Clark County School District #161

Financial Statements and Supplemental Information

Year Ended June 30, 2020

WIPFLI

Clark County School District #161

Contents
June 30, 2020

INDEPENDENT AUDITOR'S REPORT 1-3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position 4

Statement of Activities 5

Fund Financial Statements

Combined Balance Sheet - Governmental Funds 6

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position 7

Governmental Fund Types
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances 8-9

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes
in Fund Balance to the Statement of Activities 10

Fiduciary Funds - Statement of Fiduciary Net Position 11

Notes to Financial Statements 12-27

REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual 28-29

Federal Forest Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual 30

Pension Plan Required Supplementary Information 31

Clark County School District #161

Contents
June 30, 2020

OTHER FINANCIAL INFORMATION

All Nonmajor Funds
Combining Balance Sheet 32

All Nonmajor Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 33

All Agency Funds
Combining Statement of Changes in Assets and Liabilities 34-35

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* 36-37

WIPFLI

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, 2020, 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, 2020, 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, 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.

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 28 through 31 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 agency 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 28, 2020, 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 28, 2020

Clark County School District #161

Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	755,116
Property tax receivable, net	39,399
Other receivables	233,095
Land	42,500
Depreciable buildings, equipment, and vehicles - net of depreciation	2,671,042
Total assets	3,741,152
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	192,964
LIABILITIES	
Accounts payable	88,146
Accrued wages	274,033
Accrued employee benefits	86,286
Unavailable revenue	11,468
Long-term liabilities	
Net pension liability	384,871
Total liabilities	844,804
DEFFERED INFLOWS OF RESOURCES	
Related to pensions	187,615
NET POSITION	
Net investment in capital assets	2,713,542
Restricted for	
Capital improvements	111,159
Debt service	688
Other purposes	20,784
Unrestricted	55,524
Total net position	2,901,697

The accompanying notes are an integral part of these statements.

Clark County School District #161

Statement of Activities
Fiscal Year Ended June 30, 2020

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	1,358,566	750	226,761		(1,131,055)
Support services	204,089	7,700	120,923		(75,466)
Administrative	275,468				(275,468)
Business admin services	130,554				(130,554)
Operations	287,097		57,192		(229,905)
Transportation	103,261		65,573		(37,688)
Noninstructional	94,062	4,466	52,939		(36,657)
Community services	74,883				(74,883)
Other support services	300		119,814		119,514
Total governmental activities	2,528,280	12,916	643,202	0	(1,872,162)

General revenues	
Taxes	
Property taxes levied for general purposes	262,435
State aid - formula grants	1,390,017
Unrestricted investments earnings	27,785
Unrestricted federal grants	85,651
Total general revenues	1,765,888
Change in net position	(106,274)
Net position - beginning	3,007,971
Net position - ending	2,901,697

The accompanying notes are an integral part of these statements.

Clark County School District #161

Combined Balance Sheet
Governmental Funds
June 30, 2020

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and investments	144,221	432,760	608	111,159	66,368	755,116
Receivables						
Taxes - current	37,033					37,033
Taxes - delinquent	2,286		80			2,366
Federal grants					143,937	143,937
Other	72,846				16,312	89,158
Interfund receivable	125,712					125,712
Total assets	382,098	432,760	688	111,159	226,617	1,153,322
LIABILITIES						
Accounts payable	51,948				36,198	88,146
Accrued wages	248,738				25,295	274,033
Accrued employee benefits	79,126				7,160	86,286
Interfund payable					125,712	125,712
Total liabilities	379,812	0	0	0	194,365	574,177
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	2,286	0	80	0	11,468	13,834
FUND BALANCES						
Restricted for						
Debt service			608			608
Capital projects				111,159		111,159
Assigned		432,760			20,784	453,544
Unassigned	0					0
Total fund balances	0	432,760	608	111,159	20,784	565,311
Total liabilities, deferred inflows of resources, and fund balances	382,098	432,760	688	111,159	226,617	1,153,322

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, 2020

Total fund balances - governmental funds	565,311
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 $2,700,958.	2,713,542
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.	2,366
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 $384,871, deferred inflows of resources related to pensions is $187,615, and deferred outflows of resources related to pensions is $192,964.	(379,522)
Total net position - governmental activities	2,901,697

