Clark County School District #161

Financial Statements and Supplemental Information

Year Ended June 30, 2021

WIPFLI

Clark County School District #161

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June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Clark County School District #161
Dubois, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clark County School District #161 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as 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; 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 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 of 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 risk 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 qualified and unmodified audit opinions.

Summary of Opinions

Opinion Unit	***Type of Opinion***
Governmental Activities	Qualified
General Fund	Unmodified
Federal Forest Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Governmental Activities

As discussed in Note H and Note I to the financial statements, management of the District has not implemented the requirements of GASB Statement No. 75 and has not determined the District's annual other post-employment benefit (OPEB) cost and net OPEB obligation. Accounting principles generally accepted in the United States require that such costs and obligations, which would increase the liabilities and change the expenditures in the Statement of Net Position and the Statement of Activities, respectively be recorded. The amount by which this departure would affect the liabilities and expenditures of the District's Government-wide Financial Statements is not reasonably determinable.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of not accounting for its OPEB costs and obligations, and pension expenditures in the District's Government-wide Financial Statements as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of Clark County School District #161, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

Unmodified Opinion on the Major Funds and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clark County School District #161, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the budgetary comparison information, schedule of employer's share of net pension liability for PERSI-Base plan, and schedule of employer contributions PERSI-Base plan on pages 27 through 30 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County School District #161's basic financial statements. The accompanying supplementary information, such as the combining nonmajor fund financial statements and school activity funds combining statement of changes in assets and liabilities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, such as the combining nonmajor fund financial statements and agency funds combining statement of changes in assets and liabilities is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining nonmajor fund financial statements and other schedules listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clark County School District #161's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
CPAs and Consultants

Idaho Falls, Idaho
October 5, 2021

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Clark County School District #161

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	852,036
Property tax receivable, net	46,086
Other receivables	150,810
Land	42,500
Depreciable buildings, equipment, and vehicles - net of depreciation	2,568,992
Total assets	3,660,424
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	299,247
LIABILITIES	
Accounts payable	31,484
Accrued wages	159,448
Accrued employee benefits	56,906
Unavailable revenue	15,621
Long-term liabilities	
Net pension liability	768,308
Compensated absences	6,292
Total liabilities	1,038,059
DEFFERED INFLOWS OF RESOURCES	
Related to pensions	25,087
NET POSITION	
Net investment in capital assets	2,611,492
Restricted for	
Capital improvements	122,025
Other purposes	89,952
Unrestricted	73,056
Total net position	2,896,525

The accompanying notes are an integral part of these statements.

Clark County School District #161

Statement of Activities
Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Operating grants and contributions	Program Revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Total governmental activities
Governmental activities					
Instruction	1,208,761	750	146,767		(1,061,244)
Support services	467,321	4,900	407,549		(54,872)
Administrative	229,588				(229,588)
Business admin services	131,931				(131,931)
Operations	342,058		67,047		(275,011)
Transportation	73,869		62,949		(10,920)
Noninstructional	89,537	5,097	67,324		(17,116)
Community services	30,210		32,609		2,399
Other support services	59,956		57,639		(2,317)
Total governmental activities	2,633,231	10,747	841,884	0	(1,780,600)

General revenues	
Taxes	
Property taxes levied for general purposes	255,092
State aid - formula grants	1,402,264
Unrestricted investment earnings	3,734
Unrestricted federal grants	74,833
Total general revenues	1,735,923
Change in net position	(44,677)
Net position - beginning, as restated	2,941,202
Net position - ending	2,896,525

The accompanying notes are an integral part of these statements.

Clark County School District #161

Combined Balance Sheet
Governmental Funds
June 30, 2021

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	173,355	424,282		122,025	132,374	852,036
Receivables						
Taxes - current	43,980					43,980
Taxes - delinquent	2,106					2,106
Federal grants					77,375	77,375
Other	60,592				12,843	73,435
Interfund receivable	7,402	84,861				92,263
Total assets	287,435	509,143	0	122,025	222,592	1,141,195
LIABILITIES						
Accounts payable	22,160				9,324	31,484
Accrued wages	147,597				11,851	159,448
Accrued employee benefits	53,325				3,581	56,906
Interfund payable					92,263	92,263
Total liabilities	223,082	0	0	0	117,019	340,101
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	2,106	0	0	0	15,621	17,727
FUND BALANCES						
Restricted for						
Capital projects				122,025		122,025
Assigned		357,593			89,952	447,545
Unassigned	62,247	151,550				213,797
Total fund balances	62,247	509,143	0	122,025	89,952	783,367
Total liabilities, deferred inflows of resources, and fund balances	287,435	509,143	0	122,025	222,592	1,141,195

The accompanying notes are an integral part of these statements.

Clark County School District #161

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances - governmental funds	783,367
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the asset is $5,414,500 and the accumulated depreciation is $2,803,008.	2,611,492
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 unavailable in the funds.	2,106
The net pension liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position. Net pension liability is $768,308, deferred inflows of resources related to pensions is $25,087, and deferred outflows of resources related to pensions is $299,247.	(494,148)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year end consisted of:	
Compensated absences	(6,292)
Total net position - governmental activities	2,896,525

The accompanying notes are an integral part of these statements.

