESS OF REVENUES OVER EXPENDITURES	7,565	7,565	0	1,623,498	1,615,933
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	648,807	648,807		96,172	(552,635)
Transfers to other funds	(656,372)	(656,372)		(2,437,139)	(1,780,767)
Total other financing sources (uses)	(7,565)	(7,565)	0	(2,340,967)	(2,333,402)
NET CHANGE IN FUND BALANCES	0	0	0	(717,469)	(717,469)
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	2,410,827	2,410,827
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 0	$ 1,693,358	$ 1,693,358

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

The budget was amended to reflect more accurate revenue and expenditure projections.

JOINT SCHOOL DISTRICT NO. 171

BUDGETARY COMPARISON SCHEDULE -
FOREST RESERVE
Year Ended June 30, 2026

	Budgeted Amounts				
	Original	Final	Variance between Original and Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES					
Federal revenue				$ 749,551	$ 749,551
Earnings on investments	$ 100	$ 100		98,625	98,525
Other revenues	3,000	3,000		3,028	28
Total revenues	3,100	3,100	0	851,204	848,104
EXPENDITURES					
Capital outlay	1,498,412	1,498,412			1,498,412
Total expenditures	1,498,412	1,498,412	0	0	1,498,412
EXCESS OF REVENUES OVER EXPENDITURES	(1,495,312)	(1,495,312)	0	851,204	2,346,516
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(603,807)	(603,807)			603,807
Total other financing sources (uses)	(603,807)	(603,807)	0	0	603,807
NET CHANGE IN FUND BALANCES	(2,099,119)	(2,099,119)	0	851,204	2,950,323
FUND BALANCES AT BEGINNING OF YEAR	2,099,119	2,099,119	0	2,440,330	341,211
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 0	$ 3,291,534	$ 3,291,534

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

JOINT SCHOOL DISTRICT NO. 171

BUDGETARY COMPARISON SCHEDULE -
YOUTH CHALLENGE PROGRAM
Year Ended June 30, 2026

	Budgeted Amounts				
	Original	Final	Variance between Original and Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES					
State foundation program	$ 1,989,971	$ 1,989,971		$ 1,938,321	$ (51,650)
Other revenues	957,802	957,802		953,840	(3,962)
Total revenues	2,947,773	2,947,773	0	2,892,161	(55,612)
EXPENDITURES					
Payroll	641,346	641,346		628,816	12,530
Payroll burden and employee benefits	271,456	271,456		275,864	(4,408)
Purchased services	1,989,971	1,989,971		1,943,152	46,819
Total expenditures	2,902,773	2,902,773	0	2,847,832	54,941
EXCESS OF REVENUES OVER EXPENDITURES	45,000	45,000	0	44,329	(671)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(45,000)	(45,000)		(45,000)	
Total other financing sources (uses)	(45,000)	(45,000)	0	(44,329)	671
NET CHANGE IN FUND BALANCES	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 0	$ 0	$ 0

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

JOINT SCHOOL DISTRICT NO. 171

BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH
Year Ended June 30, 2026

	Budgeted Amounts				
	Original	Final	Variance between Original and Final Budget	Actual Amounts Budgetary Basis	Variance With Final Budget
REVENUES					
Other state revenue	$ 38,000	$ 38,000			$ (38,000)
Federal revenue	323,000	342,563	$ 19,563	$ 424,715	82,152
Charges for services	145,500	145,549	49	127,135	(18,414)
Other revenues	83,000	83,215	215	76,550	(6,665)
Total revenues	589,500	609,327	19,827	628,400	19,073
EXPENDITURES					
Payroll	269,947	269,947		267,861	2,086
Payroll burden and employee benefits	220,443	220,443		188,693	31,750
Purchased services	12,350	12,350		11,072	1,278
Supplies and materials	273,897	293,460	(19,563)	287,059	6,401
Capital outlay	4,000	4,264	(264)	23,849	(19,585)
Total expenditures	780,637	800,464	(19,827)	778,534	21,930
EXCESS OF REVENUES OVER EXPENDITURES	(191,137)	(191,137)	0	(150,134)	41,003
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	191,137	191,137		150,134	(41,003)
Total other financing sources (uses)	191,137	191,137	0	150,134	(41,003)
NET CHANGE IN FUND BALANCES	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 0	$ 0	$ 0

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

The budget was amended to reflect more accurate revenue and expenditure projections.

SUPPLEMENTARY INFORMATION

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Joint School District No. 171
Orofino, Idaho

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 Joint School District No. 171, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Joint School District No. 171's basic financial statements and have issued our report thereon dated October 19, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Joint School District No. 171's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Joint School District No. 171's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding #2026-001).