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, 2020

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	266,508					266,508
Penalties and interest on delinquent taxes	309					309
Earnings on investments	22,298	5,487	107	945	4	28,841
Food service					3,410	3,410
Other local	9,875				40,950	50,825
State apportionment						
Base	1,206,885					1,206,885
Transportation	65,573					65,573
Benefits	167,577					167,577
Property tax replacement	15,555					15,555
Other state revenue	167,265				79,474	246,739
Federal grants and assistance		85,651			286,021	371,672
Total revenues	1,921,845	91,138	107	945	409,859	2,423,894
EXPENDITURES						
Current						
Instruction	1,153,181				187,848	1,341,029
Support services	79,619				120,649	200,268
Administration	279,999					279,999
Business operations	131,570					131,570
Operations	277,038				276	277,314
Transportation	86,260					86,260
Other support services					74,883	74,883
Community services					300	300
Noninstructional	2,134				86,221	88,355
Capital expenditures	24,376					24,376
Total expenditures	2,034,177	0	0	0	470,177	2,504,354
Revenues over (under) expenditures	(112,332)	91,138	107	945	(60,318)	(80,460)

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, 2020

	General	Federal Forest	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Operating transfers, net	105,877	(135,206)		12,237	17,092	0
Total other financing sources (uses)	105,877	(135,206)	0	12,237	17,092	0
Revenues and other financing sources over (under) expenditures	(6,455)	(44,068)	107	13,182	(43,226)	(80,460)
Fund balance - July 1, 2019	6,455	476,828	501	97,977	64,010	645,771
Fund balance - June 30, 2020	0	432,760	608	111,159	20,784	565,311

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, 2020

Total net change in fund balances - governmental funds:	(80,460)
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 $103,883 exceeded capital outlays of $24,376 in the period.	(79,507)
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 ($4,382) this year.	(4,382)
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 more than the amounts earned by $11,578 and the pension liability decreased by $142,327. Change in deferred outflows of resources and deferred inflows of resources related to pensions was $24,683 and $71,146, respectively.	58,075
Change in net position of governmental activities	(106,274)

The accompanying notes are an integral part of these statements.

Clark County School District #161

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	Agency Funds
ASSETS	
Cash and investments	39,505
Total assets	39,505
LIABILITIES	
Due to student groups	39,505
Total liabilities	39,505

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.

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. 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. 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 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.

Fiduciary Fund Types - Agency Fund – The Activity Funds (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.

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, 2020.

   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. There was no compensated absence liability at June 30, 2020.

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.

NOTE B CASH AND INVESTMENTS

At June 30, 2020, the carrying amount of the District's deposits was $140,717 and the bank balance was as follows:

Insured by Federal Depository Insurance	177,810
Uninsured and uncollateralized	0
Total	177,810

At June 30, 2020, the cost and fair market value of the District's investments were as follows:

	Cost	Fair Value	Average Maturity
Local Government Investment Pool	653,904	653,904	177 days
Total investments	653,904	653,904	

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

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, 2020, there is a policy for the deposits to be fully insured when possible and practical.

NOTE B CASH AND INVESTMENTS, continued

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, 2020, 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, $653,904 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, 2020, balances of interfund amounts receivable or payable have been recorded. The interfund balances at June 30, 2020, were as follows:

	Receivable	Payable
General Fund	125,712	
Nonmajor Funds		125,712
Total	125,712	125,712

The General Fund transferred $42,767 to support various nonmajor programs in accordance with the budget and other funding considerations. The General Fund transferred $29,868 to cover the deficit in Child Nutrition and budgeted expenses. The General Fund also transferred $12,237 to the Capital Projects Fund for bus depreciation as required by the State. Indirect costs of $2,446 were transferred to the General Fund from various nonmajor programs. Transfers of $138,229 were made from School Maintenance to the General Fund and $6,963 was transferred to the School Maintenance Fund from the District Housing Fund. Transfers of $147,875 were made from the Federal Forest Fund to the General Fund to cover expenditures in excess of revenues.