Clark County School District #161

Governmental Fund Types
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2021

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	254,911					254,911
Penalties and interest on delinquent taxes	441					441
Earnings on investments	2,184	1,550	26	35	1	3,796
Food service					5,035	5,035
Other local	32,127				56,376	88,503
State apportionment						
Base	1,210,787					1,210,787
Transportation	62,949					62,949
Exceptional child	1,520					1,520
Benefits	175,922					175,922
Property tax replacement	15,555					15,555
Other state revenue	138,960				80,154	219,114
Federal grants and assistance		74,833			478,172	553,005
Total revenues	1,895,356	76,383	26	35	619,738	2,591,538
EXPENDITURES						
Current						
Instruction	1,099,431				118,075	1,217,506
Support services	63,585				312,158	375,743
Administration	173,817					173,817
Business operations	97,967					97,967
Operations	310,725				5,122	315,847
Transportation	54,283					54,283
Other support services					59,957	59,957
Community services					30,210	30,210
Noninstructional	2,769				84,888	87,657
Total expenditures	1,802,577	0	0	0	610,410	2,412,987
Revenues over (under) expenditures	92,779	76,383	26	35	9,328	178,551

The accompanying notes are an integral part of these statements.

Clark County School District #161

Governmental Fund Types
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2021

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Operating transfers, net	(30,532)		(634)	10,831	20,335	0
Total other financing sources (uses)	(30,532)	0	(634)	10,831	20,335	0
Revenues and other financing sources over (under) expenditures	62,247	76,383	(608)	10,866	29,663	178,551
Fund balance - July 1, 2020, as restated	0	432,760	608	111,159	60,289	604,816
Fund balance - June 30, 2021	62,247	509,143	0	122,025	89,952	783,367

The accompanying notes are an integral part of these statements.

Clark County School District #161

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Fiscal Year Ended June 30, 2021

Total net change in fund balances - governmental funds:	178,551
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported for governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $102,050 exceeded capital outlays of $0 in the period.	(102,050)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered 'available' revenues in the governmental funds. Unavailable tax revenues increased by ($260) this year.	(260)
In the Statement of Activities, certain operating expenses - compensated absences and pensions are measured by the amounts earned during the year. In the governmental funds expenditures for these items are measured by the amount of financial resources used. This year vacation used was less than the amounts earned by $6,292 and the pension liability increased by $383,437. Change in deferred outflows of resources and deferred inflows of resources related to pensions was $106,283 and $162,528, respectively.	(120,918)
Change in net position of governmental activities	(44,677)

The accompanying notes are an integral part of these statements.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General. Clark County School District #161 (the District) is organized under Title 33 of the State of Idaho code, as amended. The accounting policies of the District conform to the American Institute of Certified Public Accountants' Industry Audit Guide for Audits of State and Local Government Units. The following is a summary of the more significant accounting policies of the District.

2. Reporting Entity. The District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the area served. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The District is not included in any other governmental "reporting entity" as defined by GASB pronouncement, 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 primary accountability for fiscal matters.

   Accounting principles generally accepted in the United States require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary district is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by governmental accounting standards have been considered and there are no agencies or entities which should be presented with the District.

3. Basis of Presentation.
   Government-Wide Financial Statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The fiduciary funds are only reported in the statement of fiduciary net position at the fund financial statement level. Eliminations have been made to minimize the double counting of internal transactions.

   The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

   The District applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

   Fund Financial Statements. The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

   A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. The emphasis of fund financial statements is on major governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds and related costs. The primary revenue source is local property taxes levied specifically for debt service. It is optional to include the Debt Service Fund as major fund and the District has elected this option.

Capital Projects Fund - The Capital Projects Fund is used to account for the financial resources used to acquire school facilities, renovate existing facilities, or as otherwise provided in the Idaho Code.

Federal Forest Fund – The Federal Forest Fund is a special revenue fund utilized to track federal forest assistance and related expenditures.

Additionally, the District reports the following fund types:

Special Revenue Funds - The purpose of the Special Revenue Funds is to account for federal, state, and locally funded grants and activities. These grants are awarded to the District with the purpose of accomplishing specific educational tasks as defined in the Grant Awards. The Special Revenue Fund types include the Child Nutrition Fund and School Activity Funds. The purpose of the Child Nutrition Fund is to account for all federal support and student charges which are received by the District for the purpose of providing students with a nutritional, inexpensive meal. The School Activity Funds are monies collected principally through fund raising efforts of the individual schools or school sponsored groups. The school principal is responsible, under the authority of the Board of Trustees, for collecting, controlling, disbursing, and accounting for all School Activity Funds.

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

4. Measurement Focus and Basis of Accounting. The government-wide and fiduciary fund 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 transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

   The governmental fund financial statements 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 (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all imposed nonexchange revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the current fiscal year.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

5. Budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, and Capital Projects Funds. All annual appropriations lapse at fiscal year end. The District did not amend its budget for the fiscal year ended June 30, 2021.

   Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances outstanding at year end are reported as assigned fund balance to indicate an obligation to the District.

   The District budgets transfers from the General Fund to other funds to cover the costs incurred by these funds in excess of the revenues generated. Certain indirect costs are charged to several special revenue funds through budgeted transfers from the Special Revenue Funds to the General Fund.

6. Cash and Investments. Cash includes amounts in demand as well as short-term investments with a maturity date within three months of the date acquired by the District. The District pools cash of all funds into common bank accounts. The accounting records of each fund reflect its interest in the pooled cash. Any deficiencies in cash of individual funds represent liabilities to other funds for cash borrowed. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Idaho law, and national banks having their principal offices in Idaho.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. The District has elected to deposit cash in excess of immediate needs into the Local Government Investment Pool. The Local Government Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool is managed by the State of Idaho Treasurer's office. An annual audit of the Local Government Investment Pool is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the Pool. All other cash is deposited with local banks in checking or savings accounts.

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk outside of the deposit and investment agreements. The District is authorized to invest in the State of Idaho Local Government Investment Pool. This pooling is intended to improve administrative efficiency and increase investment yield.

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation and is commonly expressed in terms of the credit quality rating issued by nationally recognized statistical rating organization such as Moody's, Standard & Poor's, and Fitch's. The investments of the District are not rated and the District's policy does not restrict them to rated investments.

7. Short-term Interfund Receivables / Payables. During the course of operations, numerous transactions occur between individual funds and the General Fund for goods provided or services rendered. These receivables and payables are classified as 'interfund receivables' or 'interfund payables' on the balance sheet. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

   Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

8. Inventories. Supplies inventory on hand at year-end has not been recorded as inventory and was treated as expended when purchased.

9. Capital Assets. Capital assets, including land, buildings, improvements, and equipment assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 (excluding vehicles which are capitalized regardless of individual cost) and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Buildings, improvements, and equipment assets are depreciated using the straight-line depreciation over the following estimated useful lives:

Assets	Years
Buildings	20-50
Equipment	5-20
Vehicles	5-8

10. Compensated Absences. Employees are entitled to certain compensated absences based on their length of employment. The entire compensated absences owed are reported in the governmental-wide financial statement. The compensated absence liability at June 30, 2021, was $6,292.

11. Other Post-Employment Benefits ("OPEB") Obligations. PERSI employees who retire and have not yet become eligible for federal Medicare coverage are eligible to purchase insurance through the District's healthcare plan. Although retirees pay their own premium, there is an implicit cost due to increased group premiums when retirees are included in District insurance plans. The District has not implemented the requirements to measure its OPEB obligations and as a result has not determined its annual OPEB cost and net OPEB obligation. The District's plan is considered to be unfunded since there are no assets and retiree benefits are paid annually on a cash basis.

12. Pensions. For purposes of measuring the net pension liability 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.

13. Long-term Obligations. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable, available financial resources is reported as a fund liability of a governmental fund. The entire portion of such obligations is reported in the government-wide financial statements.

14. Deferred Outflows / Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category and it occurs on the government-wide statement of net position. The District reports deferred outflows of resources related to pensions for its proportionate shares of collective deferred outflows of resources related to pensions and District contributions to pension plans subsequent to the measurement date of the collective net pension liability (asset).

    In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions on the government-wide statement of net position.

15. Net Position Flow Assumption. Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

16. Fund Balance Flow Assumptions. Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

    It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

17. Fund Balance. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

    Restricted fund balance: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributions, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

    Committed fund balance: These amounts can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The School Board is the highest level of decision-making authority for the District that can, by board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

    Assigned fund balance: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. The School Board has by resolution authorized management to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

18. Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

19. Risk Management. The District is exposed to a considerable number of risks of loss, including: (a) damage to and loss of property and contents; (b) employee torts; (c) professional liability, i.e. errors and omissions; (d) environmental damage; (e) workers' compensation, i.e. employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, employee torts, and professional liabilities. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

20. Recently Adopted Accounting Pronouncement. As of July 1, 2020, the District implemented GASB Statement No. 84, Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities that are reported in the fiduciary funds. This Statement also revised the definition and terminology used for activities that were previously classified as agency funds. The District has reclassified its school activities funds as a special revenue fund using the GASB Statement No. 84 definitions. Note P prior period restatement outlines this restatement.

21. New Accounting Pronouncements. GASB Statement No. 87, Leases: Issued June 2017, the objective of this statement is to improve accounting and financial reporting for leases and enhance the relevance and consistency of information about governments' leasing activities. This statement is effective for the fiscal year ending June 30, 2022. The District is evaluating what impact this new standard will have on its financial statements.

