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# **LAKELAND JOINT SCHOOL DISTRICT No. 272**

**Rathdrum, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2020**

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**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Lakeland Joint School District No. 272, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit***

The financial statements of Lakeland Education Foundation, Inc. have not been audited, and we were not engaged to audit the Lakeland Education Foundation, Inc. financial statements as part of our audit of the Lakeland Joint School District No. 272's basic financial statements. Lakeland Education Foundation, Inc.'s financial activities are included in the District's basic financial statements as a discretely presented component unit and represent all of the assets, net position, revenues and expenses, respectively, of the District's aggregate discretely presented component unit.

### ***Qualified Opinion***

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position the aggregate discretely presented component unit of Lakeland Joint School District No. 272, as of June 30, 2020 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***

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 Lakeland Joint School District No. 272, as of June 30, 2020, 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.

### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, the District recorded a prior period adjustment to account for the change in the estimate of the other post-employment benefit liability as of June 30, 2019. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and on pages 5 through 10, the budgetary comparison schedules on pages 47 through 49, the net pension liability related schedules on page 50, the other post-employment benefits liability schedule on page 51, and the Net OPEB Asset – Sick Leave Plan related schedules on page 52 be presented to supplement the basic financial statements. Such information, 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lakeland Joint School District No. 272's basic financial statements. The combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subject 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 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020, on our consideration of the Lakeland Joint School District No. 272'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 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 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 Lakeland Joint School District No. 272's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 27, 2020

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2020**

As management of the Lakeland Joint School District No. 272 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2020.

**Financial Highlights**

**State Revenue**

First reporting period enrollment funding units were 218.91 for FY 2019-20. This is an increase of 1.65% when comparing to FY 2018-19 funding units of 215.35. The minor increase in funding units and also State increases in discretionary unit value and salary-based apportionment resulted in a \$968,707 increase in state apportionment revenues for the general fund.

**Supplemental Property Tax Levy Revenue**

In the 2019-20 fiscal year, the School District's supplemental property tax levy generated \$9,148,310 (25.40%) of the total General Fund revenues for the fiscal year. This revenue comes from a 2-year supplemental property tax levy expiring in June 30, 2021. The School District board also passed an emergency levy of \$259,722 to provide additional revenue to support enrollment growth for the 2019-20 fiscal year.

**General Fund Balance Increases over the 2018-19 Fiscal Year**

The School District's ending fund balance increased by \$396,949 compared to the prior year. This increase was due to increased State Apportionment and close monitoring of discretionary expenditures. At the close of the 2019-20 fiscal year, \$5,658,016 of fund balance was unassigned and \$5,500 was nonspendable. The ending fund balance is 15.9% of general fund expenditures. This is within the fund balance range requirement of 8.3% - 16.6% as outlined in Board policy 7050.

**Revenue and Resources**

Enrollment and Attendance - A key component in preparing the annual budget is a projection of funding from the State. The majority of this funding is based on a formula which measures average daily attendance (ADA). Enrollment is projected by utilizing a cohort model taking into account 2 year, 3 year, and 5 year averages. These numbers are also compared to a roll forward of spring enrollment to the upcoming school year. The School District's actual Best 28 weeks ADA generated 220.62 support units for the year, compared to 214.93 from the 2018-19 fiscal year. School Districts received \$28,090 per support unit in 2019-20, up from \$27,481 in 2018-19. The projection for support units for the 2020-21 fiscal year is 211.00.

State Support - State support revenue increased \$1,273,027 due to increases in State Apportionment, increased funding units, and also increases to non-statutory support allocations.

Bond Interest Stabilization Payment – In 2019-20, the School District received a bond interest stabilization payment of \$39,418. This revenue helps reduce the burden on the local property tax-payer for bond interest.

### **Impact of the COVID-19 Pandemic**

The COVID-19 Pandemic has had a profound impact on all aspects of public education. The district closed schools in March of 2019 per a directive from the Idaho State Board of Education. The district quickly moved to an online learning model and remote learning options for our community. Attendance waivers were approved by the State Department of Education to mitigate the financial impact of the school closures.

Idaho School Districts, however, were not held harmless. A 1% funding hold back was announced in late March. The majority of reductions were in State categorical funding earmarked for technology and professional development which resulted in \$246,228 of lost revenue.

A 5% reduction in State funding for the 2020-21 school year announced in May of 2020. The targeted reductions were in multiple areas including the suspension of movement of certified staff on the career ladder funding model, reducing professional development support, technology support, discretionary dollars, and eliminating leadership premiums. The estimated impact of the 5% reduction to Lakeland Schools was \$1,145,506. Federal CARES Act funds have helped bridge the gap of State budget cuts and increased expenses due to the Pandemic. The district budget and financial outlook is stable for the short-term. The long-term financial impact of the pandemic is still unknown. The District will continue to be flexible and adjust our operations and educational programming as circumstances dictate.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components:

- 1) Government-wide Financial Statements,
- 2) Fund Financial Statements, and
- 3) Notes to the Financial Statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar

to a private-sector business. The statements present an aggregate view of the District's finances. They contain useful long-term information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In the statements, the District's activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The District has two types of funds: Governmental and Fiduciary.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Required supplementary information.** The budgetary comparison schedules, the net pension liability related schedules, the other post-employment benefit schedules provides additional information required by GASB.

**Other information.** The supplementary information referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

**Government -Wide Financial Analysis  
Statement of Net Position**

	June 30,		
	2020	2019	Change
<b>Assets</b>			
Current assets	27,207,687	27,080,820	126,867
Capital assets	25,686,697	26,176,607	(489,910)
Noncurrent assets	<u>1,560,868</u>	<u>1,297,377</u>	<u>263,491</u>
<b>Total Assets</b>	<b><u>54,455,252</u></b>	<b><u>54,554,804</u></b>	<b><u>(99,552)</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>4,971,390</u></b>	<b><u>5,085,411</u></b>	<b><u>(114,021)</u></b>
<b>Liabilities</b>			
Current liabilities	6,163,147	5,805,087	358,060
Long-term liabilities	<u>14,518,664</u>	<u>18,994,218</u>	<u>(4,475,554)</u>
<b>Total Liabilities</b>	<b><u>20,681,811</u></b>	<b><u>24,799,305</u></b>	<b><u>(4,117,494)</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>15,775,670</u></b>	<b><u>14,919,743</u></b>	<b><u>855,927</u></b>
<b>Net Position</b>			
Net investment in capital assets	19,276,697	17,606,607	1,670,090
Restricted	5,010,751	4,360,188	650,563
Unrestricted	<u>(1,318,287)</u>	<u>(2,045,628)</u>	<u>727,341</u>
<b>Total Net Position</b>	<b><u>\$22,969,161</u></b>	<b><u>\$19,921,167</u></b>	<b><u>\$ 3,047,994</u></b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position as of June 30, 2020 was \$22,969,161.

The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Government- Wide Financial Analysis**  
**Changes in Net Position**

	<u>2019 - 2020</u>	<u>2018 - 2019</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for services	345,840	463,510	(117,670)
Operating grants and contributions	2,926,427	4,078,715	(1,152,288)
Capital grants and contributions	-	39,418	(39,418)
Property taxes	13,169,993	13,243,243	(73,250)
Federal and state revenues	27,580,259	25,257,072	2,323,187
Proceeds from sale of capital asset	1,575	181,548	(179,973)
Interest and investment earnings	197,217	212,413	(15,196)
Other	399,812	564,208	(164,396)
<b>Total Revenues</b>	<u>44,621,123</u>	<u>44,040,127</u>	<u>580,996</u>
<b>Expenses</b>			
Program Expenses:			
Preschool - 12 Instruction	23,915,204	22,308,291	1,606,913
Support services			
Pupil support	2,348,167	2,393,364	(45,197)
Staff support	1,602,532	1,748,402	(145,870)
General administration	1,336,804	1,209,624	127,180
School/business administration	3,540,635	3,111,026	429,609
Maintenance/custodial	4,066,549	3,697,212	369,337
Transportation	1,805,246	1,697,779	107,467
Other services	401,578	292,795	108,783
Child Nutrition	1,184,659	1,466,964	(282,305)
Capital Outlay	84,936	38,869	46,067
Debt Services	303,151	294,227	8,924
Depreciation, unallocated	1,387,808	1,325,089	62,719
<b>Total Expenses</b>	<u>41,977,269</u>	<u>39,583,642</u>	<u>2,330,908</u>
<b>Change in Net Position</b>	2,643,854	4,456,485	(1,812,631)
<b>Net Position – Beginning</b>	19,921,167	14,040,212	5,880,955
<b>Net Position – Prior Period Adjustment</b>	404,140	1,424,470	(1,020,330)
<b>Net Position – Ending</b>	<u>\$22,969,161</u>	<u>\$19,921,167</u>	<u>\$ 3,047,994</u>

## District Funds

**General Fund.** The General Fund is the chief operating fund of the District. At the end of the current fiscal year the ending fund balance was \$5,663,516. The fund balance increased by \$396,949 during the current fiscal year.

## Capital Asset and Debt Administration

**Capital Assets.** The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

	Governmental Activities		
	Capital Assets Net of Accumulated Depreciation		
	June 30,		
	2020	2019	Change
Sites	1,333,484	1,333,484	-
Construction in progress	-	272,008	(272,008)
Buildings	22,984,516	23,367,852	(383,336)
Equipment	653,395	527,775	125,620
Transportation	715,302	675,488	39,814
Total Net Assets	<u>\$ 25,686,697</u>	<u>\$ 26,176,607</u>	<u>\$ (489,910)</u>

At year end, the capital projects fund has a total fund balance of \$1,445,077.

**Long-term Debt.** The Debt Service Fund has a total fund balance of \$2,491,239, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance increased by \$23,810.

At year end the District had \$6,410,000 in general obligation bonds outstanding. The debt of the District is secured by an annual tax levy authorized in past years by the patrons.

**Requests for Information.** This financial report is designed to provide a general overview of the Lakeland Joint School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brian Wallace, Chief of Finance and Operations, Lakeland Joint School District, PO Box 39, Rathdrum, ID 83858.