NOTE D CAPITAL ASSETS

Following is a summary of the capital assets at June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	**Balance June 30, 2020**
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	83,154	24,376		**107,530**
Administration	28,414			**28,414**
Total equipment	157,344	24,376	0	**181,720**
Vehicles	389,591	0	0	**389,591**
Total capital assets being depreciated	5,347,624	24,376	0	**5,372,000**
Less accumulated depreciation for:				
Buildings	(2,162,840)	(80,346)		**(2,243,186)**
Equipment	(147,872)	(6,004)		**(153,876)**
Vehicles	(286,363)	(17,533)		**(303,896)**
Total accumulated depreciation	(2,597,075)	(103,883)	0	**(2,700,958)**
Total capital assets being depreciated, net	2,750,549	(79,507)	0	**2,671,042**
Governmental activities capital assets, net	2,793,049	(79,507)	0	**2,713,542**

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

Governmental Activities	
Instruction	47,241
Support services	7,535
Administration	9,903
Business operations	4,654
Operations	10,789
Transportation	17,533
Noninstructional	6,228
Total depreciation expense – governmental activities	103,883

NOTE E PAYROLL EXPENDITURES AND RELATED LIABILITIES

Teacher contracts were signed for the nine-month period September 1, 2019, through May 31, 2020, to be paid over the twelve months of August 1, 2019, through July 31, 2020, or for new contracts to be paid over the twelve months of September 1, 2019, through August 31, 2020. 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, 2020, the limit for the District was $6,955,310. The general obligation debt, net of cash and investments available for bond retirement, was $0 leaving a legal debt margin of $6,955,310.

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 $6,585 for the year ended June 30, 2020 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, 2020, 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, 2019, it was 6.79% for general employees and 8.36% for police and firefighters. These rates increased in July 2019 to 7.16% for general employees and 11.94% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. These rates increased to 11.94% for general employees and 12.28% for police and firefighters in July 2019. The District School's contributions were $129,633 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. 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 .0337171 percent.

For the year ended June 30, 2020, the District recognized pension expense of $93,451. At June 30, 2020, 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	35,768	45,359
Changes in assumptions or other inputs	21,409	
Net difference between projected and actual earnings on pension plan investments		131,114
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions		11,142
District contributions subsequent to the measurement date	135,787	
Total	192,964	187,615

$135,787 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, 2020.

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, 2018, the beginning of the measurement period ended June 30, 2018, is 4.8 years and 4.8 years for the measurement period ended June 30, 2019.

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:	
2020	53,902
2021	9,702
2022	(57,855)
2023	(6,320)

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, 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	7.00%, 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. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009, through June 30, 2013. The Total Pension Liability as of June 30, 2019, is based on the results of an actuarial valuation date of July 1, 2019.

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 January 1, 2019.

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	Barclays Aggregate	30.00%	3.05%	0.80%
Broad U.S. Equity	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%	4.5%
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)	1,162,460	384,871	(258,169)

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, 2020, 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, 2019. At January 1, 2020, the required contribution rate went to 0.0% for the remainder of the 2019-2020 school year and is anticipated to remain at 0% for the 2021 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 $4,198 in USDA Commodities during the 2019-2020 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

General Fund expenditures for the fiscal year ended June 30, 2020, exceeded budgeted expenditures by $82,211. Actual expenditures for the fiscal year ended June 30, 2020, did not exceed budgeted expenditures for the 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 balance on the promissory note at June 30, 2019, was $14,768. The District has not reflected the promissory note payable or the asset of the plasma cutter in its financial statements as it believes the student FFA group will continue to make the payments.

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 28, 2020, which is the date the financial statements were available to be issued. Due to continuing effects of the novel coronavirus (COVID-19) pandemic, the District's budget for fiscal year 2021 has been negatively impacted. Additional costs have been incurred for transitioning to new learning methodologies and adapting current facilities resulting in a negative impact to the District. The District cannot reasonably estimate the future impact of the economic changes as a result of the pandemic. There were no other subsequent type events, identified by management of the District, that are required to be disclosed.