NOTE B CASH AND INVESTMENTS

At June 30, 2021, the carrying amount of the District's deposits was $173,436 and the bank balance was $172,948. The bank balance was insured by Federal Depository Insurance. At June 30, 2021, the cost and fair market value of the District's investments were as follows:

	Cost	Fair Value	Average Maturity
Local Government Investment Pool	678,600	678,600	150 days
Total investments	678,600	678,600	

Interest rate risk - The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

NOTE B CASH AND INVESTMENTS, continued

Credit risk - The District's deposits and investments at year end are limited to the Local Government Investment Pool, bank deposits, and certificates of deposits with various banks located in Idaho. The District has reduced its concentration of credit risk by using several financial institutions. As of June 30, 2021, there is a policy for the deposits to be fully insured when possible and practical.

Custodial credit risk - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2021, none of the District's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the deposits, $678,600 was held in the Local Government Investment Pool which is not insured or guaranteed by the FDIC.

The District invests in accordance with Idaho code, Title 67, chapter 12. They have elected to invest in the Local Government Investment Pool through the Idaho State Treasurer. The Idaho State Treasurer provides oversight for investments by or through any department or institution of the State of Idaho.

Amounts held by the Local Government Investment Pool were held in the following investments: government agency notes, corporate bonds, Idaho bank deposits, repurchase agreements, commercial paper, U.S. treasury notes, and purchased accrued interest. All investments for the Local Government Investment Pool are collateralized with securities held by the pool's agent in the pool's name. The investments held by the Local Government Investment Pool are carried at cost which is not materially different than fair value (determined by the Idaho State Treasurer's office). These investments are subject to risk from market and interest rate fluctuations.

The Local Government Investment Pool is audited annually and the related financial statements and note disclosures are included in the State of Idaho's Comprehensive Annual Financial Report, a copy of which can be downloaded from www.sco.idaho.gov.

NOTE C INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

During the course of its operations, the District had numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded. The interfund balances as of June 30, 2021, were as follows:

	Receivable	Payable
General Fund	7,402	
Federal Forest Fund	84,861	
Nonmajor Funds		92,263
Total	92,263	92,263

The General Fund transferred $3,145 to support various nonmajor programs in accordance with the budget and other funding considerations. The General Fund transferred $21,549 to cover the deficit in Child Nutrition and budgeted expenses. The General Fund also transferred $10,197 to the Capital Projects Fund for bus depreciation as required by the State. The Debt Service Fund transferred $634 to the Capital Projects Fund for excess not needed for debt service. Indirect costs of $4,359 were transferred to the General Fund from various nonmajor programs.

NOTE D CAPITAL ASSETS

Following is a summary of the capital assets as of June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	**Balance June 30, 2021**
Capital assets, not being depreciated				
Land - administration	42,500	0	0	**42,500**
Capital assets, being depreciated				
Buildings				
Elementary	290,073			**290,073**
Secondary	4,489,211			**4,489,211**
Administration	21,405			**21,405**
Total buildings	4,800,689	0	0	**4,800,689**
Equipment				
Elementary	45,776			**45,776**
Secondary	107,530			**107,530**
Administration	28,414			**28,414**
Total equipment	181,720	0	0	**181,720**
Vehicles	389,591	0	0	**389,591**
Total capital assets being depreciated	5,372,000	0	0	**5,372,000**
Less accumulated depreciation for:				
Buildings	(2,243,186)	(80,346)		**(2,323,532)**
Equipment	(153,876)	(4,172)		**(158,048)**
Vehicles	(303,896)	(17,532)		**(321,428)**
Total accumulated depreciation	(2,700,958)	(102,050)	0	**(2,803,008)**
Total capital assets being depreciated, net	2,671,042	(102,050)	0	**2,568,992**
Governmental activities capital assets, net	2,713,542	(102,050)	0	**2,611,492**

Depreciation expense was charged to the functions of the primary government as follows:

Governmental Activities	
Instruction	41,463
Support services	14,126
Administration	7,894
Business operations	4,589
Operations	12,049
Transportation	17,533
Noninstructional	4,396
Total depreciation expense – governmental activities	102,050

NOTE E PAYROLL EXPENDITURES AND RELATED LIABILITIES

Teacher contracts were signed for the nine-month period September 1, 2020, through May 31, 2021, to be paid over the twelve months of August 1, 2020, through July 31, 2021, or for new contracts to be paid over the twelve months of September 1, 2020, through August 31, 2021. The financial statements reflect the salary expense for this period. The accrued payroll reflects the final one or two months of these contracts.

NOTE F LEGAL DEBT MARGIN

The District is subject to a statutory limitation by the Idaho Code for bonded indebtedness payable principally from property taxes. The limit of bonded indebtedness is 5% of property market value for assessment purposes less the aggregate outstanding debt. At June 30, 2021, the limit for the District was $7,504,006. The general obligation debt, net of cash and investments available for bond retirement, was $0 leaving a legal debt margin of $7,504,006.

NOTE G PROPERTY TAXES

In accordance with Idaho State Law, ad valorem property tax is levied in dollars in September for each calendar year. Taxes are recorded by the District using the modified accrual basis of accounting. Levies are made on the second Monday of September. All of the personal property tax and one-half of the real property tax is due on or before December 20. The remaining one-half of the real property tax is due on or before June 20 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

Clark County acts as the agent for the District in both the assessment and collection areas. The county remits tax revenues to the District periodically, with the majority of the collections being remitted in January and July.

