




AVERY SCHOOL DISTRICT NO. 394

Avery, Idaho

A complete, 52 page, Audit Report can be viewed at the
Avery School District Office.



Audited Financial Statements
For the Year Ended June 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Avery School District No. 394
Avery, Idaho 83802

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 Avery School District No. 394, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Summary of Opinions

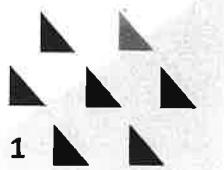
<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Capital Projects Fund	Unmodified
Other Local Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Governmental Activities

In our opinion, except for the possible effects of the matter discussed 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 financial position of the governmental activities of Avery School District No. 394 as of June 30, 2023, 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 Opinions on General Fund, Capital Projects Fund, Other Local Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information Avery School District No. 394, as of June 30, 2023, and the respective changes in



financial position 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. 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 Avery School District No. 394, 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.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Avery School District No. 394 believes the cost of adopting GASB 75 cannot be justified at the present time. The District believes the future cost of the implicit rate subsidy built into the current health care premiums is not material to the financial statements. The amount by which this GAAP departure would affect the liabilities and net position of the Statement of Net Position is not 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 District'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 Avery School District No. 394'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 Avery School District No. 394'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 7-11, the budgetary comparison schedules on pages 38-39, the net pension (asset) liability related schedules on page 40, and the Net OPEB Asset – sick leave plan related schedules on page 41 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 Avery School District No. 394's basic financial statements. The accompanying combining and individual nonmajor fund financial statements is 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 combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

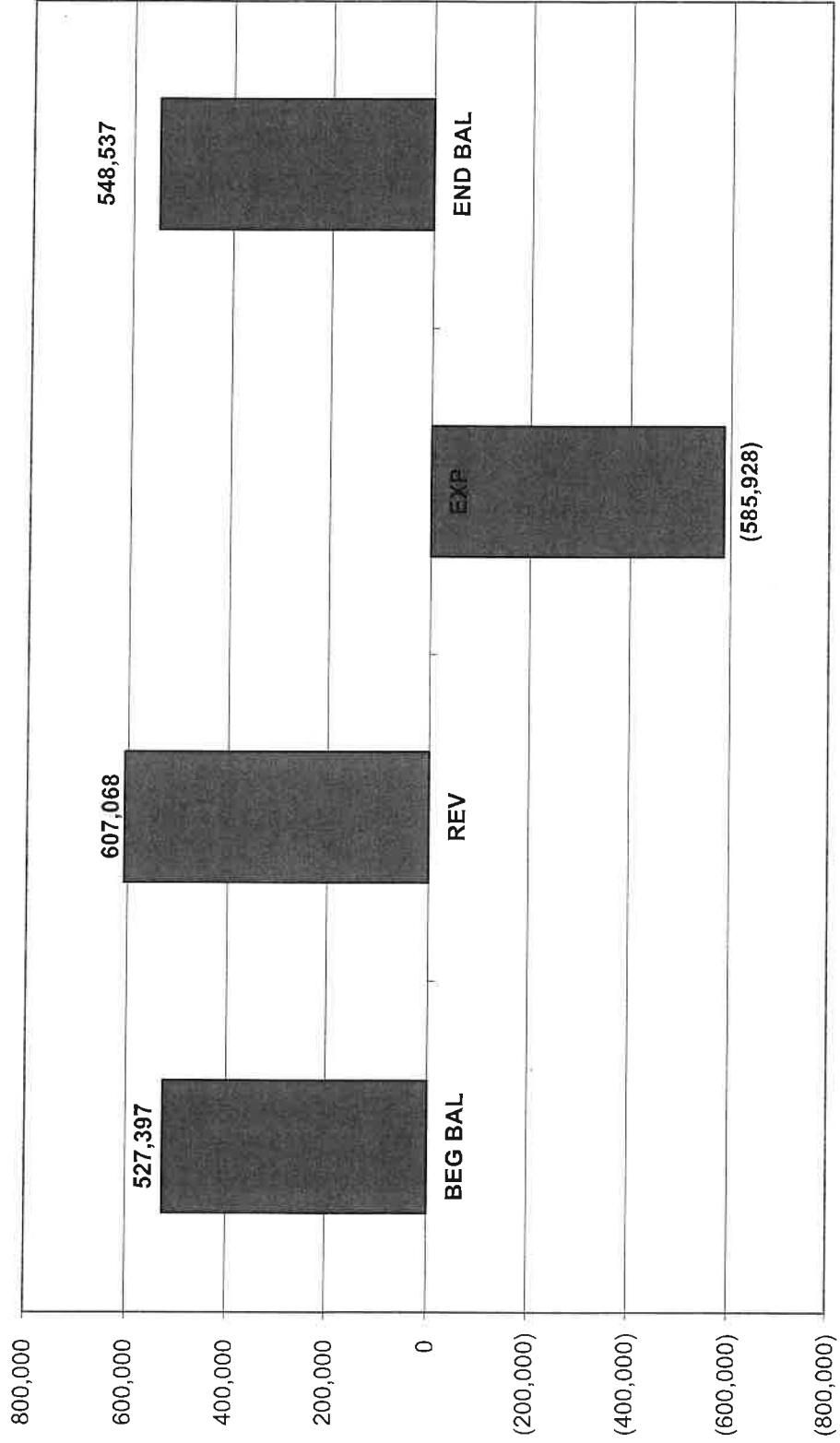
In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023 on our consideration of Avery School District No. 394's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standard* in considering Avery School District No. 394's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
September 26, 2023