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Joint School District No. 171's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.*

Joint School District No. 171's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Joint School District No. 171's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Joint School District No. 171's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Presnell Gage PLLC

October 19, 2026
Lewiston, Idaho

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Board of Trustees
Joint School District No. 171
Orofino, Idaho

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Joint School District No. 171's compliance with the types of compliance requirements identified as subject to audit in the OMB's *Compliance Supplement*, that could have a direct and material effect on each of the Joint School District No. 171's major federal programs for the year ended June 30, 2026. The Joint School District No. 171'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 Joint School District No. 171, 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, 2026.

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 Joint School District No. 171 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 Joint School District No. 171's compliance with the compliance requirements referred to above.

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Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

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 Joint School District No. 171's federal programs.

Auditor's Responsibility 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 Joint School District No. 171'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 Joint School District No. 171'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 Joint School District No. 171'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 Joint School District No. 171'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 Joint School District No. 171'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 in internal control over compliance may exist that were not identified.

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

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

October 19, 2026
Lewiston, Idaho

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended June 30, 2026

	CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures	
DEPARTMENT OF AGRICULTURE					
Passed through the State of Idaho - Department of Education					
School Breakfast Program	10.553	202525N890347	None	$ 150,563	
National School Lunch Program	10.555	202525N890347	None	222,839	
Subtotal School Lunch cluster				373,402	*
Passed through the State of Idaho - Department of Education					
Technology Innovation Grant	10.541	2023324N7603	None	19,563	
Fresh Fruit and Vegetable Program	10.582	202525N890347	None	31,750	
Total Department of Agriculture				424,715	
DEPARTMENT OF EDUCATION					
Passed through the State of Idaho - Department of Education					
Title I	84.010	S010A250012	None	287,758	
IDEA, Part B	84.027	H027A250088	None	302,209	
IDEA Preschool	84.173	H173A250030	None	16,676	
Subtotal IDEA cluster				318,885	*
Education for Homeless Children	84.196	S196A240013	None	4,882	
Rural Education	84.358	S358B240012	None	2,367	
Title II-A Improving Teacher Quality	84.367	S367A240011	None	62,647	
Title IV-A Student Support	84.424	S424A240013	None	81,682	
ARP - Elementary and Secondary School Emergency Relie	84.425U	S425U210043	None	13,101	
ARP - Emergency Assistance to Non-Public Schools	84.425V	S425U210043	None	1,403	
Total Education Stabilization Fund	84.425			14,504	
Total Department of Education				772,725	
TOTAL FEDERAL AWARDS				$ 1,197,440	

NOTE 1: BASIS OF PRESENTATION

The schedule includes federal award activity of the District under programs of the federal government for the year ended June 30, 2026. The information in this schedule is presented in compliance 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 District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified 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.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The District did not elect to use the 15 percent de minimis cost rate.

NOTE 4: MAJOR PROGRAMS

Programs indicated with "*" are major programs as reported on the schedule of findings and questioned costs.

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2026

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Qualified
Internal control over financial reporting:		
* Material weakness(es) identified	____ yes	__X__ no
* Significant Deficiencies identified that are not considered to be material weaknesses?	__X__ yes	____ none reported
Noncompliance material to financial statements noted?	____ yes	__X__ no

Federal Awards

Internal control over major programs:		
* Material weakness(es) identified	____ yes	__X__ no
* Reportable condition(s) identified that are not considered to be material weaknesses?	____ yes	__X__ none reported
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance*:	____ yes	__X__ no

Identification of major programs:

CFDA Numbers	Name of federal program or cluster
School Lunch cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
Title VI-B cluster	
84.027	Special Education-Grants to States (IDEA, Part B)
84.173	Special Education-Preschool Grants (IDEA Preschool)

Dollar threshold used to distinguish between type A and type B programs:		$ 1,000,000
Auditee qualified as low-risk auditee?	____ yes	__X__ no

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2026

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2026-001

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: Joint School District No. 171 has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Joint School District No. 171.

Response: The District's management and Board of Trustees believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the District's response.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is also often referred to as the M & O (Maintenance and Operations) Fund. The District uses this fund to account for the basic educational programs of the District. In general, these programs are operated with a great deal of local input and control.

The General Fund primarily receives funding from the State of Idaho through the Educational Foundation Program and through local general property taxes. The general property tax was replaced with additional funding from the Educational Foundation in 2006. However, the District is authorized to levy a supplemental amount if approved by a majority of voters in a supplemental levy election.

Other sources of funds that are restricted are accounted for in the Special Revenue and Capital Projects Funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources, or to finance specific activities as required by law or administrative regulations. Although there is local input and control over the use of these proceeds, the party who provides the proceeds also has some type of external restriction on the use of the proceeds.

LOCAL SPECIAL PROJECTS

Forest Reserve – The U.S. Government pays an amount under the *Secure Rural Schools and Community Self-Determination Act (SRSCA)* to state and counties containing national forest system lands. In the State of Idaho, 30 percent of this amount is allocated to the public schools based upon their average daily attendance. These proceeds are restricted for the purchase of school sites, construction, or remodeling of school buildings. When within the discretion of the trustees of the District the proceeds are not needed for the foregoing items, they may be expended for current expenses. These proceeds may be accumulated for future projects.

