

A full and complete audit of financial statements of this district shall occur on an annual basis in accordance with applicable provisions of Idaho law. The audit will be performed by independent auditors employed on a written contract and will be conducted in accordance with generally accepted governmental accounting standards as defined by the United States General Accounting Office. The annual budget will reflect all necessary expenses for carrying out the provisions of this policy.

The district's accounting system and audits will account for all fixed assets which equal or exceed the value of \$5,000, which will allow for the tracking of at least 80% of the assets of the district. The threshold for capitalization of improvements to real property, including buildings, will be \$20,000.

#### **FILING REQUIREMENTS**

One (1) copy of the auditor's report will be filed with the State Department of Education after its acceptance by this board, but not later than November 10 of each school year. In the event the Department withholds all or a portion of the district's distribution because the report is not filed timely, the district will appeal the matter to the State Board of Education for reconsideration. The district will provide a full and complete response to any request by the Department for further explanation or additional information regarding the matter.

The district will file one (1) copy of each completed audit report with the legislative services office within nine (9) months after the end of the audit period.

#### **COMPLIANCE WITH GASB 34**

In compliance with GASB 34 (Governmental Accounting Standards Board, Standard 34), the district's annual audit will be developed to make the audit easier to understand and more useful to patrons and others who use the district's financial information to make decisions. The district's audit will be based on a full accrual accounting of all financial activities and shall include the Management Discussion and Analysis (MD&A) as a part of Required Supplementary Information (RSI), as mandated by GASB 34.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

In accordance with GASB 34, the MD&A will precede the basic financial statements and will provide an objective and easily readable analysis of the district's financial activities based on currently known facts, decisions or conditions. The MD&A may be drafted by the superintendent or other designee and will include the information required by GASB 34.

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**LEGAL REFERENCE:**

Idaho Code Sections

33-701- Fiscal Year – Payment and Accounting of Funds

67-450B – Independent Financial Audits of Local Government Entities – Filing

Requirements

GASB 34

**ADOPTED:** March 11, 1998

**AMENDED:** October 17, 2023