

Idaho Falls School District #91

Financial Statements and Supplemental
Information

Year Ended June 30, 2020



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Idaho Falls School District #91

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June 30, 2020

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Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2020*

The discussion and analysis of Idaho Falls School District #91's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2020 are as follows:

In total, net position increased \$8,791,080 which represents an 16.46% increase from 2019 balance of \$53,397,629.

General revenues accounted for \$71,351,983 in revenue or 80.47% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$17,313,000 or 19.53% of total revenues of \$88,664,983.

Total assets of governmental activities increased by \$1,560,427, as cash and cash equivalents increased by \$221,128, receivables and prepaid expenses increased by \$226,223, inventory increased by \$128,631, sick leave asset increased by \$404,860, and capital assets increased by \$579,585. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District decreased by \$2,251,433.

The District had \$79,873,903 in expenses; only \$17,313,000 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily state support and local property taxes) of \$71,351,983 were adequate to provide for these programs.

Among major funds, the General Fund had \$66,326,541 in revenues, \$64,484,997 in expenditures, and \$3,886,651 in net transfers out. The General Fund's fund balance decreased \$2,045,107 from 2019.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Idaho Falls School District #91 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole school district, presenting both an aggregate view of the District's finances, and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Idaho Falls School District #91, the General Fund is by far the most significant fund.

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2020*

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in its net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Idaho restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil, transportation, and extracurricular activities. The District does not have any business type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General, Debt Service, Capital Projects Funds.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The District serves as a trustee, or fiduciary, for student organizations and programs. The assets of these organizations and programs do not directly benefit nor are they under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. Fiduciary activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2020

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for 2020 compared to 2019:

	<u>2020</u>	<u>2019</u>
Assets		
Current and other assets	42,950,821	41,969,979
Capital assets	73,678,659	73,099,074
Total assets	116,629,480	115,069,053
Deferred outflows of resources	8,391,466	9,464,053
Current and other liabilities	9,301,274	9,239,585
Long-term liabilities	45,785,928	57,823,664
Total liabilities	55,087,202	67,063,249
Deferred inflows of resources	7,745,035	4,072,228
Net position		
Net investment in capital assets	45,418,890	37,581,372
Restricted	16,661,292	13,456,297
Unrestricted	108,527	2,359,960
Total net position	62,188,709	53,397,629

Total assets of governmental activities increased by \$1,560,427, as cash and cash equivalents increased by \$221,128, receivables and prepaid expenses increased by \$226,223, inventory increased by \$128,631, PERSI SL asset increased by \$404,860, and capital assets increased by \$579,585. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$62,188,709 at the close of the most recent fiscal year. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District decreased by \$2,251,433 from 2019.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2020

The following table shows the changes in net position for fiscal years 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues		
Charges for services	1,805,772	2,211,050
Operating grants and contributions	15,507,228	15,087,847
General revenues		
Property taxes	17,933,441	16,231,913
State aid	51,640,438	50,574,278
Federal aid	10,368	
Other	1,767,736	1,196,760
Total revenues	<u>88,664,983</u>	<u>85,301,848</u>
Program expenses		
Instruction	47,716,441	46,053,359
Support services	9,823,649	8,290,219
Administration	5,894,270	5,421,334
Business operations	1,193,297	1,353,292
Operations	6,403,150	6,736,123
Transportation	2,965,383	3,048,050
Non-instructional	3,332,982	3,453,847
Interest and fiscal charges	1,032,047	1,216,139
Capital improvements	1,512,684	2,034,203
Total expenses	<u>79,873,903</u>	<u>77,606,566</u>
Increase (decrease) in net position	<u>8,791,080</u>	<u>7,695,282</u>

GOVERNMENTAL ACTIVITIES

Governmental revenues come primarily from three sources. State aid of \$59,352,897 consists of the state apportionment, other state grants, and revenue in lieu of taxes, and makes up 66.9% of revenues from governmental activities. Property taxes of \$17,933,441 make up 20.2% of total revenues from governmental activities. Federal contracts and grants of \$8,413,991 make up 9.5% of total revenues from governmental activities.

Instruction expenditures including the support activities of support services, administrative, business admin services, operations, and transportation comprise 81.9% of District expenses.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2020

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

	Total cost of services 2020	Net cost of services 2020
Instruction	47,716,441	40,215,650
Support services	9,823,649	7,001,411
Administration	5,894,270	5,706,027
Business operations	1,193,297	1,193,297
Operations	6,403,150	5,525,254
Transportation	2,965,383	566,034
Non-instructional	3,332,982	366,980
Interest	1,032,047	473,566
Capital improvements	1,512,684	1,512,684
Total expenses.	79,873,903	62,560,903

Instruction: Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Support Services: Support Services provide personnel services, activities, and programs for the administration, management, technical, and logistical support to facilitate and enhance the function of instruction and shall provide for the general operation of the schools.

Administration: The personnel, activities, and services for directing and managing the operation of the schools in the District. (Principals, assistant principals, secretaries, and clerks charged with responsibility for a school's administration) Board of Education, Administration, includes expenses associated with administrative supervision of the District.