Food Pantry – The District has set up a special revenue fund “Food Pantry” to accumulate the funds received for the food pantry the District operates that provides food for District students and families.

Youth Challenge – The District provides education and school lunch services to the Youth Challenge Program in Pierce. The District acts as a conduit for funds from the State of Idaho Educational Foundation Program to the Youth Challenge Program.

Nez Perce Tribe – The District has received various grants and contributions from local sources for specific projects.

Student Activity – This fund accounts for all activities conducted by student governed clubs and organizations.

District Property – The District has set up a special revenue fund “District Property” to accumulate and account for the proceeds from the sale of District property.

Driver Education – The State of Idaho will reimburse the District for expenses up to $150 per student who completes the driver education class at the District. In addition, the District charges students a $300 fee to enroll in the class. The General Fund of the District pays expenses in excess of the above proceeds.

School Resource Officer – The District has received a non-recurring grant to provide assistance in providing school resource officer services within the District.

Career Technical Education – The State of Idaho will reimburse the District for expenses incurred in operating certain vocational education programs. The State establishes a maximum reimbursement at the beginning of each school year based upon courses offered and numbers of students involved. The General Fund of the District pays expenses in excess of the above proceeds.

Public School Technology – The District has received grants to upgrade and maintain computer technology in the District. The General Fund of the District pays expenses in excess of the above proceeds.

Substance Abuse - The State of Idaho taxes the sale of cigarettes, a portion of which is used to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis upon average daily attendance. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Career Ready Students - The Idaho Career Ready Students program increases the capacity of Career Technical Education in Idaho middle and high schools (grades 7-12) by incentivizing districts to create programs that prepare students to meet local and regional industry and workforce needs.

Vocational Rehabilitation - Vocational Rehabilitation is a state-federal program whose goal is to assist people with disabilities prepare for, secure, retain or regain employment.

FEDERALLY FUNDED PROJECTS

Title I, Challenge Title I – The federal government provides Title I grants to improve the education of children who are at risk of not meeting academic standards and who reside in areas with high concentrations of children from low income families. The program is administered by the State, and funds are allocated to the District based upon average daily attendance and modified based upon student counts from low income families. The District uses the grant primarily to provide additional classroom aides. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

ESSER III Grant – The Elementary and Secondary School Emergency Relief Fund III (ESSER III) provides additional emergency relief funds to address the impact that COVID-19 has had on elementary and secondary schools across the country. This grant provides additional relief to help safely reopen and sustain the safe operation of schools and to address the impact of the coronavirus pandemic on students. Of the total amount awarded at least 20 percent of funds must be used to address learning loss through the implementation of evidence-based interventions and ensure that those interventions respond to students' social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups. Remaining funds may be used on a wide range of activities to address needs arising from the coronavirus pandemic.

IDEA School Age – The federal government provides Title VI-B IDEA grants to provide special education to school age children with disabilities. The program is administered by the State, and funds are allocated to the District based upon a child count of eligible students as of November 1 of the prior year. Supplemental awards are also available. The District must meet non-supplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

IDEA Preschool – The federal government provides Title VI-B IDEA Preschool grants to provide special education to children with disabilities between the ages of three and five. The program is administered by the State, and funds are allocated to the District based upon a child count of eligible students as of November 1 of the prior year. Supplemental awards are also available. The District must meet non-supplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title IV-A Student Support – The federal government provides Title IV-A grants to local school districts to provide all students with access to a well-rounded education, improve school conditions for student learning; and improve the use of technology to improve the academic achievement and digital literacy of all students.

Rural Education – Districts with an average daily attendance less than 600 students are eligible for grants under the Rural and Low-Income School Program. The federal government awards grants on a noncompetitive formula basis. The District may use program funds for: teacher recruitment and retention; teacher professional development; educational technology; parental involvement activities; activities authorized under Safe and Drug-Free Schools and Communities; activities authorized under Title I; and activities authorized under Language Instruction for Limited English Proficient and Immigrant Students. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

SLD Professional Development – The federal government provides funding to the District to help them cover the extra costs of offering a Free Appropriate Public Education (FAPE) to all children with disabilities, including those with Specific Learning Disabilities (SLDs).

Title II-A Supporting Effective Instruction – The federal government provides Title II-A grants to provide assistance to classroom teachers. The District uses the funds generally to improve the quality and effectiveness of teachers, principals, and other school leaders in order to increase student achievement consistent with the challenging State academic standards. District leadership training for instructional and administrative staff and reimbursing the cost of continuing college education transcript credits are the primary uses of these funds.

- The program is administered through the State, and funds are allocated based upon student enrollment. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

- The program is administered through the State, and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Title IX-A – The federal government provides Title IX-A grants to local school districts to provide training and support to ensure no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal financial assistance.