NOTE H OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description. Clark County School District #161's Employee Group Benefits Plan is a single-employer defined benefit healthcare plan administered by Blue Cross of Idaho. Blue Cross provides medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. Blue Cross Dental and Willamette Dental provide dental insurance benefits to eligible retirees and their eligible dependents. As of June 30, 2020, there were 28 active participants and 2 inactive participants.

A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the District's health insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum of reaching age 55 with at least 5 years of membership with a PERSI employer. The retiree is on the same medical plan as the District's active employees.

Funding Policy. The contribution requirement of plan members is established by the District's insurance committee in conjunction with the insurance provider. The required contribution is based on projected pay-as-you-go financing requirements.

Net Other Post-employment benefit Liability. GASB Statement 75, is an accounting and financial reporting requirement for employers to measure and report the cost and liabilities associated with other (than pension) postemployment benefits (OPEB).

NOTE H OTHER POST-EMPLOYMENT BENEFITS (OPEB), continued

The District has not implemented the requirements of GASB Statement 75 and as a result has not determined its annual OPEB cost and net OPEB obligation. The District's plan is considered to be unfunded since there are no assets and retiree benefits are paid annually on a cash basis.

NOTE I PERSI SICK LEAVE INSURANCE RESERVE

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.

Responsibility for administration of the Sick Leave Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active 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.

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 employers 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. The District contributions were $0 for the year ended June 30, 2021, as contributions were suspended on January 1, 2020.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The District has not implemented the OPEB accounting requirements relating to the PERSI sick leave insurance reserve and as a result has not determined its annual OPEB cost and net OPEB obligation.

Payables to the OPEB Plan. At June 30, 2021, the District reported no payables to the defined benefit OPEB plan for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE J PENSION PLAN

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.

NOTE J PENSION PLAN, continued

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 for 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.

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

Member and Employer Contributions. Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The District School's contributions were $138,162 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the District's proportion was .0330863 percent.

For the year ended June 30, 2021, the District recognized pension expense of $277,660. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE J PENSION PLAN, continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	60,029	25,087
Changes in assumptions or other inputs	12,993	
Net difference between projected and actual earnings on pension plan investments	88,063	
District contributions subsequent to the measurement date	138,162	
Total	299,247	25,087

$138,162 reported as deferred outflows 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 ending June 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2019, is 4.8 years and 4.8 years for the measurement period ended June 30, 2020.

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:

Year ended June 30:	
2022	(35)
2023	41,531
2024	50,969
2025	58,631

Actuarial Assumptions. Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 50-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2020, 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 investment expenses
Cost-of-living adjustments	1%

NOTE J PENSION PLAN, continued

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

An experience study was performed for the period July 1, 2013, through June 30, 2017, which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2020, is based on the results of an actuarial valuation date of July 1, 2020.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2020.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad U.S. Equity	55,00%	8.30%	6.05%
Developed Foreign Equities	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%	4.5%
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%

NOTE J PENSION PLAN, continued

Valuation Assumptions Chosen by PERSI Board	
Long-term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses	**7.05%**

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 period of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the 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:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	1,578,588	768,308	100,818

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.

Payables to the pension plan. At June 30, 2021, the District reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE K POSTRETIREMENT BENEFITS

The District funds post-retirement benefits on a current basis through PERSI. The District paid 1.26% of the wages covered by PERSI to the State through December 31, 2020. At January 1, 2020, the required contribution rate went to 0.0% and remained for the 2020-2021 school year and is anticipated to remain at 0% for the 2022 fiscal year. At the time of retirement, a sum equal to one-half of the monetary value of unused sick leave, calculated at the rate of pay at that time, is transferred from the sick leave account to the employee's retirement account. This money shall then be used to pay premiums for health, dental, and life insurance.

NOTE L NONMONETARY TRANSACTIONS

The District received $2,724 in USDA Commodities during the 2020-2021 fiscal year. The commodities received are valued at the average wholesale price as determined by the distributing agency. All commodities received by the District were treated as revenue and expense of the fund receiving the commodities.

NOTE M EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED IN THE MAJOR FUNDS

Actual expenditures for the fiscal year ended June 30, 2021, did not exceed budgeted expenditures for the General Fund and all other major funds.

NOTE N COMMITMENTS AND CONTINGENT LIABILITIES

The District receives a substantial portion of its revenues from government grants, all of which are subject to audit by the federal government and/or state pass through agencies. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs.

On August 18, 2017, the District entered into a promissory note payable in the amount of $24,613 for the purpose of purchasing a plasma cutter to be used by the Future Farmers of America (FFA) student group. The promissory note is payable in five annual payments of $4,923 beginning in May 2018 and bears no interest. The intention of the District was to have the FFA student group make the payments on the promissory note with fundraising events from school activity funds. The first payment was paid out of school activity funds as intended and the District chose to make the next two payments. The balance on the promissory note at June 30, 2021, was $9,845. The District has not reflected the promissory note payable or the asset of the plasma cutter in its financial statements.