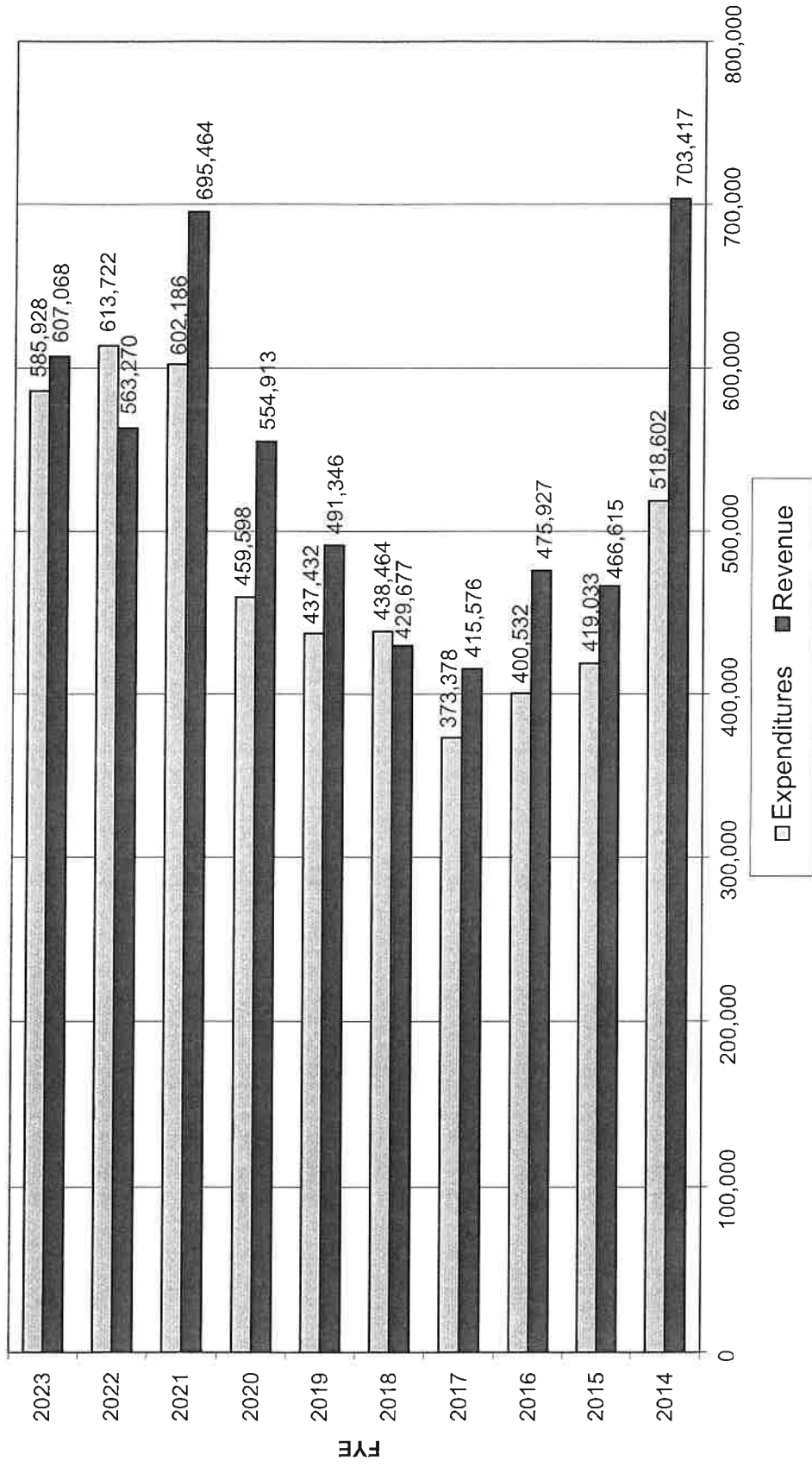
AVERY SCHOOL DISTRICT

2023 General Fund Operations Recap



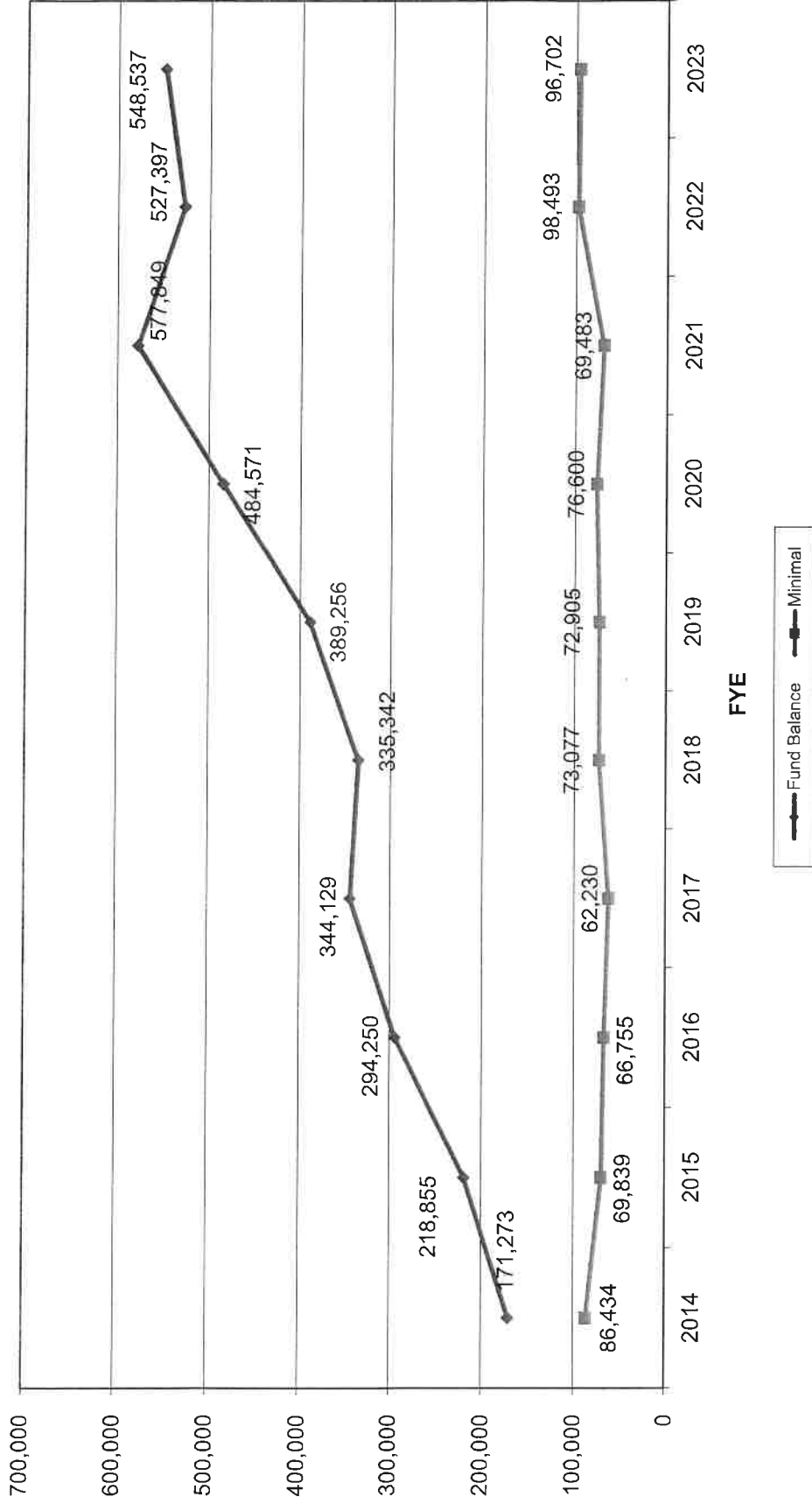
AVERY SCHOOL DISTRICT

General Fund Revenue/Expenditures



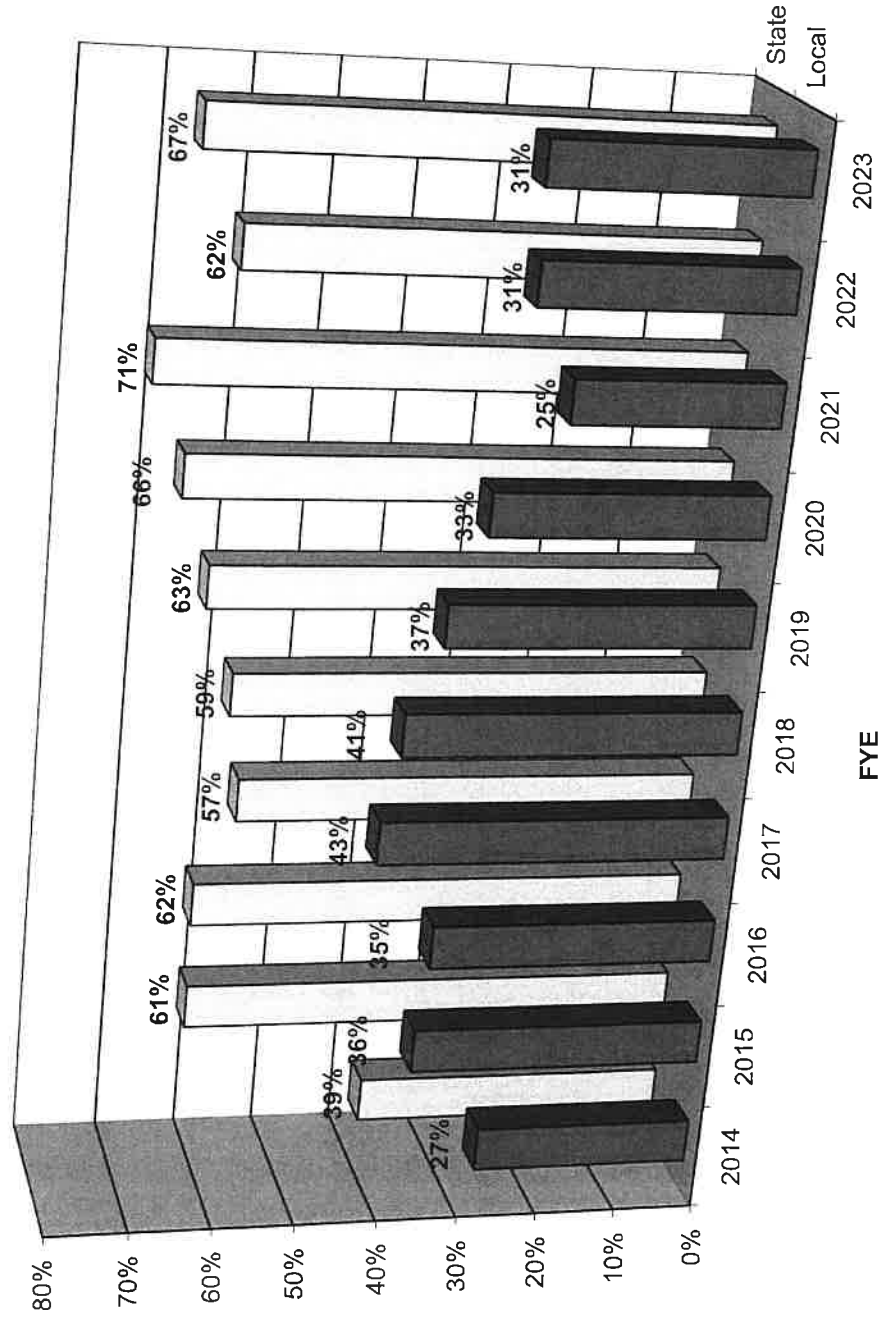
AVERY SCHOOL DISTRICT

Fund Balance Analysis



AVERY SCHOOL DISTRICT

General Fund Local/State Revenue Analysis

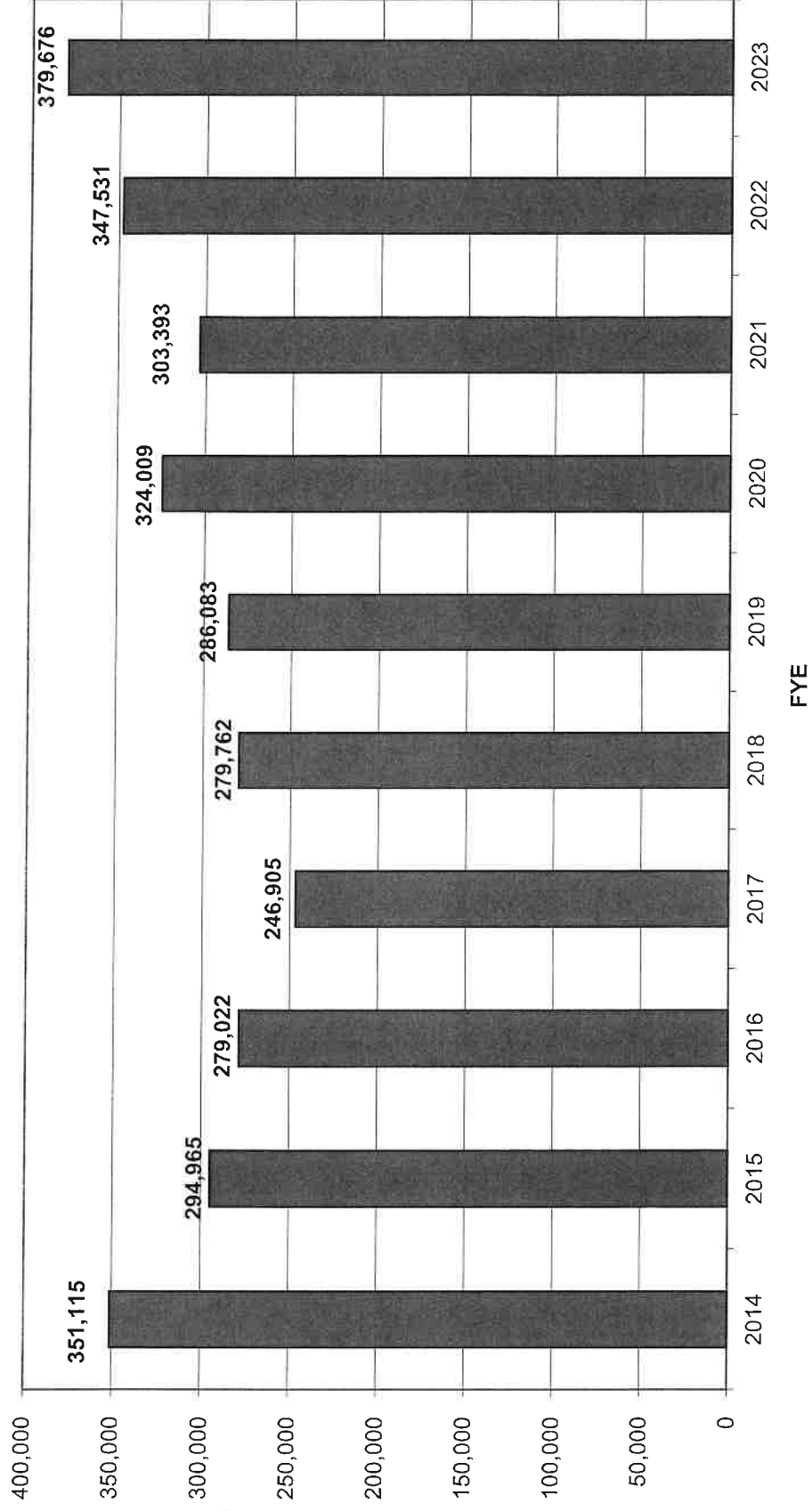