Business Admin Services: The program concerned with the fiscal operations of the District. This program may include budgeting, fiscal and business expenditures, receiving and disbursing, purchasing, financial and property accounting, payroll, internal auditing, and activities that support other administrative and instructional functions including fiscal services, human resources, planning, and administrative information technology.

Operations: Operations and maintenance includes the personnel, activities, and programs concerned with keeping the physical plant operational and keeping the grounds, buildings, and equipment in effective working condition and in an adequate and safe state of repair.

Transportation: Transportation includes the personnel, activities, and services for providing student transportation to school and to activities and to provide for the general administrative and maintenance needs of District vehicles.

Non-instructional: Non-instructional services include the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Interest and Fiscal Charges: Interest and Fiscal Charges involve the transactions associated with the payment of interest and other related charges to the debt of the District.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2020

THE DISTRICT'S FUNDS

Information about the District's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$88,560,380 and expenditures of \$88,221,686. The net change in fund balance for the year in the General Fund, Debt Service Fund, and Capital Projects Fund, was a decrease of \$2,045,107, an increase of \$1,191,740, and an increase of \$1,852,635, respectively.

GENERAL FUND BUDGETING HIGHLIGHTS

During the course of fiscal 2020 year, the District did amend its budget.

For the General Fund, the budgeted revenue was \$65,902,050 and budgeted expenses were \$68,476,619. Actual revenue was \$66,326,541 which includes \$567,663 for leadership premiums and \$176,993 for master educator premiums to qualifying personnel, and \$379,072 in professional development funds. Actual expenditures were \$64,484,997, which include expenditures related to the leadership and master educator premiums, and professional development.

CAPITAL ASSETS

At the end of the fiscal year 2020, the District had \$73,678,659 invested in land, buildings, furniture and equipment, and vehicles (net of accumulated depreciation).

	<u>2020</u>	<u>2019</u>
Capital assets not being depreciated	<u>5,245,805</u>	3,190,035
Buildings and improvements	<u>66,079,600</u>	67,541,611
Equipment	<u>1,001,284</u>	1,090,179
Vehicles	<u>1,351,970</u>	1,277,249
Total capital assets, net	<u><u>73,678,659</u></u>	<u><u>73,099,074</u></u>

Overall capital assets increased \$579,585 from fiscal year 2019 to fiscal year 2020. The increase in capital assets, primarily buildings and vehicles was mostly due to the construction projects and replacement vehicles.

DEBT ADMINISTRATION

At June 30, 2020, the District had three general obligation bond issues outstanding. The current portion of debt due in one year is \$3,905,000

At June 30, 2020, the District's overall legal debt margin was \$212,441,720.

CURRENT FINANCIAL ISSUES AND CONCERNS

The impact of Covid-19 on schools in Idaho has been substantial, and Idaho Falls School District 91(the District) has felt the impact in both financial and operational levels. In March of 2020, the District closed all schools and went to fully online instruction in response to the Governor Little's stay at home order. From March of 2020 through the end of May, the District suspended school and work operations except for, the remote learning of the District's students, the feeding of children in the district, and the sanitization, disinfection and repairs of the District's facilities. During this time district staff that could work remotely were required to do so, along with the staff working in the areas listed above. All other personnel were required to be on call if needed services arose but were paid by the district according to their regular pay schedule. The school buildings in the Districts were closed to the public and normal operations ceased.

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2020*

The financial impact to the District was exacerbated when Governor Little ordered a 1% holdback of FY20 funding in order to better prepare for the expected fiscal shortfall the State of Idaho could potentially suffer should the pandemic cause a decline in state tax revenue. Additionally, school districts in Idaho were asked to plan for a 5% holdback of the FY21 approved budget for the same reasons. In total this resulted in potential loss of just over \$2,654,360 in budgeted funds to the District. With State funding uncertain, the District took measures to temporarily replace these dollars with fund balance and budgeted accordingly, which included reductions in capital expenditures where possible.

In March the Federal government passed the CARES Act to help schools with funding shortfalls and expenses related to Covid-19. This funding, issued by the Federal Government, will be a budget addition to the District for FY21, which is passed through to the District using several separate grants provided by the Federal Government to the State of Idaho. These supplemental grants total more than \$5,430,332 in additional funding to the District.

The first grant, called ESSERF, was an award of \$1,642,500 and has to be spent by the District before September 2022. These funds must be used specifically to cover Covid-19 related costs that were not originally budgeted for by the District.

The District's Child Nutrition Department also received a one-time grant of \$46,292 to cover FY20 Covid-19 expenses, and this grant was used to help provide "grab and go" meals to the District's students at no cost from the last week of March through June 30th. Additionally, child nutrition is providing student meals at no cost in the fall of 2020 pursuant to specific Federal funding provided for this purpose.

The State of Idaho also awarded the District \$95,671 to cover the costs of a learning management system and \$22,801 in social emotional funding.

The State of Idaho also awarded the District \$382,201 in Idaho Rebounds Coronavirus Relief funds for distant and blended learning related costs incurred by the District during the period starting March 17th and ending December 30th, 2020. The District used these funds to provide stipends to teachers for two days of online learning training prior to resuming school in the Fall FY21, and additional technology for students online learning.