## FINANCIAL STATEMENTS



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**STATEMENT OF NET POSITION**  
June 30, 2020

**ASSETS**

Current assets:

Cash	3,227,321	
Investments	5,818,425	
Taxes receivable	172,968	
Unbilled taxes receivable	11,656,935	
Other receivables:		
Due from other governments	6,273,807	
Other	6,287	
Prepaid expenses	5,500	
Inventory	46,444	
Total current assets	<u>27,207,687</u>	

Noncurrent assets:

Non-depreciated capital assets	1,333,484	
Depreciated capital assets	54,253,301	
Less: accumulated depreciation	(29,900,088)	
Net OPEB asset - sick leave	<u>1,560,868</u>	
Total noncurrent assets	<u>27,247,565</u>	

Total assets		<u>54,455,252</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items	4,687,196	
Net OPEB - sick leave related items	274,792	
OPEB related items	<u>9,402</u>	
Total deferred outflows of resources		<u>4,971,390</u>

**LIABILITIES**

Current liabilities:

Accounts payable and other current liabilities	4,774,460	
Accrued interest payable	108,687	
Current portion of long-term debt	<u>1,280,000</u>	
Total current liabilities	<u>6,163,147</u>	

Noncurrent liabilities:

Noncurrent portion of long-term debt	5,130,000	
Net pension liability	7,749,038	
Net OPEB liability	<u>1,639,626</u>	
Total noncurrent liabilities	<u>14,518,664</u>	

Total liabilities		<u>20,681,811</u>
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**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	11,656,935	
Deferred grant revenue	38,874	
OPEB related items	336,067	
Net OPEB - sick leave related items	161,885	
Pension related items	<u>3,581,909</u>	
Total deferred inflows of resources		<u>15,775,670</u>

**NET POSITION**

Net investment in capital assets	19,276,697	
Restricted for:		
Debt service	2,507,646	
Capital projects	1,452,840	
Grant programs	1,050,265	
Unrestricted	<u>(1,318,287)</u>	

Total net position		<u>\$ 22,969,161</u>
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LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Instruction	23,915,204	-	1,772,318	-	(22,142,886)
Support Services:					
Pupil support	2,348,167	-	286,234	-	(2,061,933)
Staff support	1,602,532	-	-	-	(1,602,532)
General administration	1,336,804	-	-	-	(1,336,804)
School/business administration	3,540,635	-	-	-	(3,540,635)
Maintenance/custodial	4,066,549	-	-	-	(4,066,549)
Transportation	1,805,246	-	-	-	(1,805,246)
Other services	401,578	-	-	-	(401,578)
Child Nutrition	1,184,659	345,840	867,875	-	29,056
Capital Outlay	84,936	-	-	-	(84,936)
Debt Services	303,151	-	-	-	(303,151)
Depreciation, unallocated	1,387,808	-	-	-	(1,387,808)
Total School District	<u>\$ 41,977,269</u>	<u>\$ 345,840</u>	<u>\$ 2,926,427</u>	<u>\$ -</u>	<u>(38,705,002)</u>
<b>General revenues</b>					
Taxes					
					9,472,607
					77,886
					2,455,858
					1,163,642
					27,580,259
					1,575
					399,812
					197,217
					<u>41,348,856</u>
					2,643,854
					<b>19,921,167</b>
					<b>404,140</b>
					<u><b>\$ 22,969,161</b></u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Cash	3,211,326	-	-	15,995	3,227,321
Investments	4,403,868	1,414,557	-	-	5,818,425
Due from other funds	-	174,376	1,053,341	1,122,484	2,350,201
Taxes receivable	125,068	32,523	15,377	-	172,968
Unbilled taxes receivable	9,075,158	1,435,257	1,146,520	-	11,656,935
Other receivables:					
Due from other governments	4,480,312	886,190	418,623	488,682	6,273,807
Other	-	-	-	6,287	6,287
Prepaid expenses	5,500	-	-	-	5,500
Inventory	-	-	-	46,444	46,444
Total assets	<u>21,301,232</u>	<u>3,942,903</u>	<u>2,633,861</u>	<u>1,679,892</u>	<u>29,557,888</u>
Deferred outflows of resources	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 21,301,232</u>	<u>\$ 3,942,903</u>	<u>\$ 2,633,861</u>	<u>\$ 1,679,892</u>	<u>\$ 29,557,888</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	2,218,883	-	-	131,318	2,350,201
Accounts payable	76,199	-	34,501	65,721	176,421
Accrued payroll and benefits	4,204,325	-	-	393,714	4,598,039
Total liabilities	<u>6,499,407</u>	<u>-</u>	<u>34,501</u>	<u>590,753</u>	<u>7,124,661</u>
Deferred inflows of resources:					
Deferred revenue	63,151	16,407	7,763	-	87,321
Deferred grant revenue	-	-	-	38,874	38,874
Unavailable property tax revenue	9,075,158	1,435,257	1,146,520	-	11,656,935
Total deferred inflows of resources	<u>9,138,309</u>	<u>1,451,664</u>	<u>1,154,283</u>	<u>38,874</u>	<u>11,783,130</u>
Fund balances:					
Nonspendable	5,500	-	-	46,444	51,944
Committed	-	-	190,055	-	190,055
Restricted	-	2,491,239	1,255,022	1,003,821	4,750,082
Unassigned	5,658,016	-	-	-	5,658,016
Total fund balances	<u>5,663,516</u>	<u>2,491,239</u>	<u>1,445,077</u>	<u>1,050,265</u>	<u>10,650,097</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 21,301,232</u>	<u>\$ 3,942,903</u>	<u>\$ 2,633,861</u>	<u>\$ 1,679,892</u>	<u>\$ 29,557,888</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES

June 30, 2020

Total fund balances - governmental funds	10,650,097
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds:	
Cost of capital assets	55,586,785
Accumulated depreciation	(29,900,088)
Property taxes receivable will 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.	
	87,321
Certain pension related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	4,687,196
Deferred inflow of resources	(3,581,909)
Certain OPEB related items are recorded as deferred outflow or inflow of resources and recognized in futures periods for governmental activities:	
Deferred outflow of resources	9,402
Deferred inflow of resources	(336,067)
Certain OPEB-sick leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	274,792
Deferred inflow of resources	(161,885)
Total Net OPEB asset for PERSI-sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds.	
	1,560,868
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	
	(108,687)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities consisted of the following:	
General obligation bonds	(6,410,000)
Net OPEB liability	(1,639,626)
Net pension liability	(7,749,038)
Total net position - governmental activities	<u>\$ 22,969,161</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local	9,897,094	2,473,890	1,167,694	753,457	14,292,135
State	25,919,055	35,706	-	1,151,760	27,106,521
Federal	167,371	-	-	3,099,986	3,267,357
Total revenues	<u>35,983,520</u>	<u>2,509,596</u>	<u>1,167,694</u>	<u>5,005,203</u>	<u>44,666,013</u>
<b>EXPENDITURES</b>					
Instruction	21,436,227	-	-	2,439,723	23,875,950
Support	13,477,130	-	455,158	1,450,297	15,382,585
Non-instruction	-	-	-	1,189,170	1,189,170
Capital asset program	170,187	-	507,710	-	677,897
Debt service	-	2,485,786	-	-	2,485,786
Total expenditures	<u>35,083,544</u>	<u>2,485,786</u>	<u>962,868</u>	<u>5,079,190</u>	<u>43,611,388</u>
Excess (deficiency) of revenue over (under) expenditures	<u>899,976</u>	<u>23,810</u>	<u>204,826</u>	<u>(73,987)</u>	<u>1,054,625</u>
Other financing sources (uses):					
Proceeds from sale of capital asset	-	-	1,575	-	1,575
Transfer in	25,139	-	641,837	111,329	778,305
Transfer out	(528,166)	-	(225,000)	(25,139)	(778,305)
Total other financing sources (uses)	<u>(503,027)</u>	<u>-</u>	<u>418,412</u>	<u>86,190</u>	<u>1,575</u>
Net change in fund balance	396,949	23,810	623,238	12,203	1,056,200
Fund balance -beginning of year	<u>5,266,567</u>	<u>2,467,429</u>	<u>821,839</u>	<u>1,038,062</u>	<u>9,593,897</u>
Fund balance-end of year	<u>\$ 5,663,516</u>	<u>\$ 2,491,239</u>	<u>\$ 1,445,077</u>	<u>\$ 1,050,265</u>	<u>\$ 10,650,097</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds		1,056,200
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 capitalized and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:		
Capital outlays	897,898	
Depreciation expense	<u>(1,387,808)</u>	(489,910)
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are however, recorded as revenues in the statement of activities.		
		(46,465)
Net pension liability adjustments:		
Fiscal year 2019 employer PERSI contributions recognized as pension expense in the current year.	(2,638,828)	
Fiscal year 2020 employer PERSI contributions deferred to subsequent year	2,995,470	
Pension related amortization revenue (expense)	<u>(166,566)</u>	190,076
Net OPEB liability adjustments:		
Change in OPEB liability	(32,155)	
OPEB related amortization revenue (expense)	<u>(267,303)</u>	(299,458)
Net OPEB asset - sick leave adjustment:		
Fiscal year 2019 employer PERSI Sick Leave contributions recognized as OPEB expense in the current year	(270,346)	
Fiscal year 2020 employer PERSI Sick Leave contributions deferred to subsequent year	103,762	
OPEB related amortization revenue (expense)	<u>217,360</u>	50,776
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.		
		22,635
Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities:		
General obligation bonds		<u>2,160,000</u>
Net change in net position - governmental activities		<u>\$ 2,643,854</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**FIDUCIARY FUNDS AND COMPONENT UNIT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2020**

	<u>Agency Funds</u>	<u>Component Unit Lakeland Education Foundation, Inc.</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Assets:		
Cash	131,165	115,143
Investments	479,005	-
Total assets	<u>610,170</u>	<u>115,143</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 610,170</u>	<u>\$ 115,143</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Liabilities:		
Due to student groups	610,170	-
Total liabilities	<u>610,170</u>	<u>-</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>610,170</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted	<u>-</u>	<u>115,144</u>
Total net position	<u>\$ -</u>	<u>\$ 115,144</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**COMPONENT UNIT - LAKELAND EDUCATION FOUNDATION, INC.**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2020**

**ADDITIONS**

Net investment income	930
Restricted donations	<u>17,263</u>

Total revenues 18,193

**DEDUCTIONS**

Administrative expenses	4,496
Scholarship awards	<u>14,000</u>

Total expenses 18,496

**Change in net position** **(303)**

**Net position - beginning** 115,447

**Net position - ending** \$ 115,144

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 1      Summary of Significant Account Policies**

The financial statements of the Lakeland Joint School District No. 272 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**Reporting Entity**

The Lakeland Joint School District No. 272 is the basic level of government, which has financial accountability, and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. The unaudited financial statements of the Lakeland Education Foundation, Inc., a component unit, are presented discretely on the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

**Basis of Presentation, Fund Accounting** - District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Only governmental-type activities are shown, since there are no "business-type activities" within the District. The District eliminates internal activity on the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) 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

## **NOTE 1      Summary of Significant Account Policies (Continued)**

classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- **General Fund.** This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- **Debt Service Fund.** This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- **Capital Projects Fund.** This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property.