Cell Phone Free Learning Grant – Idaho school districts that adopt a phone-free learning policy can receive a one-time $5,000 grant through the state's Phone Free Learning Act. The funding, which comes from federal sources, is intended to help districts with the costs of implementing the policy, such as purchasing phone storage pouches or reimbursing for them after they are already purchased.

Stronger Connections Grant – The federal government provides Stronger Connections grants which aim to provide funding for Idaho schools to develop, implement and evaluate a comprehensive approach that prioritizes physical and emotional safety for their unique school community. Funded activities and practices should prioritize safety, create a sense of belonging, implement trauma responsive approaches, and teach positive behaviors to provide safe and supportive learning environments that improve academic achievement and the well-being of students.

Medicaid – The Idaho Department of Health and Welfare administers federal funds that assist in special education with reimbursements that are received from Medicaid eligible students. The District pays matching funds up front for the program and then receives reimbursements for services provided. The General Fund of the District is responsible for expenses in excess of the grant.

School Lunch – The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges students for lunch and breakfast. Lunch and breakfast are served free or at a reduced price to children from households with income below certain levels. Meals must meet certain dietary and nutrition requirements. The general fund pays Social Security taxes and retirement benefits as a "matching contribution" to the program. The general fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year.

CAPITAL PROJECTS FUND

School Plant Facility Tax – The District has established a School Plant Facility Tax Fund. The fund may be used to acquire, purchase, and improve school sites, build school buildings.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized General Fund tax levies.

- The Plant Facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The Plant Facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The Plant Facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

School Plant Facility Bus Depreciation – The District has established a School Plant Facility Bus Depreciation. The fund may be used to purchase school buses.

School Plant Facility Reserve – The District has established a School Plant Facility reserve fund. The fund may be used to account for Lottery funds from the State and the funds can be used to acquire, purchase, and improve school sites, build school buildings.

School Modernization Facilities – The State provides funding, secured by bonds, for school facility improvements and construction projects. Districts must submit a 10-year facilities plan and can receive funds as a lump sum or in installments to address needs like roofing, electrical, and HVAC systems. The fund aims to improve school buildings by addressing deferred maintenance and is supported by state sales tax revenues.

Insurance Adjustment Fund – This fund is used to account for the proceeds from insurance claims, which equal $5,000 or more and are received for the loss on real property.

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2026

	General	Forest Reserve	Food Pantry	Youth Challenge	Nez Perce Tribe	Student Activity	District Property	Driver Education
ASSETS								
Cash						$ 237,546		
Investments	$ 7,496,730	$ 2,481,354					$ 4,209	
Property taxes receivable	669,674							
Accounts receivable	228,479			$ 226,404				
Due from other funds		810,180	$ 13,799		$ 3,063		2,216,903	
Total assets	$ 8,394,883	$ 3,291,534	$ 13,799	$ 226,404	$ 3,063	$ 237,546	$ 2,221,112	$ 0
LIABILITIES								
Accounts payable	$ 22,423		$ 127	$ 68,988				
Payroll and taxes payable	1,414,856			171				
Due to other funds	5,148,863			157,245				
Unearned revenue								
Total liabilities	6,586,142	$ 0	127	226,404	$ 0	$ 0	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES								
Receivables not collected in 60 days	115,383							
Total deferred inflows of resources	115,383	0	0	0	0	0	0	0
FUND BALANCES								
Restricted for capital improvements								
Committed for capital improvements		3,291,534					2,221,112	
Assigned			13,672		3,063	237,546		
Unassigned	1,693,358							
Total fund balances	1,693,358	3,291,534	13,672	0	3,063	237,546	2,221,112	0
Total liabilities and fund balances	$ 8,394,883	$ 3,291,534	$ 13,799	$ 226,404	$ 3,063	$ 237,546	$ 2,221,112	$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2026

	School Resource Officer	Career Technical Education	Public School Technology	Substance Abuse	Career Ready Students	Vocational Rehabilitation	Title I	Challenge Title I	ESSER III Grant
ASSETS									
Cash									
Investments									
Property taxes receivable									
Accounts receivable					$ 99,330		$ 72,711		
Due from other funds	$ 2,293	1,157	$ 29,577	$ 65,260					
Total assets	$ 2,293	$ 1,157	$ 29,577	$ 65,260	$ 99,330	$ 0	$ 72,711	$ 0	$ 0
LIABILITIES									
Accounts payable									
Payroll and taxes payable							$ 46,226		
Due to other funds					$ 7,710		26,485		
Unearned revenue					91,620				
Total liabilities	$ 0	$ 0	$ 0	$ 0	99,330	$ 0	72,711	$ 0	$ 0
DEFERRED INFLOWS OF RESOURCES									
Receivables not collected in 60 days									
Total deferred inflows of resources	0	0	0	0	0	0	0	0	0
FUND BALANCES									
Restricted for capital improvements									
Committed for capital improvements									
Assigned	2,293	1,157	29,577	65,260					
Unassigned									
Total fund balances	2,293	1,157	29,577	65,260	0	0	0	0	0
Total liabilities and fund balances	$ 2,293	$ 1,157	$ 29,577	$ 65,260	$ 99,330	$ 0	$ 72,711	$ 0	$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2026