AVERY SCHOOL DISTRICT General Fund Expenditure Analysis



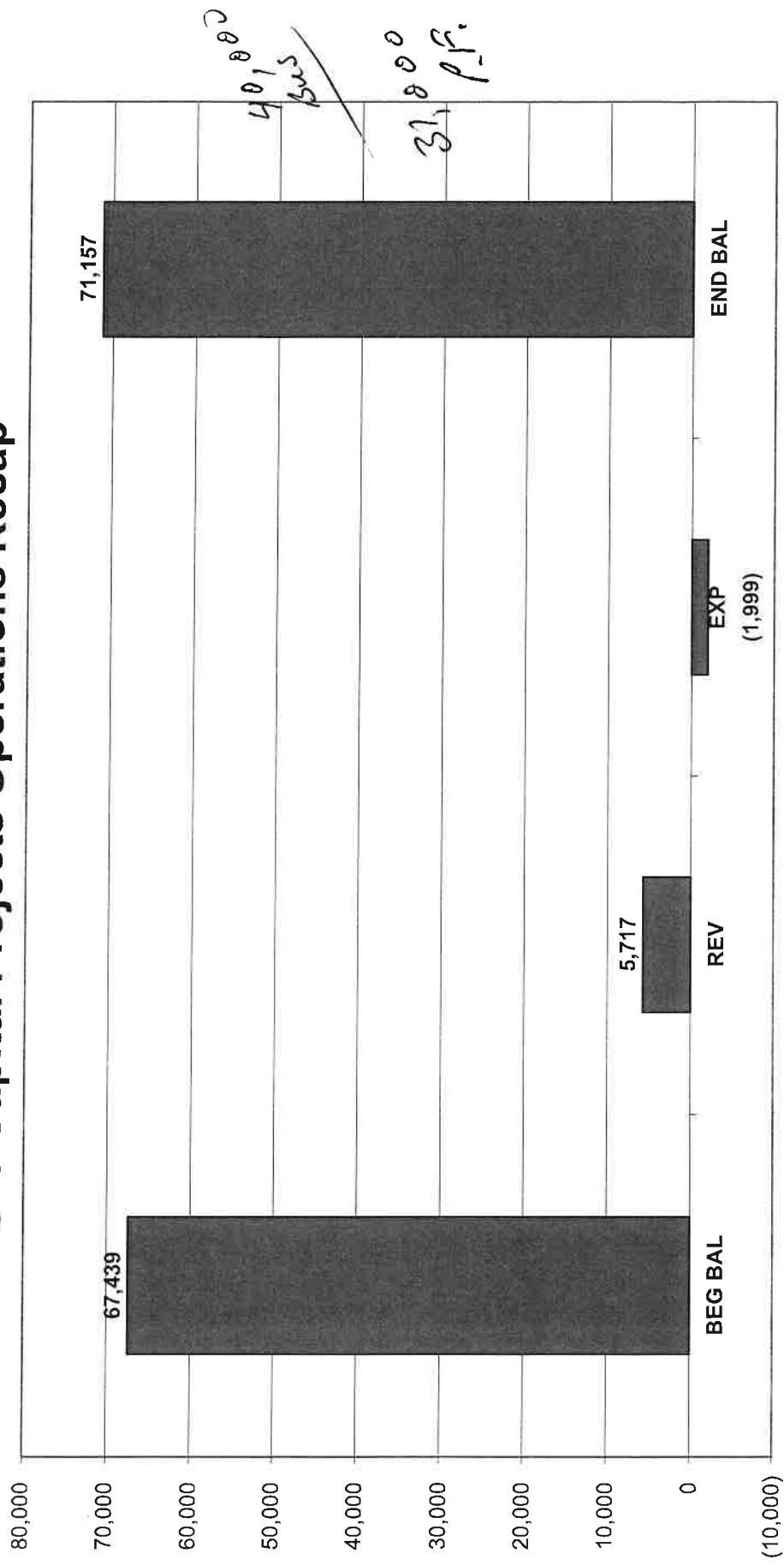
AVERY SCHOOL DISTRICT

General Fund Payroll & Benefit Analysis



AVERY SCHOOL DISTRICT

2023 Capital Projects Operations Recap



AVERY SCHOOL DISTRICT NO. 394
Comparative Cash Balances by Fund

Checking Account

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
General Fund:										
100 General Fund	(181,311)	(299,438)	(274,258)	(263,475)	(154,523)	(66,735)	(170,655)	(136,649)	(153,914)	(153,462)