The District reports the following fiduciary types:

- **Agency funds.** These funds account for assets held by the District as an agent for various student groups and clubs.

**Component Unit:**

- The District reports the net position and changes in net position of one component unit, the Lakeland Education Foundation, Inc. The component unit financial statements are presented pursuant to GASB 61 because the economic resources received by the Foundation are held for the direct benefit of the District and its students.
- The unaudited statements of the Lakeland Education Foundation, Inc. are fiduciary in nature and are not included in the activity of the District-wide financial statements.

**Basis of Accounting** - The District-wide and fiduciary fund (excepting agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support for grant revenues are susceptible to accrual.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. 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 liabilities and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

**Restricted Resources** - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Budgets** - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

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

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

**Cash and Investments** - The District's cash includes amounts in demand deposits and savings accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow school districts within the state of Idaho to pool their funds for investments purposes.

Interest income is defined as non-operating revenue.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

**Short-Term Interfund Loans Receivables/Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." Interfund balances have been eliminated, when applicable, on the statement of net position.

**Inventory** - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased. However, in the Child Nutrition Fund, the District records inventory of food commodities at cost at year-end.

**General Capital Assets** - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–30 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Accumulated Unpaid Vacation and Sick Pay** - Under the terms of the "Lakeland Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Vacation does not roll over from year to year. Employees are not paid for unused sick leave upon termination of employment with the District.

**Long Term Obligations** - In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **NOTE 1      Summary of Significant Account Policies (Continued)**

**Deferred Compensation** - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day. The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement.

**Encumbrances** - The District does not utilize an encumbrance system.

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

**Fund Balance** - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications. The Districts fund balance policy is to maintain an unassigned fund balance of not less than 8.3% and not more than 16.6% of the general fund expenses budget for the fiscal year.

**Deferred Revenue** - Deferred revenue in the General, Debt Service and Capital Projects Fund represent property taxes recorded but not estimated to be collected within sixty days of the end of the accounting period.

**Deferred Grant Revenue** – Deferred grant revenue in the State Professional Technical Fund represents revenue received but not yet earned.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund, Debt Service Fund and Capital Projects Fund represent the property taxes levied for 2020 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the District-wide financial statements.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 1 Summary of Significant Account Policies (Continued)**

**Subsequent Events** - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

**NOTE 2 Property Tax**

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the District as of January 1, **2019** upon which the **2019** levy was based was \$3,669,314,609.

The District's levy was 0.20913% per \$100 of market valuation for tort liability insurance and claims, 3.08313% per \$100 for school plant facilities, and 6.61385% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt and plant facility acquisitions for the year ended June 30, 2020 was 25.08414% per \$100. The District was required to pass an override levy in the amount of 24.17659% per \$100 and qualified for an emergency levy in the amount of 0.69842% per \$100. The total tax levy for the year ended June 30, 2020 was \$12,900,813 with total tax collections being \$12,728,724.

Taxes are due in two equal installments on the December 20 and June 20 following the levy date. Current tax collections for the year ended June 30, 2020 were 98.67% of the tax levy. Property taxes levied for 2019 are recorded as receivables if uncollected and a deferred revenue amount is recorded to the extent of taxes not estimated to be collected within sixty days of the end of the accounting period.

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2020 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2020 of \$11,656,935 is recorded as uncollected but are not considered available at June 30, 2020. The entire receivable is considered a deferred inflow of resources.

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
Total taxes receivable at June 30, 2020	125,068	32,523	15,377	172,968
Less: Taxes to be collected by the County Treasurer by August 31, 2020	<u>(61,917)</u>	<u>(16,116)</u>	<u>(7,614)</u>	<u>(85,647)</u>
Deferred revenue	<u>\$ 63,151</u>	<u>\$ 16,407</u>	<u>\$ 7,763</u>	<u>\$ 87,321</u>

### NOTE 3 Cash and Investments

#### Deposits

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<b>Cash</b>		
Checking and Savings Accounts	\$ 3,358,486	\$ 4,401,639

Deposits were with Wells Fargo of which \$250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance. The remaining balance of \$4,151,639 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

#### Investments

Detail of investments at June 30, 2020 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Total</u>
State Treasurer's Pool	Variable	4,403,868	1,414,557	479,005	6,297,430
Total		<u>\$4,403,868</u>	<u>\$1,414,557</u>	<u>\$479,005</u>	<u>\$6,297,430</u>

The District's investments, except for amounts held in the State Treasurer's Pool, are classified as uncollateralized.

#### **Investment Maturities:**

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$6,297,430</u>	<u>\$ 6,297,430</u>	<u>\$ 6,297,430</u>	<u>\$ -</u>

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

The State Treasurer's investment policies and the Local Government Investment Pool financial statements can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

### NOTE 3 Cash and Investments (Continued)

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

*Interest rate risk* is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

*Concentration of credit risk* is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District does not have a policy limiting the amount it may invest in any one issuer.

### NOTE 4 Capital Assets

A summary of changes in capital assets and accumulated depreciation is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Capital assets not being depreciated</b>					
Land	1,333,484	-	-	-	1,333,484
Construction in progress	272,008	-	-	(272,008)	-
Total capital assets not being depreciated	<u>1,605,492</u>	<u>-</u>	<u>-</u>	<u>(272,008)</u>	<u>1,333,484</u>

**NOTE 4 Capital Assets (Continued)**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Capital assets being depreciated</b>					
Buildings	46,856,174	445,355	-	272,008	47,573,537
Equipment	2,056,716	265,523	-	-	2,322,239
Transportation	4,170,505	187,020	-	-	4,357,525
Total depreciated assets	<u>53,083,395</u>	<u>897,898</u>	<u>-</u>	<u>272,008</u>	<u>54,253,301</u>
<b>Less: Accumulated Depreciation</b>					
Buildings	(23,488,322)	(1,100,699)	-	-	(24,589,021)
Equipment	(1,528,941)	(139,903)	-	-	(1,668,844)
Transportation	(3,495,017)	(147,206)	-	-	(3,642,223)
Total accumulated depreciation	<u>(28,512,280)</u>	<u>(1,387,808)</u>	<u>-</u>	<u>-</u>	<u>(29,900,088)</u>
Governmental Activities Assets	<u>\$ 26,176,607</u>	<u>\$ (489,910)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$25,686,697</u>

**NOTE 5 Long Term Debt**

The following is a summary of bond transactions of the District for the year ended June 30, 2020:

Bonds payable @ July 1, 2019	8,570,000
Debt retired	<u>(2,160,000)</u>
Bonds payable @ June 30, 2020	<u>\$ 6,410,000</u>

Bonds payable at June 30, 2020, are comprised of the following individual issues:

**General Obligation Bonds:**

**2012 Refunding Series**

Original issue of \$3,955,000 due August 15, 2023. Interest is stated at 3.0%

1,885,000

**2013 Refunding Series**

Original issue of \$8,490,000 due August 15, 2025. Interest varies between 2.0% and 4.0%

4,525,000

Total

\$ 6,410,000

## NOTE 5 Long Term Debt (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 2020 including interest payments are as follows:

<b><u>2012 Refunding Series</u></b>				
<b><u>Date of Redemption</u></b>	<b><u>Interest Rate</u></b>	<b><u>Bond Principal</u></b>	<b><u>Interest Requirement</u></b>	<b><u>Total Requirement</u></b>
8/15/2020	3.00	455,000	28,275	483,275
2/15/2021	3.00	-	21,450	21,450
8/15/2021	3.00	460,000	21,450	481,450
2/15/2022	3.00	-	14,550	14,550
8/15/2022	3.00	480,000	14,550	494,550
2/15/2023	3.00	-	7,350	7,350
8/15/2023	3.00	490,000	7,350	497,350
Total		<u>\$ 1,885,000</u>	<u>\$ 114,975</u>	<u>\$ 1,999,975</u>

<b><u>2013 Refunding Series</u></b>				
<b><u>Date of Redemption</u></b>	<b><u>Interest Rate</u></b>	<b><u>Bond Principal</u></b>	<b><u>Interest Requirement</u></b>	<b><u>Total Requirement</u></b>
8/15/2020	4.00	825,000	80,725	905,725
2/15/2021	4.00	-	64,225	64,225
8/15/2021	4.00	855,000	64,225	919,225
2/15/2022	4.00	-	47,125	47,125
8/15/2022	4.00	890,000	47,125	937,125
2/15/2023	3.00	-	29,325	29,325
8/15/2023	3.00	925,000	29,325	954,325
2/15/2024	3.00	-	15,450	15,450
8/15/2024	3.00	975,000	15,450	990,450
2/15/2025	3.00	-	825	825
8/15/2025	3.00	55,000	825	55,825
Total		<u>\$ 4,525,000</u>	<u>\$ 394,625</u>	<u>\$ 4,919,625</u>

**NOTE 5 Long Term Debt (Continued)**

<u>Date of Redemption</u>	<u>Combined Totals</u>		
	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
2021	1,280,000	194,675	1,474,675
2022	1,315,000	147,350	1,462,350
2023	1,370,000	98,350	1,468,350
2024	1,415,000	52,125	1,467,125
2025	975,000	16,275	991,275
2026	55,000	825	55,825
Totals	<u>\$ 6,410,000</u>	<u>\$ 509,600</u>	<u>\$ 6,919,600</u>

Changes in long-term bond obligations: During the year ended June 30, 2020, the following changes occurred in liabilities:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>	<u>Noncurrent Portion</u>
2012 Refunding series	2,325,000	-	(440,000)	1,885,000	455,000	1,430,000
2013 Refunding series	6,245,000	-	(1,720,000)	4,525,000	825,000	3,700,000
Totals	<u>\$ 8,570,000</u>	<u>\$ -</u>	<u>\$(2,160,000)</u>	<u>\$ 6,410,000</u>	<u>\$1,280,000</u>	<u>\$5,130,000</u>

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2020 the Legal Debt Margin was:

Market Value at January 1, 2019	3,669,314,609
Percentage allowed	5%
Debt Limitation	183,465,730
Less Bonded debt at June 30, 2020	(6,410,000)
Legal Debt Margin	<u>\$ 177,055,730</u>

As of June 30, 2020, \$2,491,239 was available in the debt service fund to service the general obligation bonds.