	IDEA School Age	IDEA Preschool	Title IV-A Student Support	Rural Education	SLD Professional Development	Title II-A Supporting Effective Instruction	Title IX-A	Cell Phone Free Learning Grant	Stronger Connections Grant
ASSETS									
Cash									
Investments									
Property taxes receivable									
Accounts receivable	$ 69,758	$ 4,257	$ 10,854		$ 103	$ 45,171	$ 4,837		$ 10,075
Due from other funds									
Total assets	$ 69,758	$ 4,257	$ 10,854	$ 0	$ 103	$ 45,171	$ 4,837	$ 0	$ 10,075
LIABILITIES									
Accounts payable			$ 60						
Payroll and taxes payable	$ 23,225	$ 2,714	4,341						$ 6,394
Due to other funds	46,533	1,543	6,453		$ 103	$ 45,171	$ 4,837		3,681
Unearned revenue									
Total liabilities	69,758	4,257	10,854	$ 0	103	45,171	4,837	$ 0	10,075
DEFERRED INFLOWS OF RESOURCES									
Receivables not collected in 60 days									
Total deferred inflows of resources	0	0	0	0	0	0	0	0	0
FUND BALANCES									
Restricted for capital improvements									
Committed for capital improvements									
Assigned									
Unassigned									
Total fund balances	0	0	0	0	0	0	0	0	0
Total liabilities and fund balances	$ 69,758	$ 4,257	$ 10,854	$ 0	$ 103	$ 45,171	$ 4,837	$ 0	$ 10,075

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2026

	Medicaid	School Lunch	School Plant Facility Tax	School Plant Facility Bus Depreciation	School Plant Facility Reserve	School Modernization Facility	Insurance Adjustment Fund	Combined
ASSETS								
Cash								$ 237,546
Investments				$ 133,334		$ 5,281,482		15,397,109
Property taxes receivable			$ 277					669,951
Accounts receivable	$ 76,084	$ 19,563						867,626
Due from other funds		34,805	11,093				$ 77,599	3,265,729
Total assets	$ 76,084	$ 54,368	$ 11,370	$ 133,334	$ 0	$ 5,281,482	$ 77,599	$ 20,437,961
LIABILITIES								
Accounts payable		$ 619						$ 92,217
Payroll and taxes payable	$ 54,742	53,749						1,606,418
Due to other funds	21,342			$ 92,076		$ 23,521		5,585,563
Unearned revenue						5,257,961		5,349,581
Total liabilities	76,084	54,368	$ 0	92,076	$ 0	5,281,482	$ 0	12,633,779
DEFERRED INFLOWS OF RESOURCES								
Receivables not collected in 60 days			277	0	0			115,660
Total deferred inflows of resources	0	0	277	0	0	0	0	115,660
FUND BALANCES								
Restricted for capital improvements			11,093	41,258				52,351
Committed for capital improvements								5,512,646
Assigned							77,599	430,167
Unassigned								1,693,358
Total fund balances	0	0	11,093	41,258	0	0	77,599	7,688,522
Total liabilities and fund balances	$ 76,084	$ 54,368	$ 11,370	$ 133,334	$ 0	$ 5,281,482	$ 77,599	$ 20,437,961