The District is involved in claims arising from the ordinary course of operations. Among these matters, a suit has been filed against Pocatello and Bonneville school districts, namely Zeyen v. ALL DISTRICTS AND CHARTER SCHOOLS. The plaintiff asserts that fees charged by all public schools throughout the state of Idaho are unconstitutional. The U.S. District Court has not yet certified this matter as a class action and discovery has not yet commenced. The estimated possible loss to the District for these claims is uncertain, as the likelihood of an unfavorable outcome is unknown. No accrual has been reflected in the financial statements for these matters. In the opinion of the District's management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial condition.

NOTE O SUBSEQUENT EVENTS

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 5, 2021, which is the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the District, that are required to be disclosed.

NOTE P PRIOR PERIOD RESTATEMENT

The District implemented GASB Statement No. 84, Fiduciary Activities and as a result has reclassified its school activities funds as a special revenue fund. Following are the effect on net position and fund balance as of July 1, 2020 as a result of this restatement:

	Net Position	All Nonmajor Funds
Beginning balance as originally stated	2,901,697	20,784
School Activity funds	39,505	39,505
Beginning balance, as restated	2,941,202	60,289

REQUIRED SUPPLEMENTARY INFORMATION

Clark County School District #161

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Fiscal Year Ended June 30, 2021

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	267,000	254,911	(12,089)
Penalties and interest on delinquent taxes	800	441	(359)
Earnings on investments	8,300	2,184	(6,116)
Other local	21,250	32,127	10,877
State apportionment			
Base	1,150,000	1,210,787	60,787
Transportation	48,000	62,949	14,949
Exceptional child		1,520	1,520
Benefits	156,000	175,922	19,922
Property tax replacement	5,000	15,555	10,555
Other state revenue	166,000	138,960	(27,040)
Total revenues	1,822,350	1,895,356	73,006
EXPENDITURES			
Instruction			
Elementary	477,200	413,935	63,265
Secondary	509,800	454,377	55,423
Vocational	130,100	126,165	3,935
Special education program	91,600	76,112	15,488
Interscholastic program	20,320	28,147	(7,827)
School activity	6,900	697	6,203
Total instruction	1,235,920	1,099,431	136,489
Support services			
Attendance, guidance, and health	38,800	32,970	5,830
Special education support services	3,845	311	3,534
Educational media	26,675	18,300	8,375
Instruction related technology	20,750	12,004	8,746
Total support services	90,070	63,585	26,485
Administration			
Board of Education	56,125	64,700	(8,575)
District administration	50,075	87,076	(37,001)
School administration	65,525	22,041	43,484
Total administration	171,725	173,817	(2,092)

See Independent Auditor's Report.

Clark County School District #161

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Fiscal Year Ended June 30, 2021

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
EXPENDITURES, continued			
Business operations	124,250	97,967	26,283
Operations			
Building care (custodial)	155,000	164,140	(9,140)
Maintenance	156,240	146,585	9,655
Total operations	311,240	310,725	515
Transportation	86,750	54,283	32,467
Noninstructional - food service benefits	25	2,769	(2,744)
Contingency reserve	50,000	0	50,000
Total expenditures	2,069,980	1,802,577	267,403
Revenues over (under) expenditures	(247,630)	92,779	340,409
OTHER FINANCING SOURCES (USES)			
Operating transfers, net	247,630	(30,532)	(278,162)
Revenues and other financing sources over (under) expenditures	0	62,247	62,247
Fund balance - July 1, 2020		0	
Fund balance - June 30, 2021		62,247	

See Independent Auditor's Report.

Clark County School District #161

Federal Forest Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Fiscal Year Ended June 30, 2021

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Earnings on investments		1,550	1,550
Federal grants and assistance	87,000	74,833	(12,167)
Total revenues	87,000	76,383	(10,617)
EXPENDITURES			
Capital outlay	152,470		152,470
Total expenditures	152,470	0	152,470
Revenues over (under) expenditures	(65,470)	76,383	(163,087)
OTHER FINANCING SOURCES (USES)			
Operating transfers, net	(309,530)		309,530
Revenues and other financing sources over (under) expenditures	(375,000)	76,383	146,443
Fund balance - July 1, 2020		432,760	
Fund balance - June 30, 2021		509,143	

See Independent Auditor's Report.

Clark County School District #161

Pension Plan Required Supplementary Information
Fiscal Year Ended June 30, 2021

Schedule of Employer's Share of Net Pension Liability
PERSI-Base Plan Last 10-Fiscal Years *

	2020	2019	2018	2017	2016	2015	2014
Employer's portion of net pension liability	0.0330863%	0.0337171%	0.0357418%	0.0354400%	0.0393070%	0.0348936%	0.0374623%
Employers proportionate share of the net pension liability	768,308	384,871	527,198	557,056	796,813	459,492	257,781
Employer's covered payroll	1,137,246	1,108,969	1,038,944	1,021,328	1,034,654	977,668	1,016,284
Employer's proportional share of the net pension liability as a percentage of its covered payroll	67.56%	34.71%	50.74%	54.54%	77.01%	44.41%	28.21%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

* 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 years for which information is available.