On August 22, 2019, the District transferred \$999,086 to an escrow account for a partial defeasance of the 2013 refunding series bond. \$15,250 was transferred for costs related to the issuance of the defeasance with the remaining \$983,836 deposited to the account. Per GASB 86, "Certain Debt Extinguishment Issues", the deposit represents an in-substance defeasance in the principal amount of \$930,000 in fiscal year 2020 and has been shown as a reduction of the long-term debt.

## **NOTE 6      Pension Plan**

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2019. All amounts are as of June 30, 2019 unless otherwise noted.

### *Plan Description*

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI.

That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

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

### *Pension Benefits*

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

### *Member and Employer Contributions*

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution

## **NOTE 6 Pension Plan (Continued)**

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) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2020 it was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The District's employer contributions required and paid were \$2,995,470 for the year ended June 30, 2020.

### *Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2019. The net pension liability was measured as of June 30, 2019, 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, 2019, the District's proportion was 0.6788635%.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2020 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2019 was calculated at \$2,629,622.

## NOTE 6 Pension Plan (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	720,154	913,263
Changes in assumptions or other inputs	431,046	-
Net difference between projected and actual earning on pension plan investments	-	2,639,872
Change in proportionate share	540,526	28,774
Employer contributions subsequent to the measurement date	<u>2,995,470</u>	<u>-</u>
Total	<u>\$4,687,196</u>	<u>\$3,581,909</u>

\$2,995,470 is reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2021	(279,034)
2022	(1,195,466)
2023	(582,330)
2024	(345,107)

## NOTE 6 Pension Plan (Continued)

### *Actuarial Assumptions*

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases*	3.75%
Salary inflation	3.75%
Investment rate of return	7.05% net of investment expenses
Cost-of-living (COLA) adjustments	1.00%

\*There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. 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 PERSI'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.

## NOTE 6 Pension Plan (Continued)

Asset Class		Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				<b>7.05%</b>

### *Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. 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 administrative expense.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

**NOTE 6 Pension Plan (Continued)**

	<b>1% Decrease (6.05%)</b>	<b>Current Discount Rate (7.05%)</b>	<b>1% Increase (8.05%)</b>
Employer’s proportionate share of the net pension liability (asset)	23,405,080	7,749,038	(5,198,009)

*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](http://www.persi.idaho.gov).

*Payables to the pension plan*

At June 30, 2020, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**NOTE 7 Other Post-Employment Benefit Plan – Sick Leave Plan**

In accordance with GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2019. All amounts are as of June 30, 2019 unless otherwise noted.

*Plan Description*

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 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 the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://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

## **NOTE 7      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

### *OPEB Benefits*

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.

### *Employer Contributions*

The contribution rate for employees are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school 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. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The District's contributions required and paid were \$103,762 for the year ended June 30, 2020.

### *OPEB Liabilities, OPEB Expense (Expenses Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2020, the District reported an asset for its proportionate share of the net OPEB asset as of June 30, 2019. The net OPEB asset was measured as of June 30, 2019, 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 relative to the total contributions of all participating Sick Leave employers. At June 30, 2019, the District's proportion was 1.6296316%.

The District's OPEB expense (expense offset) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2020 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ending June 30, 2019 was calculated at \$57,301.

**NOTE 7 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	165,250	-
Changes in assumptions or other inputs	5,780	-
Net difference between projected and actual earning on pension plan investments	-	90,216
Change in proportionate share	-	71,669
Employer contributions subsequent to the measurement date	<u>103,762</u>	<u>-</u>
Total	<u>\$274,792</u>	<u>\$161,885</u>

The \$103,762 reported as deferred outflows of resources resulted from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year June 30, 2021.

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

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2021	1,921
2022	1,921
2023	1,921
2024	21,994
2025	29,493
Thereafter	23,565

*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.

**NOTE 7      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Health care trend rate	N/A*

\*Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement and is calculated as a fixed dollar amount that can be applied to premiums.

The long-term expected rate of return on OPEB Fund 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the approach used builds upon the latest capital market assumptions. The assumptions and the System’s formal policy for asset allocation are shown below. The formal asset allocation policy is 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.

## NOTE 7 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

### Capital Market Assumptions

Asset Class		Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>				
Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.05%
Assumed Inflation				3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses				<b>7.05%</b>

### Discount Rate

The discount rate used to measure the total OPEB liability was 7.05%. 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 Fund'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 Fund 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.

**NOTE 7 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

*Sensitivity of the net OPEB asset to changes in the discount rate*

The following presents the District’s proportionate share of net OPEB asset calculated using the discount rate of 7.05 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 (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	<b>1% Decrease <u>(6.05%)</u></b>	<b>Current Discount Rate <u>(7.05%)</u></b>	<b>1% Increase <u>(8.05%)</u></b>
Employer’s proportionate share of the net OPEB liability (asset)	\$ (1,374,428)	\$ (1,560,868)	\$ (1,738,186)

*OPEB plan fiduciary net position*

Detailed information about the OPEB plan’s fiduciary net position is available in a 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](http://www.persi.idaho.gov).

*Payable to the OPEB plan*

At June 30, 2020, the District reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

**NOTE 8 Contingent Liabilities**

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

## NOTE 9 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2020:

<u>Fund</u>	<u>Excess</u>
General Fund	152,246
Facilities	5,216
Before and After School Enrichment	43,958
Literacy Intervention	37,331
State Substance Abuse	3,497
Leadership Stipends	81,664
Title IV-A, ESSA - Student Support and Academic Enrichment	4,653

To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

## NOTE 10 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as "Transfers" and are classified as "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement, and transfers into the Child Nutrition Fund from the General Fund to provide a matching contribution. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	528,166	25,139
Child Nutrition	-	1,318
Leadership Stipends	-	6,951
Miscellaneous Grant	-	3,060
School Based Medicaid	-	100,000
Title I-A - ESSA, Improving Basic Programs	11,605	-
IDEA Part B (611 School Age 3-21)	10,149	-
Title IV-A, ESSA - Student Support and Academic Enrichment	1,483	-
Title II-A ESEA, - Supporting Effective Instruction	1,902	-
Capital Projects Fund	225,000	641,837
Total	<u>\$ 778,305</u>	<u>\$ 778,305</u>

## NOTE 10 Interfund Receivables, Payables and Transfers (Continued)

The composition of Interfund receivables and payables as of June 30, 2020 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	2,218,883
Special Revenue Funds:		
Federal Forest Reserve	42,449	-
Facilities	45,763	-
Before and After School Enrichment	206,441	-
State Professional Technical	30,295	-
School Based Medicaid	4,026	-
Gifted and Talented	13,587	-
Technology Grant	487,151	-
State Substance Abuse	8,889	-
Title V-B, ESSA - Rural Education Initiative	-	4,781
Title IV-A, ESSA - Student Support and Academic Enrichment	-	10,690
Miscellaneous Grant	34,809	-
Title I-A ESSA – Improving Basic Programs	-	12,942
IDEA Part B (611 School Age 3-21)	-	71,391
IDEA Part B (619 Pre-School Age 3-5)	-	8,295
Leadership Stipends	72,494	-
Perkins III Professional Technical Act	-	8,856
Title II-A, ESEA – Supporting Effective Instruction	-	14,363
Child Nutrition	176,580	-
Debt Service Fund	174,376	-
Capital Projects Fund	1,053,341	-
Total	<u>\$ 2,350,201</u>	<u>\$ 2,350,201</u>

## NOTE 11 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

## NOTE 12 Other Post-Employment Benefits

### Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Lakeland Joint School District Employee Group Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-

## **NOTE 12    Other Post-Employment Benefits (Continued)**

Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method.

### **General Information about the OPEB Plan**

The Lakeland Joint School District Employee Group Benefit Plan is a single-employer defined benefit OPEB plan that provides benefits to current and future retirees.

### ***Retirement and Dependent Medical Benefit Eligibility***

Upon separation from public school employment by retirement in accordance with Chapter 13, Title 59, Idaho Code, a retiree may continue to pay premiums for the retiree and the retiree's dependents at the rate for the active employee's group health, long-term care, vision, prescription drug and dental insurance programs as maintained by the employer for the active employees until the retiree and/or the retiree's spouse becomes eligible for Medicare at which time the district shall make available a supplemental program to Medicare for the eligible individual (Medicare Retirees).

### ***Eligibility for Retirement***

Normal retirement eligibility is age 65 with five years of service, including six months of membership service. Early retirement eligibility is age 55 with five years of service, including six months of membership coverage.

### ***Medicare Retirees***

Medicare retirees are defined as retirees who are 65 years of age or older, are not included in the District's plan, and Medicare will be considered their primary plan. Medicare Retirees and eligible dependents who enroll in Medicare (both Part A and Part B) are eligible to participate in the Statewide School Retiree Program that supplements Medicare.

### ***Funding***

The District's OPEB plan is funded under a pay-as-you-go funding method. Under this method, the District has not set aside any assets (nor accumulated any assets in a trust) that meet the definition of plan assets under GASB 74 or 75 to offset the OPEB liability. Therefore, the Net OPEB liability is equal to the Total OPEB liability.

### **OPEB Benefits**

The health care benefits are contracted by the District through group medical and dental plans. The medical and dental plans includes an annual deductible, coinsurance payment requirements, and an annual out-of-pocket maximum for the member/family. The prescription

## NOTE 12 Other Post-Employment Benefits (Continued)

drug benefit is provided through a tiered system comprising of the type of prescription (generic, preferred brand, and non-preferred brand) and the method of purchase.

### Census Data

As of June 30, 2020, the valuation date, the District had 487 active (future retirees) participants and 26 inactive (current retirees) participants.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Employer reported a liability of \$1,639,626 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

For the year ended June 30, 2020, the Employer recognized OPEB expense of \$205,726. At June 30, 2020, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	-	267,022
Changes in assumptions or other inputs	<u>9,402</u>	<u>69,045</u>
Total	<u>\$9,402</u>	<u>\$336,067</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows

<b>Year ended June 30:</b>	
2021	(23,392)
2022	(23,392)
2023	(23,392)
2024	(23,392)
2025	(23,392)
Thereafter	(\$209,705)

## NOTE 12 Other Post-Employment Benefits (Continued)

### Actuarial assumptions

<b>Valuation Date</b>	June 30, 2020
<b>Measurement Date</b>	June 30, 2020
<b>Interest/Discount Rate</b>	2.53%
<b>Projected Payroll Increases</b>	3.75%
<b>Health Care Cost Trend Rate</b>	Medical: between 3.8% and 8.6% Prescription Drugs: between 3.8% and 8.6%
<b>Retiree Contributions</b>	Retiree contributions are assumed to increase to match the health care cost trends.