REQUIRED FINANCIAL 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, 2020

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	269,037	266,508	(2,529)
Penalties and interest on delinquent taxes	450	309	(141)
Earnings on investments	15,000	22,298	7,298
Other local	25,150	9,875	(15,275)
State apportionment			
Base	1,275,548	1,206,885	(68,663)
Transportation	52,074	65,573	13,499
Exceptional child	2,000		(2,000)
Benefits	178,960	167,577	(11,383)
Property tax replacement	15,555	15,555	
Other state revenue	143,501	167,265	23,764
Total revenues	1,977,275	1,921,845	(55,430)
EXPENDITURES			
Instruction			
Elementary	439,564	433,156	6,408
Secondary	339,646	492,915	(153,269)
Vocational	122,241	138,271	(16,030)
Special education program	110,652	65,518	45,134
Interscholastic program	27,194	20,901	6,293
School activity	9,650	2,422	7,228
Total instruction	1,048,947	1,153,181	(104,234)
Support services			
Attendance, guidance, and health	38,386	33,682	4,704
Special education support services	5,093	4,537	556
Educational media	26,744	15,837	10,907
Instruction related technology	20,468	25,563	(5,095)
Total support services	90,691	79,619	11,072
Administration			
Board of Education	51,060	68,884	(17,824)
District administration	78,314	123,185	(44,871)
School administration	78,200	87,930	(9,730)
Total administration	207,574	279,999	(72,425)

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, 2020

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
EXPENDITURES, continued			
Business operations	130,076	131,570	(1,494)
Operations			
Building care (custodial)	148,632	123,934	24,698
Maintenance	154,522	153,104	1,418
Total operations	303,154	277,038	26,116
Transportation	79,607	86,260	(6,653)
Noninstructional - food service benefits	2,017	2,134	(117)
Capital expenditures	0	24,376	(24,376)
Contingency reserve	89,900	0	89,900
Total expenditures	1,951,966	2,034,177	(82,211)
Revenues over (under) expenditures	25,309	(112,332)	(137,641)
OTHER FINANCING SOURCES (USES)			
Operating transfers, net	(29,702)	105,877	135,579
Revenues and other financing sources over (under) expenditures	(4,393)	(6,455)	(2,062)
Fund balance - July 1, 2019		6,455	
Fund balance - June 30, 2020		0	

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, 2020

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Earnings on investments		5,487	5,487
Federal grants and assistance		85,651	85,651
Total revenues	0	91,138	91,138
EXPENDITURES	254,650	0	(254,650)
Revenues over (under) expenditures	(254,650)	91,138	345,788
OTHER FINANCING SOURCES (USES)			
Operating transfers, net	(120,000)	(135,206)	(15,206)
Revenues and other financing sources over (under) expenditures	(374,650)	(44,068)	330,582
Fund balance - July 1, 2019		476,828	
Fund balance - June 30, 2020		432,760	

Clark County School District #161

Pension Plan Required Supplementary Information
Fiscal Year Ended June 30, 2020

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

	2019	2018	2017	2016	2015	2014
Employer's portion of net pension liability	0.0337171%	0.0357418%	0.0354400%	0.0393070%	0.0348936%	0.0374623%
Employers proportionate share of the net pension liability	384,871	527,198	557,056	796,813	459,492	257,781
Employer's covered payroll	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	34.71%	50.74%	54.54%	77.01%	44.41%	28.21%
Plan fiduciary net position as a percentage of the total pension liability	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 2019 reported is measured as of June 30, 2019 (measurement date).