Data for 2020 reported is measured as of June 30, 2020 (measurement date).

Schedule of Employer Contributions
PERSI-Base Plan Last 10-Fiscal Years *

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	138,162	129,633	125,471	117,609	116,843	114,138	121,752
Contributions in relation to the statutorily required contribution	138,162	129,633	125,471	117,609	116,843	112,092	116,508
Contribution (deficiency) excess	0	0	0	0	0	(2,046)	(5,244)
Employer's covered payroll	1,157,139	1,137,246	1,108,969	1,038,944	1,021,328	1,034,654	977,668
Contributions as a percentage of covered payroll	11.9400%	11.3989%	11.3142%	11.3201%	11.4403%	10.8338%	11.9169%

* 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 years for which information is available.

Data reported is measured as of June 30, 2021 (reporting date).

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OTHER FINANCIAL INFORMATION

Clark County School District #161

All Nonmajor Funds
Combining Balance Sheet
June 30, 2021

	Community Foundation	Gear Up Idaho Grant	School Activities	Driver's Ed	CTE Ag. Program	Public School Technology	Idaho Substance Abuse	Title I Basic Program	ESSER I	ESSER II	IDEA School Age	IDEA Pre-School	Medicaid	Title IV	REAP	Perkins	Supporting Effective Instruction	Technology CARES	Idaho Rebounds	Distance/ Blended Learning	Governors Special Distribution	Child Nutrition	Scholarship	District Housing	All Nonmajor Funds
ASSETS																									
Cash and investments	6,679		51,631		17,457	14,247	2,648						4,284	1,560	15,621			514				7,780		9,953	132,374
Federal grants receivable								57		60,939	6,127	5,485		199		4,214	354								77,375
Other receivables		12,843																							12,843
Total assets	6,679	12,843	51,631	0	17,457	14,247	2,648	57	0	60,939	6,127	5,485	4,284	1,759	15,621	4,214	354	514	0	0	0	7,780	0	9,953	222,592
LIABILITIES AND FUND EQUITY																									
LIABILITIES																									
Accounts payable		554			3,638	1,450										2,347		514				520		301	9,324
Accrued wages		1,900				2,861								1,759								5,331			11,851
Accrued employee benefits		357				1,295																1,929			3,581
Deferred revenues															15,621										15,621
Interfund payable		10,032	7,402					57		60,939	6,127	5,485				1,867	354								92,263
Total liabilities	0	12,843	7,402	0	3,638	5,606	0	57	0	60,939	6,127	5,485	0	1,759	15,621	4,214	354	514	0	0	0	7,780	0	301	132,640
FUND EQUITY																									
Assigned	6,679		44,229		13,819	8,641	2,648						4,284											9,652	89,952
Total fund equity	6,679	0	44,229	0	13,819	8,641	2,648	0	0	0	0	0	4,284	0	0	0	0	0	0	0	0	0	0	9,652	89,952
Total liabilities and fund equity	6,679	12,843	51,631	0	17,457	14,247	2,648	57	0	60,939	6,127	5,485	4,284	1,759	15,621	4,214	354	514	0	0	0	7,780	0	9,953	222,592

Clark County School District #161

All Nonmajor Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30, 2021

	Community Foundation	Idaho Grant	School Activities	Driver's Ed	CTE Ag. Program	Public School Technology	Idaho Substance Abuse	Title I Basic Program	ESSER I	ESSER II	IDEA School Age	Pre-School	Medicaid	Ttile IV	REAP	Perkins	Supporting Effective Instruction	Technology CARES	Idaho Rebounds	Distance/ Blended Learning	Special Distribution	Child Nutrition	Scholarship	District Housing	All Nonmajor Funds
REVENUES																									
Earnings on investments																						1			1
Food service																						5,035			5,035
Other local	6,372		32,609	750		11,745																		4,900	56,376
Other state revenue				1,000	33,156	42,605	3,393																		80,154
Federal grants and assistance		22,313				870		35,794	25,195	60,939	25,090	4,781	25,186	14,164	8,447	6,790	4,523	10,565	15,016	122,020	38,176	58,303			478,172
Total revenues	6,372	22,313	32,609	1,750	33,156	55,220	3,393	35,794	25,195	60,939	25,090	4,781	25,186	14,164	8,447	6,790	4,523	10,565	15,016	122,020	38,176	63,339	0	4,900	619,738
EXPENDITURES																									
Instruction																									
Elementary															3,389										3,389
Secondary		22,313		2,570											5,058										29,941
Special education program								33,894			23,632		20,902												78,428
Special ed preschool program												4,781													4,781
School activity	1,536																								1,536
Support services																									
Attendance, guidance, and health							1,170																		1,170
Instructional improvement									25,195	60,939						6,790	4,308	10,565	15,016	122,020	38,176				283,009
Instructional related technology					27,979																				27,979
Operations																								5,122	5,122
Other support services						46,579								13,378											59,957
Community services			27,885																				2,325		30,210
Noninstructional services																						84,888			84,888
Total expenditures	1,536	22,313	27,885	2,570	27,979	46,579	1,170	33,894	25,195	60,939	23,632	4,781	20,902	13,378	8,447	6,790	4,308	10,565	15,016	122,020	38,176	84,888	2,325	5,122	610,410
Revenues over (under) expenditures	4,836	0	4,724	(820)	5,177	8,641	2,223	1,900	0	0	1,458	0	4,284	786	0	0	215	0	0	0	0	(21,549)	(2,325)	(222)	9,328
OTHER FINANCING SOURCES (USES)																									
Net transfers				820				(1,900)	0	0	(1,458)	0	0	(786)			(215)					21,549	2,325	0	20,335
Total other financing sources	0	0	0	820	0	0	0	(1,900)	0	0	(1,458)	0	0	(786)	0	0	(215)	0	0	0	0	21,549	2,325	0	20,335
Revenues and other financing sounces over (under) expenditures and other financing sources (uses)	4,836		4,724		5,177	8,641	2,223						4,284											(222)	29,663
Fund balance - July 1, 2020, as restated	1,843	0	39,505	0	8,642	0	425	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,874	60,289
Fund balance - June 30, 2021	6,679	0	44,229	0	13,819	8,641	2,648	0	0	0	0	0	4,284	0	0	0	0	0	0	0	0	0	0	9,652	89,952