### Participation

For future retirees, participation rates were assumed to be 40.0% for medical coverage. Actual spouse information is used for current retirees. Future retired members who elect to participate in the plan are assumed to be married at a rate of 60.0%. 70.0% of the future retirees who elect medical coverage and married are assumed to elect spousal coverage as well. Males are assumed to be three years older than males.

### Mortality

For active members, inactive members and healthy retirees, mortality rates were based on the RP2000 Combined Healthy Mortality Table adjusted with generational mortality adjustments using Scale AA, set back three years for both males and females. For disabled retirees, mortality rates were based on the RP2000 Disabled Mortality Table adjusted with generational mortality adjustments using Scale AA, set back one year for males and set forward two years for females.

### Interest/Discount rate

The interest rate is based on the 20-year municipal bond index.

### Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of June 30, 2020, calculated using the discount rate of 2.53%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.53%) or 1-percentage-point higher (3.53%) than the current rate:

	<u>1% Decrease (1.53%)</u>	<u>Current Discount Rate (2.53%)</u>	<u>1% Increase (3.53%)</u>
Net OPEB liability	\$1,745,326	\$1,639,626	\$1,537,195

## NOTE 12 Other Post-Employment Benefits (Continued)

The following presents the net OPEB liability of the Plan as of June 30, 2020, calculated using the assumed health care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$1,469,245	\$1,639,626	\$1,839,418

### Summary of the Change in OPEB Liability

<i>Total OPEB Liability – Beginning of Year</i>	\$ 1,607,471
Service Cost	149,537
Interest	61,495
Plan Design Changes	-
Difference Between Expected and Actual Experience	(207,635)
Changes of Assumptions or Other Inputs	(59,668)
Benefit Payments (Estimated)	<u>88,426</u>
<i>Total OPEB Liability – End of Year</i>	<u>\$1,639,626</u>

## NOTE 13 COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from governing authorities requiring forced closures of schools, businesses, and other facilities and organizations. While the disruption is expected to be temporary, the current circumstances are evolving and dynamic. The full extent and duration of the impact of COVID-19 on the District's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable. Because of this, it may have a materially adverse impact on the District's business, results of operations, financial position, and cash flows.

## NOTE 14 Prior Period Adjustment

The District made a prior period adjustment to account for the change in the estimate of the other post-employment benefit liability as of June 30, 2019. The change in estimate decreased other post-employment benefit liability and increased beginning net position by \$404,140, respectively.

## REQUIRED SUPPLEMENTARY INFORMATION



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	9,188,534	9,188,534	9,588,270	399,736	399,736
Earnings on investments	100,000	100,000	183,652	83,652	83,652
Other	120,000	120,000	125,172	5,172	5,172
Total local	9,408,534	9,408,534	9,897,094	488,560	488,560
State:					
Base program	20,329,218	20,329,218	20,606,385	277,167	277,167
Transportation	1,123,290	1,123,290	1,269,092	145,802	145,802
Tuition equivalency	30,000	30,000	44,998	14,998	14,998
Benefit apportionment	2,796,779	2,796,779	2,822,756	25,977	25,977
Other state support	780,017	780,017	718,596	(61,421)	(61,421)
Lottery/additional state maintenance	328,146	328,146	335,741	7,595	7,595
Revenue in lieu of taxes	63,977	63,977	63,977	-	-
Other state revenue	-	-	57,510	57,510	57,510
Total state	25,451,427	25,451,427	25,919,055	467,628	467,628
Federal:					
Unrestricted	100,000	100,000	167,371	67,371	67,371
Total revenues	34,959,961	34,959,961	35,983,520	1,023,559	1,023,559
<b>EXPENDITURES</b>					
Instruction:					
Salaries	15,527,225	15,527,225	15,379,581	147,644	147,644
Benefits	5,069,464	5,069,464	4,925,347	144,117	144,117
Purchased services	766,150	766,150	673,358	92,792	92,792
Supplies-materials	602,531	602,531	457,941	144,590	144,590
Total instruction	21,965,370	21,965,370	21,436,227	529,143	529,143
Support:					
Salaries	7,620,899	7,620,899	7,808,006	(187,107)	(187,107)
Benefits	2,601,230	2,601,230	2,549,391	51,839	51,839
Purchased services	1,840,609	1,840,609	2,053,063	(212,454)	(212,454)
Supplies-materials	754,871	754,871	764,415	(9,544)	(9,544)
Capital outlay	-	-	153,936	(153,936)	(153,936)
Insurance - judgment	148,319	148,319	148,319	-	-
Total support	12,965,928	12,965,928	13,477,130	(511,202)	(511,202)
Capital asset program:					
Capital objects	-	-	170,187	(170,187)	(170,187)
Total expenditures	34,931,298	34,931,298	35,083,544	(152,246)	(152,246)
Excess (deficiency) of revenues over (under) expenditures	28,663	28,663	899,976	871,313	871,313
Other financing sources (uses):					
Transfer in	27,384	27,384	25,139	(2,245)	(2,245)
Transfer out	-	-	(528,166)	(528,166)	(528,166)
Total other financing sources (uses)	27,384	27,384	(503,027)	(530,411)	(530,411)
Net change in fund balance	\$ 56,047	\$ 56,047	396,949	\$ 340,902	\$ 340,902
Fund balance -beginning of year			5,266,567		
Fund balance-end of year			\$ 5,663,516		

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>	
				<u>Favorable (Unfavorable) Original to Actual</u>	<u>Final to Actual</u>
<b>REVENUES</b>					
Local:					
Taxes	2,427,957	2,427,957	2,460,494	32,537	32,537
Earnings on investments	20,000	20,000	13,396	(6,604)	(6,604)
Total local	<u>2,447,957</u>	<u>2,447,957</u>	<u>2,473,890</u>	<u>25,933</u>	<u>25,933</u>
State:					
Other state support	<u>39,418</u>	<u>39,418</u>	<u>35,706</u>	<u>(3,712)</u>	<u>(3,712)</u>
Total revenues	<u>2,487,375</u>	<u>2,487,375</u>	<u>2,509,596</u>	<u>22,221</u>	<u>22,221</u>
<b>EXPENDITURES</b>					
Debt service:					
Purchased services	-	-	3,500	(3,500)	(3,500)
Principal	2,230,000	2,230,000	2,175,250	54,750	54,750
Interest	<u>290,700</u>	<u>290,700</u>	<u>307,036</u>	<u>(16,336)</u>	<u>(16,336)</u>
Total expenditures	<u>2,520,700</u>	<u>2,520,700</u>	<u>2,485,786</u>	<u>34,914</u>	<u>34,914</u>
Net change in fund balance	<u>\$ (33,325)</u>	<u>\$ (33,325)</u>	23,810	<u>\$ 57,135</u>	<u>\$ 57,135</u>
Fund balance-beginning of year			<u>2,467,429</u>		
Fund balance-end of year			<u>\$ 2,491,239</u>		

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	1,146,520	1,146,520	1,167,694	21,174	21,174
Other local	20,000	20,000	-	(20,000)	(20,000)
Total local	1,166,520	1,166,520	1,167,694	1,174	1,174
State:					
Other state support	110,000	110,000	-	(110,000)	(110,000)
Total revenues	1,276,520	1,276,520	1,167,694	(108,826)	(108,826)
<b>EXPENDITURES</b>					
Support:					
Purchased services	-	-	2,869	(2,869)	(2,869)
Supplies-materials	327,600	327,600	353,702	(26,102)	(26,102)
Capital objects	-	-	98,587	(98,587)	(98,587)
Total support	327,600	327,600	455,158	(127,558)	(127,558)
Capital asset program					
Purchased services	-	-	6,804	(6,804)	(6,804)
Capital objects	1,485,035	1,485,035	500,906	984,129	984,129
Total capital asset program	1,485,035	1,485,035	507,710	977,325	977,325
Total expenditures	1,812,635	1,812,635	962,868	849,767	849,767
Excess (deficiency) of revenues over (under) expenditures	(536,115)	(536,115)	204,826	740,941	740,941
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	1,575	1,575	1,575
Transfer in	225,000	225,000	641,837	416,837	416,837
Transfer out	(225,000)	(225,000)	(225,000)	-	-
Total other financing sources (uses)	-	-	418,412	418,412	418,412
Net change in fund balance	\$ (536,115)	\$ (536,115)	623,238	\$ 1,159,353	\$ 1,159,353
Fund balance-beginning of year			821,839		
Fund balance-end of year			\$ 1,445,077		

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

**NET PENSION LIABILITY RELATED SCHEDULES**

**Schedule of the District's Share of Net Pension Liability\***

	<b>PERSI - Base Plan</b>						
	<b>As of June 30,</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's portion of the net pension liability	Unavailable	0.6788635%	0.6537283%	0.6273618%	0.6318364%	0.6539498%	0.6570844%
Employer's proportionate share of the net pension liability	Unavailable	7,749,038	9,642,607	9,861,050	12,808,294	8,611,455	4,837,170
Employer's covered payroll	25,087,688	23,056,952	21,032,800	18,479,302	18,479,302	18,316,951	17,801,272
Employer's proportional share of the net pension liability as a percentage of its covered payroll	Unavailable	33.61%	45.85%	53.36%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	Unavailable	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

**Schedule of the District's Contributions\***

	<b>PERSI - Base Plan</b>						
	<b>As of June 30,</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily required contribution	2,995,470	2,610,047	2,380,913	2,205,750	2,091,857	2,073,479	2,015,104
Contributions in relation to the statutorily required contribution	(2,995,470)	(2,610,047)	(2,380,913)	(2,205,750)	(2,091,857)	(2,073,479)	(2,015,104)
Contribution (deficiency) excess	-	-	-	-	-	-	-
Employer's covered payroll	25,087,688	23,056,952	21,032,800	19,485,424	18,479,302	18,316,951	17,801,272
Contributions as a percentage of covered payroll	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

\*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**As of June 30, 2019 (most recently issued PERSI Information)**

Change of Assumptions. There were no change of assumptions as of June 30, 2019.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