Special Revenue Funds:										
220 Federal Forest	52,462	43,935	32,993	14,774	14,774	7,704	1,532	1,140	10,312	4,658
230 Other Local Fund	223,400	237,285	237,285	237,285	88,949	81,998	73,323	65,313	-	-
245 State-Technology	-	-	-	-	-	-	-	-	-	-
250 ESSER III	-	(40,989)	-	-	-	-	-	-	-	-
251 Title I	-	-	-	-	-	-	-	-	-	-
254 ESSER III	-	(10,830)	-	-	-	-	-	-	-	-
261 Title IV	-	-	1,611	1,611	-	7,071	-	-	-	-
271 Title IIA	-	-	-	(11,148)	7,071	-	-	-	-	-
284 REAP	-	-	(18,852)	(9,701)	(8,675)	-	-	(15,000)	-	-
290 Milk	-	-	-	-	-	-	-	-	-	-
Total	275,862	229,401	253,037	232,821	102,119	96,773	74,855	51,453	10,312	4,658
Capital Projects Funds:										
420 Plant Facility	1,601	(6,399)	(6,399)	(6,399)	(6,399)	(5,499)	(5,499)	-	(6,733)	-
424 Bus Depreciation	39,500	33,783	26,922	18,688	8,807	(3,051)	70,514	70,514	70,514	70,514
Total	41,101	27,384	20,523	12,289	2,408	(8,550)	65,015	70,514	63,781	70,514
Enterprise Funds:										
500 Water	-	-	-	-	-	-	-	-	6,981	5,541
510 Teacherage	-	-	-	-	-	-	-	-	24,706	24,706
Total	-	-	-	-	-	-	-	-	31,687	30,247
Total Checking	135,652	(42,653)	(698)	(18,365)	(49,996)	21,488	(30,785)	(14,682)	(48,134)	(48,043)

State Investment Pool

100 General Fund	761,508	811,732	853,331	686,539	472,975	337,545	445,948	360,588	301,730	259,622
220 Federal Forest	534	534	534	534	534	534	534	534	534	534
420 Plant Facility	30,047	40,047	40,047	40,047	40,047	40,047	40,047	40,047	50,630	50,630
Total Investments	792,089	852,313	893,912	727,120	513,556	378,126	486,529	401,169	352,894	310,786

TOTAL CASH AND INVESTMENTS

	927,741	809,660	893,214	708,755	463,560	399,614	455,744	386,487	304,760	262,743
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