Recently the State of Idaho has awarded an additional \$3,240,867 in discretionary funds to help offset the cost of Covid-19. Even though these funds were initially presented as replacing the 5% holdback for FY 21, they do not directly offset the budget cuts implemented by the State of Idaho in part due to the compliance requirements of the Federal dollars that were awarded to the District. These funds will potentially protect the District from COVID-19 related costs. However, despite the state holdback the net overall effect of the holdback on the FY20 budget was minimal due to better than expected attendance during the FY20 school year.

The District is unable to predict how long the economic impact will last or how or when the impact on the operations of the District will end. For FY21 the District has taken a conservative budgeting approach to mitigate the State's budget holdbacks due to the pandemic. This includes reductions to additional planned capital expenditures and uses of Fund balance. Due to the District's past conservative budgeting, the District is well positioned to adjust to the planned budget shortfalls and is leveraging Federal Grants to pay for unexpected Covid-19 expenses.

The District projects that the budget adjustments needed for the holdback will not impact planned expenditures already underway. These projects include the Sunnyside addition which was completed in time for the FY21 school year. This addition added much needed space to the elementary school. The District also purchased two modular classroom units to add necessary classroom space at Idaho Falls High School.

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2020*

Additional projects previously budgeted for and underway but not completed, include the East and West stadium renovations, and the Skyline track replacement, and both are expected to be completed during the FY21 year. The District continues to leverage funds set aside for capital projects to provide for the growing needs of the District.

Due to social distancing requirements and in an abundance of caution the District has implemented health and safety policies for both students and staff during this unprecedented time. Care has been taken to address the policies to the needs of both students and staff to promote the health and safety of all, while maintaining our core goal of making the education of our students the priority of our organization. These policies includes social distancing where possible, mask requirements when social distancing cannot be maintained, the opportunity for students and staff to work remotely as needed or as required by local health authorities, the regular sanitization and disinfection of classrooms and shared spaces, and flexible learning and working environments for students and staff. The District uses planned measures to mitigate the risk that Covid-19 presents in the District and monitors both the policies and procedures in place and updates and prepares to meet all requirements recommended by the local health district.

The District has been able to meet its debt obligations and, due to increased growth in the area, was able to leverage historically low interest rates and refinance the principal amount of Bond 2020 (an existing debt obligation) passing significant savings of \$2,039,887 onto the local taxpayers. Additionally, the District has sufficient funds to pay all debt obligations as they arise as well as reserves for potential changes in the market. At this juncture the District is well positioned to meet all existing debt obligations and is on track to pay off all obligations by FY 2029. Due to increased growth in the area the District has been able to lower their levy rate from .004190114 to .003456361 for the upcoming fiscal FY21 year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Angela Pendlebury at Idaho Falls School District #91, 690 John Adams Parkway, Idaho Falls, ID 83401, (208) 525-7500, PendAnge@d91.k12.id.us.

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Idaho Falls School District #91
690 John Adams Parkway
Idaho Falls, 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 Idaho Falls School District #91 (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 the 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Falls School District #91, as of June 30, 2020, and the respective changes in financial position 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 Management's Discussion and Analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net OPEB asset PERSI-OPEB Plan Last 10-fiscal year, schedule of employer

contribution PERSI-OPEB plan last 10 fiscal years, and schedule of employer's share of net pension liability for PERSI-Base plan last 10 fiscal years and schedule of employer contributions PERSI-Base plan for last 10 fiscal years listed in the table of contents on pages 1 through 7 and pages 41 through 46 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.

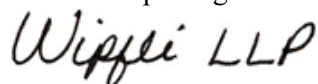
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial schedules, the agency funds combining schedule of changes in assets and liabilities, other schedules listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are not a required part of the financial statements.

The combining and individual nonmajor fund financial schedules, the agency funds combining schedule of changes in assets and liabilities, other schedules listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 and individual nonmajor fund financial schedules, the agency funds combining schedule of changes in assets and liabilities, other schedules listed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020, on our consideration of Idaho Falls School District #91'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 Idaho Falls School District #91'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
CPAs and Consultants
Idaho Falls, Idaho
October 23, 2020

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Idaho Falls School District #91

Statement of Net Position June 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	28,755,238
Property tax receivable, net	6,548,610
Other receivables	4,028,321
Supplies inventory	480,206
PERSI SL	3,138,446
Land and construction in progress	5,245,805
Depreciable buildings, equipment, and vehicles, net of depreciation	68,432,854
Total assets	116,629,480
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	84,312
Changes of assumptions or other inputs - OPEB	202,062
Changes of assumptions or other inputs - PERSI SL	628,462
Related to pensions	7,476,630
Total deferred outflows of resources	8,391,466
LIABILITIES	
Accounts payable	810,413
Accrued wages	6,076,035
Accrued employee benefits	2,101,905
Other payables	2,500
Interest payable	310,421
Long-term liabilities	
Net pension liability	14,402,005
OPEB liability	2,905,610
Other liabilities	218,544
Portion due or payable within one year	
General obligation bonds/premium	4,183,086
Portion due or payable after one year	
General obligation bonds/premium	24,076,683
Total liabilities	55,087,202
DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual experience - OPEB	842,392
Differences between expected and actual experience - PERSI SL	181,397
Related to pensions	6,721,246
Total deferred inflows of resources	7,745,035
NET POSITION	
Net investment in capital assets	45,418,890
Restricted for	
Child nutrition	863,585
Capital improvements	4,126,818
Debt service	9,061,307
Other purposes	2,609,582
Unrestricted	108,527
Total net position	62,188,709