**Rathdrum, Idaho**

**OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE**

**As of June 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	149,537	Unavailable	131,354	121,220
Interest	61,495	Unavailable	76,134	76,652
Changes of benefit terms	-	Unavailable	-	-
Differences between expected and actual experience	(207,635)	Unavailable	-	(44,156)
Changes of assumptions or other inputs	(59,668)	Unavailable	10,928	(42,815)
Benefit payments	88,426	Unavailable	(149,556)	(129,326)
Net change in total OPEB Liability	32,155	-	68,860	(18,425)
Total OPEB liability - beginning	<u>1,607,471</u>	<u>1,971,083</u>	<u>1,902,223</u>	<u>1,920,648</u>
Total OPEB liability-ending	<u>\$ 1,639,626</u>	<u>\$ 1,607,471</u>	<u>\$ 1,971,083</u>	<u>\$ 1,902,223</u>
Covered payroll	22,948,337	17,723,445	17,372,039	16,744,134
Total OPEB liability as a percentage of covered- employee payroll	7.14%	9.07%	11.35%	11.36%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

**NOTES TO THE OTHER POST EMPLOYMENT BENEFITS LIABILITY SCHEDULE**

**As of June 30, 2020**

Change of Assumptions. Change of assumptions include state, trend, discount and other inputs.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES**

**Schedule of the District's Share of Net OPEB Asset - Sick Leave Plan\***

**PERSI - OPEB Plan**

As of June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of the net OPEB asset	Unavailable	1.6296316%	1.5641424%	1.5297294%
Employer's proportionate share of the net OPEB asset	Unavailable	1,560,868	1,297,377	1,174,265
Employer's covered payroll	25,087,688	23,056,952	21,032,800	19,485,424
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	6.77%	6.17%	6.03%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	138.51%	135.69%	136.78%

**Schedule of the District's Contributions\***

**PERSI - OPEB Plan**

As of June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	103,762	267,310	243,950	226,031
Contributions in relation to the statutorily required contribution	(103,762)	(267,310)	(243,950)	(226,031)
Contribution (deficiency) excess	-	-	-	-
Employer's covered payroll	25,087,688	23,056,952	21,032,800	19,485,424
Contributions as a percentage of covered payroll	0.41%	1.16%	1.16%	1.16%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**As of June 30, 2019 (most recently issued PERSI information)**

Change of Assumptions. There were no change of assumptions as of June 30, 2019.

## **SUPPLEMENTARY INFORMATION**



LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	Actual	Budget	Variance Favorable (Unfavorable)
<b>INSTRUCTION</b>			
Elementary school:			
Salaries	6,498,706	7,021,108	522,402
Benefits	2,057,282	2,266,762	209,480
Purchased services	11,966	32,760	20,794
Supplies-materials	154,539	232,070	77,531
Total elementary school	<u>8,722,493</u>	<u>9,552,700</u>	<u>830,207</u>
Secondary school:			
Salaries	6,134,152	6,113,780	(20,372)
Benefits	1,916,648	1,922,964	6,316
Purchased services	375,391	264,630	(110,761)
Supplies-materials	213,730	250,300	36,570
Total secondary school	<u>8,639,921</u>	<u>8,551,674</u>	<u>(88,247)</u>
Alternative School:			
Salaries	317,657	378,436	60,779
Benefits	91,135	119,727	28,592
Purchased services	2,025	2,500	475
Supplies-materials	3,274	5,690	2,416
Total alternative school	<u>414,091</u>	<u>506,353</u>	<u>92,262</u>
Special education:			
Salaries	1,712,684	1,305,585	(407,099)
Benefits	719,922	586,691	(133,231)
Purchased services	2,951	700	(2,251)
Supplies-materials	14	2,000	1,986
Total special education	<u>2,435,571</u>	<u>1,894,976</u>	<u>(540,595)</u>
Special education preschool:			
Salaries	36,178	74,729	38,551
Benefits	12,537	29,374	16,837
Total special education preschool	<u>48,715</u>	<u>104,103</u>	<u>55,388</u>
Gifted and talented:			
Benefits	828	850	22
Purchased services	1,165	2,000	835
Supplies-materials	15,997	28,221	12,224
Total gifted and talented	<u>17,990</u>	<u>31,071</u>	<u>13,081</u>
Interscholastic:			
Salaries	655,104	574,887	(80,217)
Benefits	121,405	130,418	9,013
Purchased services	279,860	463,560	183,700
Supplies-materials	70,387	84,250	13,863
Total interscholastic	<u>1,126,756</u>	<u>1,253,115</u>	<u>126,359</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION (Continued)</b>			
Summer School:			
Salaries	25,100	58,700	33,600
Benefits	5,590	12,678	7,088
Total summer school	<u>30,690</u>	<u>71,378</u>	<u>40,688</u>
<b>TOTAL INSTRUCTION</b>			
Salaries	15,379,581	15,527,225	147,644
Benefits	4,925,347	5,069,464	144,117
Purchased services	673,358	766,150	92,792
Supplies-materials	457,941	602,531	144,590
Total instruction	<u>\$ 21,436,227</u>	<u>\$ 21,965,370</u>	<u>\$ 529,143</u>
<b>SUPPORT</b>			
Attendance, guidance and health:			
Salaries	1,078,736	1,130,547	51,811
Benefits	330,946	358,346	27,400
Purchased services	2,302	3,500	1,198
Supplies-materials	4,161	8,000	3,839
Total attendance, guidance and health	<u>1,416,145</u>	<u>1,500,393</u>	<u>84,248</u>
Special education support services:			
Salaries	320,689	627,649	306,960
Benefits	101,977	204,119	102,142
Purchased services	108,063	18,000	(90,063)
Supplies-materials	13,821	5,700	(8,121)
Total special education support services	<u>544,550</u>	<u>855,468</u>	<u>310,918</u>
Instruction improvement program:			
Salaries	33,580	76,243	42,663
Benefits	7,121	15,833	8,712
Purchased services	77,890	55,409	(22,481)
Supplies-materials	31,113	14,500	(16,613)
Total instruction improvement program	<u>149,704</u>	<u>161,985</u>	<u>12,281</u>

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

GENERAL FUND  
 SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
 For the Year Ended June 30, 2020

	Actual	Budget	Variance Favorable (Unfavorable)
<b>SUPPORT (Continued)</b>			
Educational media:			
Salaries	192,820	250,223	57,403
Benefits	85,355	103,758	18,403
Purchased services	9,303	10,000	697
Supplies-materials	31,403	30,780	(623)
Total educational media	<u>318,881</u>	<u>394,761</u>	<u>75,880</u>
Instruction related technology:			
Salaries	331,109	290,721	(40,388)
Benefits	120,695	111,688	(9,007)
Purchased services	19,621	20,000	379
Supplies-materials	45,550	22,100	(23,450)
Capital objects	153,936	-	(153,936)
Total instruction related technology	<u>516,975</u>	<u>444,509</u>	<u>(72,466)</u>
Board of education:			
Purchased services	67,830	80,000	12,170
Supplies-materials	2,926	5,000	2,074
Insurance - judgment	29,664	29,664	-
Total board of education	<u>100,420</u>	<u>114,664</u>	<u>14,244</u>
District administration:			
Salaries	735,879	595,359	(140,520)
Benefits	215,155	175,568	(39,587)
Purchased services	29,646	48,100	18,454
Supplies-materials	43,099	49,000	5,901
Total district administration	<u>1,023,779</u>	<u>868,027</u>	<u>(155,752)</u>
School administration:			
Salaries	2,150,627	1,984,153	(166,474)
Benefits	679,193	675,472	(3,721)
Purchased services	624	5,800	5,176
Supplies-materials	15,004	22,941	7,937
Total school administration	<u>2,845,448</u>	<u>2,688,366</u>	<u>(157,082)</u>
Business operations:			
Salaries	267,120	262,362	(4,758)
Benefits	78,922	79,560	638
Purchased services	37,486	24,000	(13,486)
Supplies-materials	1,647	20,000	18,353
Total business operations	<u>385,175</u>	<u>385,922</u>	<u>747</u>
Administrative technology:			
Salaries	131,497	130,723	(774)
Benefits	38,195	38,584	389
Purchased services	94,063	107,000	12,937
Supplies-materials	(5,145)	3,000	8,145
Total administrative technology	<u>258,610</u>	<u>279,307</u>	<u>20,697</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
For the Year Ended June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Buildings-care program (custodial):			
Salaries	821,290	849,556	28,266
Benefits	307,182	353,220	46,038
Purchased services	1,229,217	1,065,600	(163,617)
Supplies-materials	115,860	90,000	(25,860)
Insurance - judgment	88,991	88,991	-
Total buildings-care program (custodial)	<u>2,562,540</u>	<u>2,447,367</u>	<u>(115,173)</u>
Maintenance - non-student occupied:			
Purchased services	131	-	(131)
Supplies-materials	2,896	5,000	2,104
Total maintenance - non-student occupied	<u>3,027</u>	<u>5,000</u>	<u>1,973</u>
Maintenance - student occupied:			
Salaries	592,607	440,659	(151,948)
Benefits	184,846	165,399	(19,447)
Purchased services	155,113	123,000	(32,113)
Supplies-materials	124,428	100,000	(24,428)
Total maintenance - student occupied	<u>1,056,994</u>	<u>829,058</u>	<u>(227,936)</u>
Maintenance - grounds:			
Purchased services	135,685	165,500	29,815
Supplies-materials	27,783	20,000	(7,783)
Total maintenance - grounds	<u>163,468</u>	<u>185,500</u>	<u>22,032</u>
Security:			
Salaries	83,715	81,616	(2,099)
Benefits	27,979	28,926	947
Purchased services	40,998	21,100	(19,898)
Supplies-materials	22,631	30,000	7,369
Total security	<u>175,323</u>	<u>161,642</u>	<u>(13,681)</u>
Pupil-to-school transportation:			
Salaries	1,068,337	901,088	(167,249)
Benefits	361,598	280,757	(80,841)
Purchased services	42,449	80,600	38,151
Supplies-materials	266,397	318,750	52,353
Insurance - judgment	14,832	14,832	-
Total pupil-to-school transportation	<u>1,753,613</u>	<u>1,596,027</u>	<u>(157,586)</u>
General transportation:			
Benefits	10,227	10,000	(227)
Purchased services	2,642	13,000	10,358
Supplies-materials	20,841	10,100	(10,741)
Insurance - judgment	14,832	14,832	-
Total general transportation	<u>48,542</u>	<u>47,932</u>	<u>(610)</u>
<b>TOTAL SUPPORT</b>			
Salaries	7,808,006	7,620,899	(187,107)
Benefits	2,549,391	2,601,230	51,839
Purchased services	2,053,063	1,840,609	(212,454)
Supplies-materials	764,415	754,871	(9,544)
Capital outlay	153,936	-	(153,936)
Insurance - judgment	148,319	148,319	-
Total support	<u>\$ 13,477,130</u>	<u>\$ 12,965,928</u>	<u>\$ (511,202)</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NONMAJOR SPECIAL REVENUE FUND DESCRIPTIONS**

**Child Nutrition Fund** - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sales of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amounts of State and Federal assistance received by the program.