Clark County School District #161

School Activities
Combining Statement of Revenues, Expenses and Fund Balance
Fiscal Year Ended June 30, 2021

	Fund Balance July 1, 2020	Revenues	Expenses	**Fund Balance June 30, 2021**
ASSETS				
Cash and investments				
Annual	4,997	2,296	1,491	**5,802**
Athletics	4,450	17,440	11,611	**10,279**
Student council	659	624	399	**884**
Cheerleaders	775		154	**621**
Class of 2020	2,398		2,398	**0**
Class of 2021	2,747	1,577	4,221	**103**
Class of 2022	1,578	1,104	1,622	**1,060**
Class of 2023	1,116	322		**1,438**
Class of 2024	203	183	6	**380**
Class of 2025	317	196		**513**
Class of 2026		156		**156**
Class of 2027		156		**156**
Concessions	1,835	1,960	1,881	**1,914**
Clark FFA	3,653	996	888	**3,761**
Elementary book fair		1,045	1,045	**0**
Elementary field trip	156	364	404	**116**
Elementary Idaho lottery	1,127	39		**1,166**
Elementary playday	137			**137**
Elementary soda fund	101	252	182	**171**
Honor society	68			**68**
Industrial arts	6,562	270		**6,832**
Floral Design		2,037		**2,037**
Library	988			**988**
Math club	404			**404**
Middle school lottery	750	382	270	**862**
Music and drama	1,242	133		**1,375**
Mexican folklore dancing	427			**427**
Science	453			**453**
Preschool	179	90		**269**
Kindergarten	180	35		**215**
First grade	217	25		**242**
Second grade				**0**
Third grade		85		**85**
Fourth grade				**0**
Bell picture commission	420		420	**0**
Other	1,366	842	893	**1,315**
Total assets	39,505	32,609	27,885	**44,229**

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

Board of Trustees
Clark County School District #161
Dubois, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to the financial audits contain in the *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clark County School District #161 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Clark County School District #161's basic financial statements and have issued our report thereon dated October 5, 2021. In our report we expressed a qualified opinion on the Governmental Activities because management of the District has not implemented the requirements of GASB Statement No. 75 and has not determined the District's annual other postemployment benefit (OPEB) cost and net OPEB obligation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clark County School District #161's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clark County School District #161's internal control. Accordingly, we do not express an opinion on the effectiveness of Clark County School District #161'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. We considered the deficiencies described below to be material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we did identify certain deficiencies in the internal control that we consider to be material weaknesses.

There is a lack of segregation of duties in certain cash receipt, cash disbursement, and recordkeeping functions. There is also a lack of segregation of duties within certain purchasing, receiving, and recording functions of accounts payable. The effects of such weaknesses could cause an increased risk of error as it relates to recording financial data and asset custody.

There were differences in report filing and the internal accounting maintenance of effort. The effect of this weakness could cause a future lack of funding in state and other assistance.

The Governmental Accounting Standards Board's (GASB) Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions require that governments that provide other postemployment benefits obtain biannually an actuarial study to determine the government's other postemployment benefit liability (OPEB). The District did not have an actuarial valuation performed to determine its OPEB liability and related expenses as of June 30, 2021. We inquired of District management to determine if the required valuation had been completed and were informed that it had not been performed. The governmental liabilities are understated; net position is overstated, and expenses would change. The District did not see the benefit in obtaining the valuation in proportion to related cost. The District should engage an actuarial firm to determine the OPEB liability and expense every other year as required by GASB Statement no. 75, which became effective for fiscal year 2018. The district has determined that the cost of an actuarial study is greater than the benefit of compliance.

Responses to Findings

Management of Clark County School District #161 has not prepared a written response to the material weaknesses or significant deficiencies identified above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clark County School District #161's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP
CPAs and Consultants

Idaho Falls, Idaho
October 5, 2021