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Statement of Activities Fiscal Year Ended June 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental activities					
Instruction	47,716,441	979,589	6,521,202		(40,215,650)
Support services	9,823,649	27,343	2,794,895		(7,001,411)
Administrative	5,894,270	6,514	181,729		(5,706,027)
Business admin services	1,193,297				(1,193,297)
Operations	6,403,150	47,233	830,663		(5,525,254)
Transportation	2,965,383	199,975	2,199,374		(566,034)
Noninstructional	3,332,982	545,118	2,420,884		(366,980)
Interest on long-term debt	1,032,047		558,481		(473,566)
Capital improvements	1,512,684				(1,512,684)
Total governmental activities	<u>79,873,903</u>	<u>1,805,772</u>	<u>15,507,228</u>	<u>0</u>	<u>(62,560,903)</u>
General revenues					
Taxes					
Property taxes					17,933,441
Investment earnings					845,397
State apportionment					
Base					45,432,016
Benefits					6,208,422
Federal grants					10,368
Other state revenues					799,012
Other local					118,135
Special items					
Gain on disposition of assets					5,192
Total general revenues					<u>71,351,983</u>
Change in net position					8,791,080
Net position - beginning					<u>53,397,629</u>
Net position - ending					<u>62,188,709</u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Combined Balance Sheet Governmental Funds June 30, 2020

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	16,737,402	5,940,643	3,751,250	2,325,943	28,755,238
Receivables					
Taxes - current	2,244,909	2,789,638	805,220		5,839,767
Taxes - delinquent	280,728	327,272	100,843		708,843
State apportionment	1,288,345				1,288,345
Federal grants				1,718,890	1,718,890
State agencies		4,704	39,602		44,306
Other	891,470			85,310	976,780
Interfund receivable	1,040,244				1,040,244
Supplies inventory	314,349			165,857	480,206
Total assets	<u>22,797,447</u>	<u>9,062,257</u>	<u>4,696,915</u>	<u>4,296,000</u>	<u>40,852,619</u>
LIABILITIES					
Accounts payable	172,832	950	570,097	66,534	810,413
Accrued wages	5,438,223			637,812	6,076,035
Accrued employee benefits	1,869,318			232,587	2,101,905
Other payables	2,500				2,500
Interfund payable				1,040,244	1,040,244
Total liabilities	<u>7,482,873</u>	<u>950</u>	<u>570,097</u>	<u>1,977,177</u>	<u>10,031,097</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>280,728</u>	<u>327,272</u>	<u>100,843</u>		<u>708,843</u>
FUND BALANCES					
Nonspendable					
Inventory	314,349			165,857	480,206
Restricted for					
Debt service		8,734,035			8,734,035
Capital projects			4,025,975		4,025,975
Child nutrition				697,728	697,728
Other fund activities	1,154,344			1,455,238	2,609,582
Assigned	6,242,532				6,242,532
Unassigned	7,322,621				7,322,621
Total fund balances	<u>15,033,846</u>	<u>8,734,035</u>	<u>4,025,975</u>	<u>2,318,823</u>	<u>30,112,679</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>22,797,447</u>	<u>9,062,257</u>	<u>4,696,915</u>	<u>4,296,000</u>	<u>40,852,619</u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2020

Total fund balances - governmental funds	30,112,679
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 assets is reflected net of depreciation.	73,678,659
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 unearned in the funds.	708,843
The net pension liability 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 \$14,402,005, deferred inflows of resources related to pensions is \$6,721,246 and deferred outflows of resources related to pensions is \$7,476,630.	(13,646,621)
The net PERSI sick leave (asset) and the deferred outflows of resources and deferred inflows of resources related to PERSI SL are only reported in the Statement of Net Position: Net PERSI SL (asset) is \$(3,138,446), deferred inflows of resources related to PERSI SL is \$181,397 and deferred outflows of resources related to PERSI SL is \$628,462.	3,585,511
Governmental funds report the effect of premiums, discounts, and similar items when the bonds are first issued by the District whereas these amounts are deferred and amortized in the Statement of Activities.	(2,255,457)
Deferred outflows (changes of assumptions and other inputs - OPEB) and inflows (differences between expected and actual experience - OPEB) of resources are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	(640,330)
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:	
Bonds payable	(25,920,000)
Accrued interest on the bonds	(310,421)
Compensated absences	(218,544)
OPEB obligation	<u>(2,905,610)</u>
	<u>(29,354,575)</u>
Total net position - governmental activities	<u><u>62,188,709</u></u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Governmental Fund Types Combined Statement of Revenues, Expenditures, and Changes in Fund Balances *Fiscal Year Ended June 30, 2020*