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	General	Forest Reserve	Food Pantry	Youth Challenge	Nez Perce Tribe	Student Activity	District Property	Driver Education
REVENUES								
General property taxes	$ 1,755,357							
State foundation program	12,626,511			$ 1,938,321				
Other state revenue	4,104							
Federal revenue		$ 749,551						
Charges for services						$ 428,445		$ 800
Earnings on investments	317,966	98,625					$ 167	
Other revenues	81,432	3,028	$ 12,267	953,840	$ 20,465			
Total revenues	14,785,370	851,204	12,267	2,892,161	20,465	428,445	167	800
EXPENDITURES								
Instruction								
Regular programs	6,046,953			2,847,832	20,423			800
Special programs	1,334,855							
Interscholastic and school activity	326,073							
Support services								
Pupil support	1,090,451							
Staff support	564,695							
General administration	267,689							
School administration	864,353							
Business services	289,011							
Maintenance and operations	1,414,616							
Transportation	863,851							
Other support services								
Food services	95,302							
Community services			5,223					
Student activity						451,048		
Capital outlay	4,023							
Total expenditures	13,161,872	0	5,223	2,847,832	20,423	451,048	0	800
EXCESS OF REVENUES OVER EXPENDITURES	1,623,498	851,204	7,044	44,329	42	(22,603)	167	0
OTHER FINANCING SOURCES (USES)								
Transfers from other funds	96,172			671			2,150,000	
Transfers to other funds	(2,437,139)			(45,000)				(12,691)
Total other financing sources (uses)	(2,340,967)	0	0	(44,329)	0	0	2,150,000	(12,691)
NET CHANGE IN FUND BALANCES	(717,469)	851,204	7,044	0	42	(22,603)	2,150,167	(12,691)
FUND BALANCES AT BEGINNING OF YEAR	2,410,827	2,440,330	6,628	0	3,021	260,149	70,945	12,691
FUND BALANCES AT END OF YEAR	$ 1,693,358	$ 3,291,534	$ 13,672	$ 0	$ 3,063	$ 237,546	$ 2,221,112	$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	School Resource Officer	Career Technical Education	Public School Technology	Substance Abuse	Career Ready Students	Vocational Rehabilitation	Title I	Challenge Title I	ESSER III Grant
REVENUES									
General property taxes									
State foundation program			$ 165,189	$ 17,158		$ 415			
Other state revenue	$ 80,405	$ 69,148			$ 131,953				
Federal revenue							$ 286,560	$ 1,198	$ 13,101
Charges for services									
Earnings on investments									
Other revenues			56,158						
Total revenues	80,405	69,148	221,347	17,158	131,953	415	286,560	1,198	13,101
EXPENDITURES									
Instruction									
Regular programs		67,991		4,584	81,103		283,824	1,198	
Special programs									
Interscholastic and school activity									
Support services									
Pupil support				3,050					
Staff support			205,072						
General administration			1,645						
School administration									
Business services									
Maintenance and operations	80,674								
Transportation									
Other support services							2,512		
Food services									
Community services									
Student activity									
Capital outlay					50,850				
Total expenditures	80,674	67,991	206,717	7,634	131,953	0	286,336	1,198	0
EXCESS OF REVENUES OVER EXPENDITURES	(269)	1,157	14,630	9,524	0	415	224	0	13,101
OTHER FINANCING SOURCES (USES)									
Transfers from other funds									
Transfers to other funds						(415)	(224)		(13,101)
Total other financing sources (uses)	0	0	0	0	0	(415)	(224)	0	(13,101)
NET CHANGE IN FUND BALANCES	(269)	1,157	14,630	9,524	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	2,562	0	14,947	55,736	0	0	0	0	0
FUND BALANCES AT END OF YEAR	$ 2,293	$ 1,157	$ 29,577	$ 65,260	$ 0	$ 0	$ 0	$ 0	$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	IDEA School Age	IDEA Preschool	Title IV-A Student Support	Rural Education	SLD Professional Development	Title II-A Supporting Effective Instruction	Title IX-A	Cell Phone Free Learning Grant	Stronger Connections Grant
REVENUES									
General property taxes									
State foundation program									
Other state revenue									
Federal revenue	$ 298,709	$ 16,676	$ 39,240	$ 2,367	$ 3,500	$ 62,647	$ 4,882	$ 1,403	$ 42,442
Charges for services									
Earnings on investments									
Other revenues									
Total revenues	298,709	16,676	39,240	2,367	3,500	62,647	4,882	1,403	42,442
EXPENDITURES									
Instruction									
Regular programs			42,438						37,376
Special programs	279,397	16,765			3,500				
Interscholastic and school activity									
Support services									
Pupil support									3,407
Staff support			377			62,647			
General administration									
School administration									
Business services									
Maintenance and operations									
Transportation									
Other support services							4,882		
Food services									
Community services									
Student activity									
Capital outlay									
Total expenditures	279,397	16,765	42,815	0	3,500	62,647	4,882	0	40,783
EXCESS OF REVENUES OVER EXPENDITURES	19,312	(89)	(3,575)	2,367	0	0	0	1,403	1,659
OTHER FINANCING SOURCES (USES)									
Transfers from other funds		89	3,575						
Transfers to other funds	(19,312)			(2,367)				(1,403)	(1,659)
Total other financing sources (uses)	(19,312)	89	3,575	(2,367)	0	0	0	(1,403)	(1,659)
NET CHANGE IN FUND BALANCES	0	0	0	0	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	0	0	0	0	0
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2026