**Federal Forest Reserve Fund** - To account for Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

**Facilities Fund** - To account for local revenue supporting a facilities program.

**Before and After School Enrichment Fund** - To account for local revenues supporting a before and after school enrichment program.

**Literacy Intervention Fund** - To account for state revenues supporting literacy intervention.

**State Professional Technical Fund** - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

**Title I-A, ESSA - Improving Basic Programs Fund** - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

**IDEA Part B (611 School Age 3-21) Fund** - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aids, equipment and materials, etc. in special education.

**IDEA Part B (619 Pre-School Age 3-5) Fund** - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in IDEA Part B program.

**School Based Medicaid Fund** - To account for restricted Federal revenue to be spend on Medicaid related expenditures.

**Gifted and Talented Fund** - To account for State revenues to be spent on in service training for the gifted and talented program.

**Technology Grant Fund** - To account for restricted State revenue to be spent on capital outlay projects.

**State Substance Abuse Fund** - To account for restricted State revenue to be spent on drug education in-service training for teachers and parents and materials for classroom.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NONMAJOR SPECIAL REVENUE FUND DESCRIPTIONS (Continued)**

**Leadership Stipends Fund** - To account for State revenues to be spent on leadership stipends.

**Miscellaneous Grant Fund** - To account for State and Local revenue to be spent on the current needs of the District as indicated by each grant.

**Title IV-A ESSA - Student Support and Academic Enrichment Fund** - To account for restricted Federal revenue for student support and academic enrichment.

**Title V-B, ESSA - Rural Education Initiative Fund** - To account for restricted Federal revenue for rural education.

**Perkins III - Professional Technical Act Fund** - To account for restricted Federal revenue to be spent on vocational training.

**Title II-A, ESEA - Supporting Effectuated Instruction Fund** - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2020

	Child Nutrition	Federal Forest Reserve	Facilities	Before and After School Enrichment	Literacy Intervention	State Professional Technical	Title I-A, ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
Assets:										
Cash	-	-	-	-	-	-	-	-	-	15,995
Due from other funds	176,580	42,449	45,763	206,441	-	30,295	-	-	-	4,026
Other receivables:										
State reimbursements	-	-	-	-	-	-	-	-	-	-
Federal reimbursements	56,012	-	-	-	-	-	145,003	189,713	8,295	-
Other receivables	-	-	5,207	1,080	-	-	-	-	-	-
Inventory	46,444	-	-	-	-	-	-	-	-	-
Total assets	<u>279,036</u>	<u>42,449</u>	<u>50,970</u>	<u>207,521</u>	<u>-</u>	<u>30,295</u>	<u>145,003</u>	<u>189,713</u>	<u>8,295</u>	<u>20,021</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
	<u>\$ 279,036</u>	<u>\$ 42,449</u>	<u>\$ 50,970</u>	<u>\$ 207,521</u>	<u>\$ -</u>	<u>\$ 30,295</u>	<u>\$ 145,003</u>	<u>\$ 189,713</u>	<u>\$ 8,295</u>	<u>\$ 20,021</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Due to other funds	-	-	-	-	-	-	12,942	71,391	8,295	-
Accounts payable	44,341	-	474	1,323	-	696	-	3,064	-	-
Accrued payroll and benefits	-	-	-	18,906	-	-	132,061	115,258	-	4,026
Total liabilities	<u>44,341</u>	<u>-</u>	<u>474</u>	<u>20,229</u>	<u>-</u>	<u>696</u>	<u>145,003</u>	<u>189,713</u>	<u>8,295</u>	<u>4,026</u>
Deferred inflows of resources:										
Deferred grant revenue	-	-	-	9,275	-	29,599	-	-	-	-
Fund balances:										
Nonspendable	46,444	-	-	-	-	-	-	-	-	-
Restricted	188,251	42,449	50,496	178,017	-	-	-	-	-	15,995
Total fund balances	<u>234,695</u>	<u>42,449</u>	<u>50,496</u>	<u>178,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,995</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
	<u>\$ 279,036</u>	<u>\$ 42,449</u>	<u>\$ 50,970</u>	<u>\$ 207,521</u>	<u>\$ -</u>	<u>\$ 30,295</u>	<u>\$ 145,003</u>	<u>\$ 189,713</u>	<u>\$ 8,295</u>	<u>\$ 20,021</u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
Rathdrum, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
June 30, 2020

	Gifted and Talented	Technology Grant	State Substance Abuse	Leadership Stipends	Miscellaneous Grant	Title IV-A, ESSA - Student Support and Academic Enrichment	Title V-B, ESSA - Rural Education Initiative	Perkins III Professional Technical Act	Title II-A ESEA - Supporting Effective Instruction	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
Assets:										
Cash	-	-	-	-	-	-	-	-	-	15,995
Due from other funds	13,587	487,151	8,889	72,494	34,809	-	-	-	-	1,122,484
Other receivables:										
State reimbursements	-	-	-	-	-	-	-	-	-	-
Federal reimbursements	-	-	-	-	-	28,629	4,781	19,716	36,533	488,682
Other receivables	-	-	-	-	-	-	-	-	-	6,287
Inventory	-	-	-	-	-	-	-	-	-	46,444
<b>Total assets</b>	<b>13,587</b>	<b>487,151</b>	<b>8,889</b>	<b>72,494</b>	<b>34,809</b>	<b>28,629</b>	<b>4,781</b>	<b>19,716</b>	<b>36,533</b>	<b>1,679,892</b>
Deferred outflows of resources:	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,587</b>	<b>\$ 487,151</b>	<b>\$ 8,889</b>	<b>\$ 72,494</b>	<b>\$ 34,809</b>	<b>\$ 28,629</b>	<b>\$ 4,781</b>	<b>\$ 19,716</b>	<b>\$ 36,533</b>	<b>\$ 1,679,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Due to other funds	-	-	-	-	-	10,690	4,781	8,856	14,363	131,318
Accounts payable	-	6,934	8,889	-	-	-	-	-	-	65,721
Accrued payroll and benefits	-	-	-	72,494	-	17,939	-	10,860	22,170	393,714
<b>Total liabilities</b>	<b>-</b>	<b>6,934</b>	<b>8,889</b>	<b>72,494</b>	<b>-</b>	<b>28,629</b>	<b>4,781</b>	<b>19,716</b>	<b>36,533</b>	<b>590,753</b>
Deferred inflows of resources:										
Deferred grant revenue	-	-	-	-	-	-	-	-	-	38,874
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	46,444
Restricted	13,587	480,217	-	-	34,809	-	-	-	-	1,003,821
<b>Total fund balances</b>	<b>13,587</b>	<b>480,217</b>	<b>-</b>	<b>-</b>	<b>34,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,265</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,587</b>	<b>\$ 487,151</b>	<b>\$ 8,889</b>	<b>\$ 72,494</b>	<b>\$ 34,809</b>	<b>\$ 28,629</b>	<b>\$ 4,781</b>	<b>\$ 19,716</b>	<b>\$ 36,533</b>	<b>\$ 1,679,892</b>

LAKELAND JOINT SCHOOL DISTRICT NO. 272  
Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2020

	Child Nutrition	Federal Forest Reserve	Facilities	Before and After School Enrichment	Literacy Intervention	State Professional Technical	Title I-A, ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School Based Medicaid
<b>REVENUES</b>										
Local:										
Earnings on investments	-	-	-	-	-	-	-	-	-	169
Lunch sales	345,840	-	-	-	-	-	-	-	-	-
Other	4,000	-	49,778	311,345	-	-	-	-	-	-
Total local	349,840	-	49,778	311,345	-	-	-	-	-	169
State:										
Restricted	-	-	-	-	374,831	50,470	-	-	-	-
Other state revenue	-	-	-	-	-	-	-	-	-	-
Total state	-	-	-	-	374,831	50,470	-	-	-	-
Federal:										
School lunch reimbursement	765,338	-	-	-	-	-	-	-	-	-
Unrestricted	-	22,538	-	-	-	-	-	-	-	-
Restricted	102,537	-	-	-	-	-	850,772	738,468	21,219	271,578
Total federal	867,875	22,538	-	-	-	-	850,772	738,468	21,219	271,578
Total revenues	1,217,715	22,538	49,778	311,345	374,831	50,470	850,772	738,468	21,219	271,747
<b>EXPENDITURES</b>										
Instruction:										
Salaries	-	-	-	-	268,048	-	552,737	541,717	16,365	-
Benefits	-	-	-	-	91,728	-	205,603	180,527	4,854	-
Purchased services	-	-	-	-	-	1,127	560	3,337	-	-
Supplies-materials	-	-	-	-	15,055	49,343	16,781	2,738	-	-
Capital objects	-	-	-	-	-	-	-	-	-	-
Total instruction	-	-	-	-	374,831	50,470	775,681	728,319	21,219	-
Support:										
Salaries	-	-	-	279,209	-	-	49,014	-	-	262,857
Benefits	-	-	-	94,764	-	-	14,472	-	-	92,895
Purchased services	-	8,000	-	13,366	-	-	-	-	-	-
Supplies-materials	-	-	3,216	5,011	-	-	-	-	-	-
Capital objects	-	-	22,000	-	-	-	-	-	-	-
Total support	-	8,000	25,216	392,350	-	-	63,486	-	-	355,752
Non-instruction:										
Purchased services	673,796	-	-	-	-	-	-	-	-	-
Supplies-materials	502,628	-	-	-	-	-	-	-	-	-
Capital objects	4,511	-	-	-	-	-	-	-	-	-
Insurance - judgment	8,235	-	-	-	-	-	-	-	-	-
Total non-instruction	1,189,170	-	-	-	-	-	-	-	-	-
Total expenditures	1,189,170	8,000	25,216	392,350	374,831	50,470	839,167	728,319	21,219	355,752
Excess (deficiency) of revenues over (under) expenditures	28,545	14,538	24,562	(81,005)	-	-	11,605	10,149	-	(84,005)
Other financing sources (uses)										
Transfers in	1,318	-	-	-	-	-	-	-	-	100,000
Transfers out	-	-	-	-	-	-	(11,605)	(10,149)	-	-
Total other financing sources (uses)	1,318	-	-	-	-	-	(11,605)	(10,149)	-	100,000
Net change in fund balance	29,863	14,538	24,562	(81,005)	-	-	-	-	-	15,995
Fund balance-beginning of year	204,832	27,911	25,934	259,022	-	-	-	-	-	-
Fund balance-end of year	\$ 234,695	\$ 42,449	\$ 50,496	\$ 178,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,995