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	6,832,067	8,450,114	2,453,038		17,735,219
Penalties & interest on delinquent taxes	44,525	38,297	15,989		98,811
Earnings on investments	767,113	77,736		548	845,397
Transportation fees	199,975				199,975
Rental	47,233				47,233
Food service				545,118	545,118
Tuition	51,979				51,979
Contributions	31,090				31,090
Other local	76,814		142	113,213	190,169
State apportionment					
Base	45,432,016				45,432,016
Transportation	2,199,374				2,199,374
Exceptional child	163,739				163,739
Benefits	6,208,422				6,208,422
Other school support	758,655				758,655
Property tax replacement	133,605	177,501			311,106
Other state revenue	3,090,088	558,481		1,389,671	5,038,240
Vocational education	289,846				289,846
Federal contracts and grants				8,413,991	8,413,991
Total revenues	66,326,541	9,302,129	2,469,169	10,462,541	88,560,380
EXPENDITURES					
Current					
Instruction	41,587,667			5,119,407	46,707,074
Support services	7,117,024			2,482,712	9,599,736
Administration	5,504,192			189,698	5,693,890
Business operations	1,193,297				1,193,297
Operations	6,372,499			72,008	6,444,507
Transportation	2,673,472				2,673,472
Noninstructional	36,846			3,243,958	3,280,804

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Governmental Fund Types Combined Statement of Revenues, Expenditures, and Changes in Fund Balances *Fiscal Year Ended June 30, 2020*

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
EXPENDITURES , continued					
Debt service					
Principal		6,922,283			6,922,283
Interest and fees		1,188,106			1,188,106
Facility acquisition			4,501,325	17,192	4,518,517
Total expenditures	64,484,997	8,110,389	4,501,325	11,124,975	88,221,686
Revenues over (under) expenditures	1,841,544	1,191,740	(2,032,156)	(662,434)	338,694
OTHER FINANCING SOURCES (USES)					
Sale of property			5,192		5,192
Operating transfers, net	(3,886,651)		3,879,599	7,052	0
Total other financing sources (uses)	(3,886,651)	0	3,884,791	7,052	5,192
Revenues and other financing sources over (under) expenditures	(2,045,107)	1,191,740	1,852,635	(655,382)	343,886
Fund balance - July 1, 2019	17,078,953	7,542,295	2,173,340	2,974,205	29,768,793
Fund balance - June 30, 2020	15,033,846	8,734,035	4,025,975	2,318,823	30,112,679

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Reconciliation of the Governmental Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities *For Fiscal Year Ended June 30, 2020*

Total net change in fund balances - governmental funds:	343,886
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in 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 capital outlays exceed depreciation and assets disposed.	579,585
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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. Unearned tax revenues increased by \$99,412 this year.	99,412
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,007,346
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in interest expense reported in the Statement of Activities is the net result of the decrease in accrued interest on bonds of \$70,995.	70,995
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Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year. The change in the OPEB obligation, PERSI SL asset, net pension liability and the related deferred outflows and inflows in addition to the change in compensated absences are all differences.	689,856
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Change in net position of governmental activities	8,791,080
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The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Fiduciary Funds Statement of Fiduciary Net Position *June 30, 2020*

	Agency Funds
ASSETS	
Cash	<u>1,134,531</u>
Total assets	<u><u>1,134,531</u></u>
LIABILITIES	
Due to student groups	<u>1,134,531</u>
Total liabilities	<u><u>1,134,531</u></u>

The accompanying notes are an integral part of these statements.

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Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General. The basic financial statements listed in the table of contents have been prepared in accordance with the American Institute of Certified Public Accountants' Industry Audit Guide for Audits of State and Local Government Units.
2. Reporting Entity. The Idaho Falls School District #91 (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. In addition, there are no component units as defined by the Governmental Accounting Standards Board that are required to be included in the District's reporting entity.
3. Government-wide and Fund Financial Statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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 clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

4. Fund Accounting. 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.

The District reports the following major governmental funds:

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those 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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Additionally, the District reports the following fund types:

Special Revenue Fund - The purpose of the Special Revenue Fund 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.

Fiduciary Fund Types

Agency Fund (School Activity Funds) - 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.

5. Basis of Accounting. The District applies the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the District's financial outlook.

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for its fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of given functions are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other internally directed revenues are reported instead as general revenues.

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation has been allocated specifically to functional areas with the majority of it being allocated to instructional. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

6. 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 amend its budgets in 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.

7. 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 except the bond proceeds, which are kept in a separate account. 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.

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 (LGIP) and State of Idaho Diversified Bond Fund. The Local Government Investment Pool and the Diversified Bond Fund are managed by the State of Idaho Treasurer's office.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The funds of the pool are invested in certificates of deposit, repurchase agreements, commercial paper, corporate debt instruments, and U.S. government securities. The certificates of deposit are federally insured. The LGIP is recorded at amortized costs due the LGIP's tight restrictions on the types of investments that can be held in the fund to limit the District's exposure to losses from credit risk, market, and liquidity risk. The District has a portion of the governmental activities invested in the Treasurer's DBF fund. The DBF fund is recorded using the net asset value per share based on the District's pro-rata share of the pool's net position. The District values these investments based on the information provided by the State of Idaho Treasurer's Office and classifies these amounts as an investment in the Statement of Net Position. An annual audit of the LGIP is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the LGIP. 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 and Diversified Bond Fund. 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.