	Medicaid	School Lunch	School Plant Facility Tax	School Plant Facility Bus Depreciation	School Plant Facility Reserve	School Modernization Facilities	Insurance Adjustment Fund	Combined
REVENUES								
General property taxes			$ 1,489					$ 1,756,846
State foundation program						$ 123,652		14,871,246
Other state revenue								285,610
Federal revenue	$ 293,289	$ 424,715						2,240,280
Charges for services		127,135						556,380
Earnings on investments				$ 5,300		220,840		642,898
Other revenues		76,550	9,604				$ 401,956	1,615,300
Total revenues	293,289	628,400	11,093	5,300	$ 0	344,492	401,956	21,968,560
EXPENDITURES								
Instruction								
Regular programs								9,434,522
Special programs								1,634,517
Interscholastic and school activity								326,073
Support services								
Pupil support								1,096,908
Staff support	293,289							1,126,080
General administration								269,334
School administration								864,353
Business services								289,011
Maintenance and operations		376					27,627	1,523,293
Transportation								863,851
Other support services								7,394
Food services		778,158						873,460
Community services								5,223
Student activity								451,048
Capital outlay				162,642		344,492	324,534	886,541
Total expenditures	293,289	778,534	0	162,642	0	344,492	352,161	19,651,608
EXCESS OF REVENUES OVER EXPENDITURES	0	(150,134)	11,093	(157,342)	0	0	49,795	2,316,952
OTHER FINANCING SOURCES (USES)								
Transfers from other funds		150,134		198,600				2,599,241
Transfers to other funds					(65,930)			(2,599,241)
Total other financing sources (uses)	0	150,134	0	198,600	(65,930)	0	0	0
NET CHANGE IN FUND BALANCES	0	0	11,093	41,258	(65,930)	0	49,795	2,316,952
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	65,930	0	27,804	5,371,570
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 11,093	$ 41,258	$ 0	$ 0	$ 77,599	$ 7,688,522

TRUST FUNDS

Trust funds are used by the District to account for funds, which support District and student programs. These funds have been deposited with the District for specific purposes, generally approved by the Board of Trustees.

PRIVATE PURPOSE TRUST FUNDS

Nelson Scholarship Trust – The Nelson Scholarship Trust is invested as an endowment with the interest used to fund a scholarship each year.

Portfor Athletic Trust – The Portfor Athletic Trust is invested as an endowment with the interest available to support the OHS athletic program each year.

Portfor Band Trust – The Portfor Band Trust is invested as an endowment with the interest available to support the OHS Band program each year.

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - TRUST FUNDS
June 30, 2026

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
ASSETS				
Investments	$ 15,401	$ 511	$ 10,839	$ 26,751
Total assets	$ 15,401	$ 511	$ 10,839	$ 26,751
LIABILITIES				
Total liabilities	$ 0	$ 0	$ 0	$ 0
FUND EQUITY				
Unreserved, undesignated	15,401	511	10,839	26,751
Total fund equity	15,401	511	10,839	26,751
Total liabilities and fund equity	$ 15,401	$ 511	$ 10,839	$ 26,751

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - ALL TRUST FUNDS
Year Ended June 30, 2026

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
REVENUES				
Earnings on investments	$ 2,571	$ 20	$ 431	$ 3,022
Total revenues	2,571	20	431	3,022
EXPENDITURES				
Regular instruction	1,059			1,059
Total expenditures	1,059	0	0	1,059
EXCESS OF REVENUES OVER EXPENDITURES	1,512	20	431	1,963
FUND EQUITY AT BEGINNING OF YEA	13,889	491	10,408	24,788
FUND EQUITY AT END OF YEAR	$ 15,401	$ 511	$10,839	$ 26,751

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2026

FUND	Balance 6/30/2025	Increases	Decreases	Balance 6/30/2026
7th grade		$ 498	$ 498	
8th grade	$ 359	3,611	3,472	$ 498
Annual	739	10,361	10,759	341
Art Fund	186		75	111
Athletic Fees	2,610	12,327	12,921	2,016
Baseball	4,815	17,731	18,423	4,123
Baseball Super Regionals	0	3,253	3,353	(100)
Boys basketball	3,280	5,247	6,380	2,147
Boys District Basketball	3,187		3,187	0
BPA	58			58
Cheerleader account	5,154	12,531	14,520	3,165
Cross Country Track	0		1,512	(1,512)
CTE	1,100			1,100
Dig For a Cure	2,309	5,340	5,340	2,309
District Baseball Tournament	2,292	1,334	3,626	0
District Softball Tournament	959		959	0
District Volleyball Tournament	1,939			1,939
Dramatics Club	1,638	662	1,586	714
Extra curricular	1,822		1,519	303
Faculty Fund	746	2,186	2,464	468
FCCLA	(40)	6,076	3,513	2,523
Football	4,888	31,008	38,043	(2,147)
Freshman	510	2,520	2,628	402
Gate Receipts	1,636	20,948	27,350	(4,766)
Girls basketball	2,350	75	1,096	1,329
Girls District Basketball	889	357		1,246
Golf	2,442		249	2,193
Industrial Arts	2,829			2,829
Jamboree	0	275	275	0
Jr High Boys Basketball	1,528			1,528
Jr High Football	750		278	472
Jr High Girls Basketball	2,728		150	2,578
Jr High Track	4,005	1,155	3,879	1,281
Jr High Volleyball	613		460	153
Jr High Wrestling	5,924	5,636	10,111	1,449
Juniors	2,760	6,798	7,609	1,949
Kiwanis Club Scholarship	40,497		4,000	36,497
Knowledge Bowl	777			777
Balance forward	108,279	149,929	190,235	67,973