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

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

OTHER FINANCIAL INFORMATION

Clark County School District #161

All Nonmajor Funds
Combining Balance Sheet
June 30, 2020

	Community Foundation	Gear Up Idaho Grant	School Maintenance	Driver's Ed	CTE Ag. Program	Public School Technology	Idaho Substance Abuse	Title I Basic Program	IDEA School Age	IDEA Preschool	Medicaid	Title IV	REAP	Perkins	Supporting Effective Instruction	21st Century	Child Nutrition	Scholarship	District Housing	All Nonmajor Funds
ASSETS																				
Cash and investments	7,707			1,151	23,010	7,009	702						12,262				4,653		9,874	66,368
Federal grants receivable								19,881	40,010	5,716		5,894			6,754	65,682				143,937
Other receivables		15,337		975																16,312
Total assets	7,707	15,337	0	2,126	23,010	7,009	702	19,881	40,010	5,716	0	5,894	12,262	0	6,754	65,682	4,653	0	9,874	226,617
LIABILITIES AND FUND EQUITY																				
LIABILITIES																				
Accounts payable	5,864	9,970		273	14,368	4,779							794			150				36,198
Accrued wages				1,356		1,553	204	2,759	4,092	511		3,600			2,000	6,328	2,892			25,295
Accrued employee benefits				497		677	73	1,420	1,413	193		739				387	1,761			7,160
Deferred revenues													11,468							11,468
Interfund payable		5,367						15,702	34,505	5,012		1,555			4,754	58,817				125,712
Total liabilities	5,864	15,337	0	2,126	14,368	7,009	277	19,881	40,010	5,716	0	5,894	12,262	0	6,754	65,682	4,653	0	0	205,833
FUND EQUITY																				
Assigned	1,843				8,642		425												9,874	20,784
Total fund equity	1,843	0	0	0	8,642	0	425	0	0	0	0	0	0	0	0	0	0	0	9,874	20,784
Total liabilities and fund equity	7,707	15,337	0	2,126	23,010	7,009	702	19,881	40,010	5,716	0	5,894	12,262	0	6,754	65,682	4,653	0	9,874	226,617

Clark County School District #161

All Nonmajor Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30, 2020

	Community Foundation	Gear Up Idaho Grant	School Maintenance	Driver's Ed	CTE Ag. Program	Public School Technology	Idaho Substance Abuse	Title I Basic Program	IDEA School Age	IDEA Preschool	Medicaid	Title IV	REAP	Perkins	Supporting Effective Instruction	21st Century	Child Nutrition	Scholarship	District Housing	All Nonmajor Funds
REVENUES																				
Earnings on investments																	4			4
Food service																	3,410			3,410
Other local	32,500			750															7,700	40,950
Other state revenue				1,750	24,359	49,940	3,425													79,474
Federal grants and assistance		16,352						32,170	34,107	3,701	19,172	5,894	19,957		6,614	95,115	52,939			286,021
Total revenues	32,500	16,352	0	2,500	24,359	49,940	3,425	32,170	34,107	3,701	19,172	5,894	19,957	0	6,614	95,115	56,353	0	7,700	409,859
EXPENDITURES																				
Instruction																				
Elementary													2,427							2,427
Secondary		16,352		5,155									17,530							39,037
Special education program								30,641	33,799		29,116									93,556
Special ed preschool program										3,686										3,686
School activity	49,142																			49,142
Support services																				
Attendance, guidance, and health							3,000													3,000
Instructional improvement															6,300	95,115				101,415
Instructional related technology					16,234															16,234
Operations																			276	276
Other support services						69,269						5,614								74,883
Community services																		300		300
Noninstructional services																	86,221			86,221
Total expenditures	49,142	16,352	0	5,155	16,234	69,269	3,000	30,641	33,799	3,686	29,116	5,614	19,957	0	6,300	95,115	86,221	300	276	470,177
Revenues over (under) expenditures	(16,642)	0	0	(2,655)	8,125	(19,329)	425	1,529	308	15	(9,944)	280	0	0	314	0	(29,868)	(300)	7,424	(60,318)
OTHER FINANCING SOURCES (USES)																				
Net transfers			(16,266)	2,655				(1,529)	(308)	(15)	9,944	(280)			(314)		29,868	300	(6,963)	17,092
Total other financing sources	0	0	(16,266)	2,655	0	0	0	(1,529)	(308)	(15)	9,944	(280)	0	0	(314)	0	29,868	300	(6,963)	17,092
Revenues and other financing sounces over (under) expenditures and other financing sources (uses)	(16,642)		(16,266)		8,125	(19,329)	425												461	(43,226)
Fund balance - July 1, 2019	18,485	0	16,266	0	517	19,329	0	0	0	0	0	0	0	0	0	0	0	0	9,413	64,010
Fund balance - June 30, 2020	1,843	0	0	0	8,642	0	425	0	0	0	0	0	0	0	0	0	0	0	9,874	20,784

See Independent Auditor's Report.