8. 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 receivable' or 'interfund payable' on the balance sheet.
9. Inventories. Supplies inventory consists of paper and other supplies and equipment received at the end of the fiscal year, which had not yet been consumed. The cost is recorded as an expenditure at the time the item is consumed. Inventories are stated at cost on a first-in, first-out basis, which approximates market. Other supplies inventory on hand at year end has not been recorded as inventory and was treated as expended when purchased.
10. 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 \$10,000 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.

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 method over the following estimated useful lives:

Assets	Years
Buildings	50
Equipment	3-15
Vehicles	3-5

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

11. Compensated Absences. Employees are entitled to certain compensated absences based on their length of employment. The entire compensated absences owed are reported in the government-wide financial statements.
12. Other Post-Employment Benefits. 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. For the purpose of measuring the net other post-employment benefit liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and other post-employment benefit expenses, information about fiduciary net position of the implicit medical benefit Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Benefit payments are recognized when due and payable in accordance with the benefit terms.

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense; (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. 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.
14. 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.
15. 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 four items that qualify for reporting in this category and they occur 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). The District also reports a deferred charge on refunding that results from the difference in the carrying value of refunded debt and its reacquisition price and is amortized over the shorter of the life of the refunded or refunding debt. The last two deferred outflow result from changes of assumptions or other inputs on the OPEB obligations and PERSI SL asset.

In addition to liabilities, the Statement of Net 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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The District has four types of items, one of 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. 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 and difference between expected and actual experience – OPEB and PERSI SL on the government wide financial statements.

16. 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.
17. 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.

18. 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.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

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.

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. 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.

NOTE B CASH AND INVESTMENTS

At June 30, 2020, the carrying amount of the District's deposits was \$5,725,191 and the bank balance was as follows:

	Bank Balance
Insured by Federal Depository Insurance	895,161
Uninsured and uncollateralized	5,199,434
Total	6,094,595

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

	Cost	Fair Market Value	Average Maturity
Local Government Investment Pool at NAV	18,275,677	18,368,908	177 days
Diversified Bond Fund at NAV	5,616,822	5,804,483	3.07 years
Total investments	23,892,499	24,173,391	

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 invests in accordance with Idaho code, Title 67, chapter 12. The District's deposits and investments at year end are limited to the Local Government Investment Pool (LGIP), the State Diversified Bond Fund (DBF), 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.

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, \$5,199,434 of the District's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the investments, \$18,275,677 was held in two accounts in the State Treasurer's Investment Pool, and \$5,616,822 was held in the Diversified Bond Fund which are not insured or guaranteed by the FDIC.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

NOTE B CASH AND INVESTMENTS, continued

Amounts held by the LGIP and DBF were held in the following investments: government agency notes, corporate bonds, Idaho bank deposits, commercial paper, U.S. treasury notes, commercial mortgages, repurchase agreements, and purchased accrued interest. All investments for the LGIP and DBF are collateralized with securities held by the pool's agent in the pool's name. The investments held by the pools are carried at fair value (determined by the Idaho State Treasurer's Office). Information necessary to determine the level of collateralization for the pools was unavailable.

The LGIP and the DBF are 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 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 certified on the second Monday of September. All of the personal property tax, and one-half of the real property tax are 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.

Bonneville County acts as an 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 D INTERFUND RECEIVABLES AND PAYABLES

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 as follows:

	Receivable	Payable
General Fund	1,040,244	
Nonmajor Funds		1,040,244
Total	1,040,244	1,040,244

The General Fund transferred \$3,971,814 to support various major and nonmajor programs in accordance with the budget and other funding considerations. The General Fund transferred \$92,215 to Child Nutrition as required by state law, and \$193,287 was transferred to Capital Projects for bus depreciation. The General Fund transferred \$3.2 million to fund the Sunnyside additions, \$164,024 for architectural work on the east and west stadiums, and \$322,288 for modular purchases at Idaho Falls High school for a total of \$3,686,312. The federal programs transferred \$85,163 to the General Fund as budgeted for payment of indirect costs.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

NOTE E LEASE OBLIGATIONS

The District was obligated for the following leases, which are categorized as operating leases subject to non-appropriation:

<u>Lessor</u>	<u>Description of Leased Property</u>	<u>Date of Expiration</u>	<u>Term of Lease</u>	<u>Future Annual Lease Amount</u>	<u>Minimum Lease Payments</u>
Yost	Copiers	7/31/20	60 Months	4,774	4,774
Yost	Copiers	10/1/20	60 Months	536	536
Yost	Copiers	7/31/21	60 Months	6,003	6,503
Total minimum lease payments					<u>11,813</u>

Total rental expense under the equipment and other operating leases for the year ended June 30, 2020, was \$169,133. Minimum future lease payments under these operating leases as of June 30, 2020, for the succeeding years are:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>
2021	11,313
2022	<u>500</u>
Total	<u>11,813</u>