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2026

FUND	Balance 6/30/2025	Increases	Decreases	Balance 6/30/2026
Balance forward	$ 108,279	$ 149,929	$ 190,235	$ 67,973
Leadership	204	12,887	11,872	1,219
Legacy of Kindness	250			250
Library	1,354	552	426	1,480
Lunch Fees	90	616	666	40
Math Tech	721			721
Mediacs	40			40
Michelle's Recycling	1			1
Maniac Green Thumbs		2,569	566	2,003
Music	1,223	141	1,115	249
Nat Honor Society	413	399	677	135
NSF Payments	(20)	20		0
OHS Alumni Fund	0	50		50
Physics		390	390	0
Rotary Interact Club	2,147		205	1,942
Senior Project	1,941		1,000	941
Seniors	3,327	4,437	3,889	3,875
Shop (regular account)	3,812	987	956	3,843
Soccer	6,270	300	3,544	3,026
Softball	1,173	35,499	27,492	9,180
Sophomores	1,219	3,129	2,165	2,183
Sources of Strength	735		151	584
State Baseball Tournament	1,279			1,279
State Softball Tournament	49			49
STEM	1,200	900	1,074	1,026
Student Association	5,269	14,102	18,628	743
Survival Club	93		93	0
Tennis	1,025	90	188	927
Track	6,078	720	1,702	5,096
Volleyball - Other	5,074	9,708	9,132	5,650
Weight training	235	243		478
Wildlife/Forestry Class	989		670	319
Wrestling	2,190	180	198	2,172
Bank charge	1			1
Uncategorized expenses	8	501	500	9
Sales tax	80	3,917	3,825	172
Reconciliation Discrepancies	9,211	1,985		11,196
	165,960	244,251	281,359	128,852
PayPal	0	86,937	86,937	0
Cash on hand	5,890	1,440	163	7,167
	$ 171,850	$ 332,628	$ 368,459	$ 136,019

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2026

FUND	Balance 6/30/2025	Increases	Decreases	Balance 6/30/2026
4th Grade Field Trip Exp	$ 7,142		$ 33	$ 7,109
8th Grade Field Trip Exp	2,097	$ 5,389	3,331	4,155
Accelerated Reading	1,823	2,825	3,287	1,361
Art	(71)			(71)
Associated Student Body	591	860	944	507
Athletics	(6,845)	26,842	20,992	(995)
Boys basketball	(2,379)	7,769	1,397	3,993
Class of 2023	20			20
Class of 2024	1,997			1,997
Class of 2025	981			981
Class of 2026	1,221	9,349	9,155	1,415
Class of 2027	1,217	894	720	1,391
Class of 2028	305	280		585
Class of 2029		86		86
Class of 2030		100		100
Concessions	3,219	10,604	12,628	1,195
Contingency	851	464	978	337
Cross Country	2,761	1,718	1,598	2,881
Culinary Arts	2,057			2,057
Donation for Sports	2,633	500	440	2,693
Donation	673	965	1,347	291
Dragonfly	(1,875)	1,875		0
Drama	2,122		323	1,799
Drivers Ed	70	190	220	40
Elementary Field Trip	237			237
EPIC	(98)			(98)
FCCLA	1,511	2,333	3,844	0
Girls basketball	2,551	2,789	1,300	4,040
Gold Card	55	500	500	55
Grants	644	1,000	635	1,009
Balance forward	25,510	77,332	63,672	39,170

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2026

FUND	Balance 6/30/2025	Increases	Decreases	Balance 6/30/2026
Balance forward	$ 25,510	$ 77,332	$ 63,672	$ 39,170
H.S. football	3,476		1,622	1,854
H.S. track	2,685	1,903	1,388	3,200
Jr. High basketball	441			441
Jr. High Dance	79	68		147
Jr. High football	489			489
Jr. High girls basketball	500	50	279	271
Jr. High track	1,953	50	249	1,754
Jr. High volleyball	1,995			1,995
Knowledge Bowl	310			310
New Student Welcome Supplies	724			724
Reimbursement	238	1,179	1,179	238
Sales tax	56	1,262	1,318	0
SOM	803	2,500	2,399	904
Spartan Spirit Squad	25			25
SpEd	130			130
STEM	1,000	1,000	217	1,783
Technology	2,120	330		2,450
Title 1	100			100
Volleyball	89	6,290	4,786	1,593
Weight Room	0	112	104	8
Wood Shop	1,722	540		2,262
Yearbook	709	20		729
Other	0	66		66
	$ 45,154	$ 92,702	$ 77,213	$ 60,643

JOINT SCHOOL DISTRICT NO. 171

OROFINO ELEMENTARY SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2026

	Balance 6/30/2025	Increases	Decreases	Balance 6/30/2026
OROFINO ELEMENTARY	$ 43,145	$ 27,338	$ 29,599	$ 40,884