LAKELAND JOINT SCHOOL DISTRICT NO. 272  
Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)  
For the Year Ended June 30, 2020

	Gifted and Talented	Technology Grant	State Substance Abuse	Leadership Stipends	Miscellaneous Grant	Title IV-A, ESSA - Student Support and Academic Enrichment	Title V-B, ESSA - Rural Education Initiative	Perkins III Professional Technical Act	Title II-A ESEA - Supporting Effective Instruction	Total
<b>REVENUES</b>										
Local:										
Earnings on investments	-	-	-	-	-	-	-	-	-	169
Lunch sales	-	-	-	-	-	-	-	-	-	345,840
Other	-	-	-	-	42,325	-	-	-	-	407,448
Total local	-	-	-	-	42,325	-	-	-	-	753,457
State:										
Restricted	-	387,206	55,981	278,048	2,824	-	-	-	-	1,149,360
Other state revenue	-	-	-	-	2,400	-	-	-	-	2,400
Total state	-	387,206	55,981	278,048	5,224	-	-	-	-	1,151,760
Federal:										
School lunch reimbursement	-	-	-	-	-	-	-	-	-	765,338
Unrestricted	-	-	-	-	-	-	-	-	-	22,538
Restricted	-	-	-	-	-	105,036	15,523	65,163	141,814	2,312,110
Total federal	-	-	-	-	-	105,036	15,523	65,163	141,814	3,099,986
Total revenues	-	387,206	55,981	278,048	47,549	105,036	15,523	65,163	141,814	5,005,203
<b>EXPENDITURES</b>										
Instruction:										
Salaries	-	-	-	300,699	3,000	37,086	-	32,054	-	1,751,706
Benefits	-	-	-	58,691	591	19,594	-	10,047	1,253	572,888
Purchased services	-	-	-	-	2,874	-	-	-	-	7,898
Supplies-materials	-	-	-	-	21,945	1,369	-	-	-	107,231
Capital objects	-	-	-	-	-	-	-	-	-	-
Total instruction	-	-	-	359,390	28,410	58,049	-	42,101	1,253	2,439,723
Support:										
Salaries	-	-	-	-	-	32,206	4,200	17,864	104,389	749,739
Benefits	-	-	-	-	-	13,298	819	5,198	34,270	255,716
Purchased services	-	64,743	55,981	-	8,612	-	368	-	-	151,070
Supplies-materials	-	226,448	-	-	1,058	-	10,136	-	-	245,869
Capital objects	-	25,903	-	-	-	-	-	-	-	47,903
Total support	-	317,094	55,981	-	9,670	45,504	15,523	23,062	138,659	1,450,297
Non-instruction:										
Purchased services	-	-	-	-	-	-	-	-	-	673,796
Supplies-materials	-	-	-	-	-	-	-	-	-	502,628
Capital objects	-	-	-	-	-	-	-	-	-	4,511
Insurance - judgment	-	-	-	-	-	-	-	-	-	8,235
Total non-instruction	-	-	-	-	-	-	-	-	-	1,189,170
Total expenditures	-	317,094	55,981	359,390	38,080	103,553	15,523	65,163	139,912	5,079,190
Excess (deficiency) of revenues over (under) expenditures	-	70,112	-	(81,342)	9,469	1,483	-	-	1,902	(73,987)
Other financing sources (uses)										
Transfers in	-	-	-	6,951	3,060	-	-	-	-	111,329
Transfer out	-	-	-	-	-	(1,483)	-	-	(1,902)	(25,139)
Total other financing sources (uses)	-	-	-	6,951	3,060	(1,483)	-	-	(1,902)	86,190
Net change in fund balance	-	70,112	-	(74,391)	12,529	-	-	-	-	12,203
Fund balance-beginning of year	13,587	410,105	-	74,391	22,280	-	-	-	-	1,038,062
Fund balance-end of year	\$ 13,587	\$ 480,217	\$ -	\$ -	\$ 34,809	\$ -	\$ -	\$ -	\$ -	\$ 1,050,265

LAKELAND JOINT SCHOOL DISTRICT NO. 272

Rathdrum, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	<u>Actual Revenues</u>	<u>Budgeted Revenues</u>	<u>Variance</u>	<u>Actual Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Variance</u>
Special revenue fund:						
Child Nutrition	1,219,033	1,541,131	(322,098)	1,189,170	1,540,825	351,655
Federal Forest	22,538	20,000	2,538	8,000	15,000	7,000
Facilities	49,778	25,000	24,778	25,216	20,000	(5,216)
Before and After School Enrichment	311,345	349,000	(37,655)	392,350	348,392	(43,958)
Literacy Intervention	374,831	337,500	37,331	374,831	337,500	(37,331)
State Professional Technical	50,470	79,007	(28,537)	50,470	79,007	28,537
Title I-A - ESSA Improving Basic Programs	850,772	896,998	(46,226)	850,772	949,998	99,226
IDEA Part B (611 School Age 3-21)	738,468	759,491	(21,023)	738,468	759,491	21,023
IDEA Part B (619 Pre-School Age 3-5)	21,219	21,219	-	21,219	21,219	-
School Based Medicaid	371,747	400,000	(28,253)	355,752	400,000	44,248
Gifted and Talented	-	6,780	(6,780)	-	6,780	6,780
Technology Grant	387,206	461,000	(73,794)	317,094	461,000	143,906
State Substance Abuse	55,981	52,484	3,497	55,981	52,484	(3,497)
Leadership Stipends	284,999	279,543	5,456	359,390	277,726	(81,664)
Miscellaneous Grant	50,609	40,000	10,609	38,080	40,000	1,920
Title IV-A, ESSA - Student Support and Academic Enrichment	105,036	120,579	(15,543)	105,036	100,383	(4,653)
Title V-B, ESSA - Rural Education Initiative	15,523	68,000	(52,477)	15,523	68,000	52,477
Perkins III Professional Technical Act	65,163	65,163	-	65,163	65,163	-
Title II-A ESEA - Supporting Effective Instruction	141,814	141,890	(76)	141,814	171,890	30,076
Total	<u>\$ 5,116,532</u>	<u>\$ 5,664,785</u>	<u>\$ (548,253)</u>	<u>\$ 5,104,329</u>	<u>\$ 5,714,858</u>	<u>\$ 610,529</u>

**SINGLE AUDIT SECTION**



**LAKELAND JOINT SCHOOL DISTRICT NO. 272**

Rathdrum, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2020

	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Grant Number</u>	<u>Expenditures</u>
<b>U. S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	272	202020N109947	83,567
National School Lunch Program	10.555	272	202020N109947	414,958
Food Distribution (non-cash)	10.555	272	Not Available	102,537
Summer Food Service Program for Children	10.559	272	202020N109947	211,044
Total Child Nutrition Cluster				<u>812,106</u>
Other Programs				
Fresh Fruit and Vegetable Program	10.582	272	202019L160347	33,775
Child and Adult Care Food Program	10.558	272	202020N109947	21,994
Total Other Programs				<u>55,769</u>
Direct through U.S. Department of Agriculture				
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	272	Not Available	8,000
Total U.S. Department of Agriculture				<u>875,875</u>
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster				
Part B, IDEA - School Age	84.027	272	H027A190088	738,468
Part B, IDEA - Preschool	84.173	272	H173A190030	21,219
Total Special Education Cluster				<u>759,687</u>
Other Programs				
Title I-A, ESEA - Improving Basic Programs	84.010	272	S010A190012	850,772
Perkins III, Professional Technical	84.048	272	V048A190012	65,163
Small, Rural School Achievement Program	84.358	272	S358B180012	15,523
Title II-A, ESEA - Improving Teacher Quality	84.367	272	S367A190011	141,814
State Support and Academic Enrichment Program	84.424	272	S424A190013	105,036
Total Other Programs				<u>1,178,308</u>
Total U.S. Department of Education				<u>1,937,995</u>
<b>Total Expenditures</b>				<u><u>\$ 2,813,870</u></u>

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2020**

**NOTE 1      Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Lakeland Joint School District No. 272 under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Lakeland Joint School District No. 272, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Lakeland Joint School District No. 272.

**NOTE 2      Summary of Significant Accounting Policies**

- (1) 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 and Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
  
- (2) Lakeland Joint School District No. 272 has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3      Food Distribution**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance for the year ended June 30, 2020 was \$102,537.

**NOTE 4      Sub-Recipients**

There were no awards passed through to sub-recipients.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

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 governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Lakeland Joint School District No. 272, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Lakeland Joint School District No. 272’s basic financial statements, and have issued our report thereon dated October 27, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lakeland Joint School District No. 272’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lakeland Joint School District No. 272’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Lakeland Joint School District No. 272’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lakeland Joint School District No. 272'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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 27, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees  
Lakeland Joint School District No. 272  
Rathdrum, Idaho 83858

**Report on Compliance for Each Major Federal Program**

We have audited Lakeland Joint School District No. 272's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lakeland Joint School District No. 272's major federal programs for the year ended June 30, 2020. Lakeland Joint School District No. 272's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Lakeland Joint School District No. 272's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Governmental 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lakeland Joint School District No. 272's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Lakeland Joint School District No. 272's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Lakeland Joint School District No. 272 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, 2020.

### **Report on Internal Control Over Compliance**

Management of Lakeland Joint School District No. 272 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lakeland Joint School District No. 272's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lakeland Joint School District No. 272's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 27, 2020

**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2020**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:

Aggregate Discretely Presented Component Unit	Qualified
Governmental Activities, Each Major Fund	
and Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

- material weakness(es) identified?	_____ yes	_____ <u>x</u> no
- significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported

Noncompliance material to financial statements noted?

_____ yes	_____ <u>x</u> no
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*Federal Awards*

Internal control over major programs:

- material weakness(es) identified?	_____ yes	_____ <u>x</u> no
- significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> 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 2 CFR section 200.516(a)?

_____ yes	_____ <u>x</u> no
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*Identification of major programs:*

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.556, 10.559  
84.010

Child Nutrition Cluster  
Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

_____ yes	_____ <u>x</u> no
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**LAKELAND JOINT SCHOOL DISTRICT NO. 272**  
**Rathdrum, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For The Year Ended June 30, 2020**

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.