NOTE F CONSTRUCTION COMMITMENTS

During the year ended June 30, 2020, the District contracted with various contractors to do certain projects, revisions, and additions. The District has incurred architect fees but has not awarded a contract for the East Stadium Remodel. The following construction contracts were in progress at June 30, 2020:

<u>Project</u>	<u>Original bid plus changes</u>	<u>Average percent complete</u>	<u>Expenditures Recorded Currently</u>	<u>Remaining construction obligation</u>
Sunnyside Addition	2,871,672	64.7%	1,859,263	1,012,409
West Stadium Remodel	472,093	13.8%	65,483	406,610
Total	<u>3,343,765</u>		<u>1,924,746</u>	<u>1,419,019</u>

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

NOTE G CAPITAL ASSETS

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

	Balance July 1, 2019	Additions	Deductions	Transfers	Balance June 30, 2020
Capital assets, not being depreciated					
Land					
Elementary	1,011,074	205,184			1,216,258
Secondary	298,315				298,315
Administration	1,746,964				1,746,964
Construction in progress	133,682	1,984,268		(133,682)	1,984,268
Total capital assets, not being depreciated	3,190,035	2,189,452	0	(133,682)	5,245,805
Capital assets, being depreciated					
Buildings					
Elementary	65,082,222	48,790		108,340	65,239,352
Secondary	40,184,744	322,288			40,507,032
Administration	6,005,962	88,315		25,342	6,119,619
Total buildings	111,272,928	459,392	0	133,682	111,866,003
Equipment					
Elementary	757,061				757,061
Secondary	1,612,050	41,010			1,653,060
Administration	1,573,049	15,000			1,588,049
Total equipment	3,942,160	56,010	0	0	3,998,170
Vehicles	6,159,411	391,767	(571,282)		5,979,896
Total capital assets, being depreciated	121,374,499	907,170	(571,282)	133,682	121,844,069
Less accumulated depreciation for:					
Buildings	(43,731,317)	(2,063,424)		8,339	(45,786,402)
Equipment	(2,851,981)	(136,567)		(8,339)	(2,996,887)
Vehicles	(4,882,162)	(317,046)	571,282		(4,627,926)
Total accumulated depreciation	(51,465,460)	(2,517,037)	571,282	0	(53,411,215)
Total capital assets being depreciated, net	69,909,039	(1,609,867)	0	133,682	68,432,854
Governmental activities capital assets, net	73,099,074	579,585	0	0	73,678,659

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE G CAPITAL ASSETS, continued

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

Governmental activities	
Instruction	1,571,023
Support services	323,251
Administration	194,709
Transportation	317,047
Noninstructional	111,007
Total depreciation expense – governmental activities	<u>2,517,037</u>

NOTE H 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 September 1, 2019, through August 31, 2020. The financial statements reflect the salary expense for this period. The accrued payroll reflects the final two months of these contracts.

NOTE I OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description. Idaho Falls School District #91'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. Delta Dental and Willamette Dental provide dental insurance benefits to eligible retirees and their eligible dependents. 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 our insurance provider. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, the District contributed approximately \$243,990 of the annual required contribution of \$293,486. Retirees are required to pay 100% of the premiums for both the retiree and the dependent coverage.

Net Other Post-employment Benefit Liability. The Net other post-employment benefit liability (NOL) was measured as of June 30, 2020, and updated for the year ended June 30, 2020, and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Methods and Assumptions. The District does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the June 30, 2020, accounting valuation:

Valuation Timing	Actuarial valuations are performed biennially as of June 30 for accounting purposes only. The most recent valuation was performed as of June 30, 2020.
Actuarial Cost Method	Entry Age Normal
Inflation	2.00%
Salary Increases	3.75% general wage growth plus merit increases.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

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

Discount Rate	2.25%
Health Cost Trend Rates	Medical Care trend is 7.5% decreasing by 0.50% per year down to 6.50% then by .1% per year down to 5%, and level as shown in the June 30, 2020 valuation report.
Retirement	Based on PERSI with 19% of males and 10% of females eligible at age 55, 30% of males and 26% of females first year eligible at age 60, and 36% of males and 0% of females eligible at age 65.
Turnover	50% of future retirees are assumed to elect medical coverage and 15% of the future retirees who elect medical coverage and are married are assumed to elect spousal coverage as well.
Mortality	RP-2000 Combined Table for Healthy Individuals set back 3 years for Teachers and 1 year for General employees
Retiree Contributions	The retiree contributions are a weighted average of all retiree contributions for the period July 1, 2019, to June 30, 2020.

Total OPEB Liability	June 30, 2020
Total OPEB liability	2,905,610
Covered employee payroll	40,366,648
Total OPEB liability as a % of covered employee payroll	7.20%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 75.

Discount Rate	2.25%
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The discount rate was based on the 20-year Bond Buyer 20-Bond GO Index at 6/30/2020.

Other Key Actuarial Assumptions

The total OPEB liability as of June 30, 2020, was based on the 2018 PERSI Experience study from 2011-17 for demographic assumptions.