Clark County School District #161

All Agency Funds
Combining Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	**Balance June 30, 2020**
ASSETS				
Cash and investments				
Annual	5,338	1,528	1,869	**4,997**
Athletics	3,031	10,311	8,892	**4,450**
Student council	938	880	1,159	**659**
Cheerleaders	557	456	238	**775**
Class of 2018	1,052		1,052	**0**
Class of 2019	64	228	292	**0**
Class of 2020	2,419	947	968	**2,398**
Class of 2021	2,280	983	516	**2,747**
Class of 2022	744	1,013	179	**1,578**
Class of 2023	294	972	150	**1,116**
Class of 2024	263	135	195	**203**
Class of 2025	226	136	45	**317**
Class of 2026		195	195	**0**
Concessions	3,553	1,143	2,861	**1,835**
Clark FFA	210	5,930	2,487	**3,653**
Elementary field trip	156			**156**
Elementary Idaho lottery	1,127			**1,127**
Elementary playday	137			**137**
Honor society	199		131	**68**
Industrial arts	6,547	15		**6,562**
Library	981	7		**988**
Math club	447		43	**404**
Middle school lottery	612	175	37	**750**
Music and drama	951	558	267	**1,242**
Mexican folklore dancing	427			**427**
Science	462		9	**453**
Preschool	389	60	270	**179**
Kindergarten	130	80	30	**180**
First grade	167	50		**217**
Second grade	40	200	240	**0**
Third grade	12	2	14	**0**
Fourth grade	5	13	18	**0**
Bell picture commission	641		221	**420**
Other	3,454	3,758	5,745	**1,467**
Total assets	37,853	29,775	28,123	**39,505**

Clark County School District #161

All Agency Funds
Combining Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	**Balance June 30, 2020**
LIABILITIES				
Due to student groups				
Annual	5,338	1,528	1,869	**4,997**
Athletics	3,031	10,311	8,892	**4,450**
Student council	938	880	1,159	**659**
Cheerleaders	557	456	238	**775**
Class of 2009-2017	1,052		1,052	**0**
Class of 2018	64	228	292	**0**
Class of 2019	2,419	947	968	**2,398**
Class of 2020	2,280	983	516	**2,747**
Class of 2021	744	1,013	179	**1,578**
Class of 2022	294	972	150	**1,116**
Class of 2023	263	135	195	**203**
Class of 2024	226	136	45	**317**
Class of 2025		195	195	**0**
Concessions	3,553	1,143	2,861	**1,835**
Clark FFA	210	5,930	2,487	**3,653**
Elementary field trip	156			**156**
Elementary Idaho lottery	1,127			**1,127**
Elementary playday	137			**137**
Honor society	199		131	**68**
Industrial arts	6,547	15		**6,562**
Library	981	7		**988**
Math club	447		43	**404**
Middle school lottery	612	175	37	**750**
Music and drama	951	558	267	**1,242**
Mexican folklore dancing	427			**427**
Science	462		9	**453**
Preschool	389	60	270	**179**
Kindergarten	130	80	30	**180**
First grade	167	50		**217**
Second grade	40	200	240	**0**
Third grade	12	2	14	**0**
Fourth grade	5	13	18	**0**
Bell picture commission	641		221	**420**
Other	3,454	3,758	5,745	**1,467**
Total liabilities	37,853	29,775	28,123	**39,505**

WIPFLI

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, 2020, 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 28, 2020. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. Bank reconciliations were not properly prepared in a timely fashion. The effects of such weaknesses could cause: a lack of proper oversight with governance as it related to relying on inaccurate numbers throughout the year, inaccurate grant reporting, delayed or non-timely grant draw down requests, misspending of governmental funds, and an increase risk of error as it relates to recording financial data.

The state reporting requirements regarding school building maintenance and Medicaid and maintenance of effort were not timely filed. There were also differences in report filing and the internal accounting for Medicaid and maintenance of effort. The effect of these weaknesses 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, 2020. 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 28, 2020