Changes in total OPEB liability	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2019	3,505,955
Changes for the year:	
Service cost	293,486
Interest on total OPEB liability	123,575
Differences between expected and actual experience	(812,206)
Effect of assumptions, changes, or inputs	38,790
Expected benefit payments	(243,990)
Balance as of June 30, 2020	2,905,610

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

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

Sensitivity Analysis

The following presents the total OPEB liability of the school district, calculated using the discount rate of 2.25%, as well as what the school district's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total June 30, 2020, OPEB liability	3,012,141	2,905,610	2,797,777

The following presents the total OPEB liability of the school district, calculated using the current healthcare cost trend rates as well as what the school district's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total June 30, 2020, OPEB liability	2,639,694	2,905,610	3,214,546

OPEB Expense	July 1, 2019, to June 30, 2020
Service cost	293,486
Interest on total OPEB liability	123,575
Recognition of Deferred Inflows/Outflows of Resources	
Difference between expected and actual experience	(100,005)
Recognition of assumption changes or inputs	17,769
Benefit Payments	(243,990)
OPEB expense	<u>90,835</u>

Other Post-employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows for Resources Related to Other Post-employment Benefits

Schedule of Deferred Inflow/Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected & actual experience	(139,951)	June 30, 2018	14.34	9,760		(120,431)
Changes of assumptions or other inputs	96,445	June 30, 2018	14.34	(6,726)	82,993	
Changes of assumptions or other inputs	91,322	June 30, 2019	13.56	(6,733)	84,589	
Difference between expected & actual experience	(812,206)	June 30, 2020	9.00	90,245		(721,961)
Changes of assumptions or other inputs	38,790	June 30, 2020	9.00	(4,310)	34,480	
Total	<u>(725,600)</u>			<u>82,236</u>	<u>202,062</u>	<u>(842,392)</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year Ending June 30:	
2021	(82,236)
2022	(82,236)
2023	(82,236)
2024	(82,236)
2025	(82,236)
Thereafter	(229,151)

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE J PERSI SICK LEAVE INSURANCE RESERVE FUND

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. PERSI did not require any District contributions after December of 2019. The District contributions were \$316,207 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2019, the District's proportion was 3.2767099 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of \$148,384. The \$284,572 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2020.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

NOTE J PERSI SICK LEAVE INSURANCE RESERVE FUND, *continued*

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	332,269	
Changes in assumptions or other inputs	11,621	
Net difference between projected and actual earnings on OPEB plan investments		181,397
District contributions subsequent to the measurement date	284,572	
Total	<u>628,462</u>	<u>181,397</u>

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

NOTE J PERSI SICK LEAVE INSURANCE RESERVE FUND, *continued*

Capital Market Assumptions

Asset Class		Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT 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%
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 OPEB liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the OPEB plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB liability (asset)	(3,989,331)	(3,138,446)	(4,257,177)

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE J PERSI SICK LEAVE INSURANCE RESERVE FUND, *continued*

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB 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 OPEB plan

At June 30, 2020, the District reported no payables to the defined benefit OPEB 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 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.

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 and earnings from investments. 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 actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

NOTE K PENSION PLAN, continued

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2019, it was 6.79% for general employees and 8.36% 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. The District's employee rate increased to 7.14% and the employer rate increased to 11.94% for the year ended June 30, 2020. The District's contributions were \$5,337,064 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 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 1.2617045 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$4,880,158. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,338,445	1,697,348
Changes in assumptions or other inputs	801,121	
Net difference between projected and actual earnings on pension plan investments		4,906,346
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions		117,552
District contributions subsequent to the measurement date	5,337,064	
Total	7,476,630	6,721,246

\$5,337,064 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, 2018, 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, 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	(398,410)
2021	(2,200,788)
2022	(1,104,444)
2023	(642,933)

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2020

NOTE K PENSION PLAN, continued

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	13.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net investment expenses

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 including mortality. 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 rates or 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.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

NOTE K PENSION PLAN, continued

Capital Market Assumptions

Asset Class		Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT 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%
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 (8.05%)
Employer's proportionate share of the net pension liability (asset)	43,499,606	14,402,005	(9,660,781)

Idaho Falls School District #91

Notes to Financial Statements June 30, 2020

NOTE K PENSION PLAN, continued

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 L POST-RETIREMENT 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 for the 2019-2020 school year. 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 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, accident, dental, and life insurance.

NOTE M LONG-TERM DEBT

Following is a summary of the changes the general long-term debt for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Refunding	Balance June 30, 2020
Bonds payable	32,625,000		3,770,000	2,935,000	25,920,000
Premium	2,892,702		552,933		2,339,769
Total bonds/premium	35,517,702	0	4,322,933	2,935,000	28,259,769
Compensated absences	198,739	19,805			218,544
OPEB	3,505,955		600,345		2,905,610
Total	39,222,396	19,805	4,923,278	2,935,000	31,383,923

Payment on the general obligation bonds are made by the debt service fund from property taxes and state bond levy equalization funds. Payment on the employment benefits is from the fund in which the employee works.

In August of 2019, the District placed \$3,152,282 to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of paying all future debt service payments on \$2,935,000 of general obligation bonds of the 2012C series. There is \$99,335 recognized in the current year as a component of interest expense related to the refunding. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities on the statement of net position. The debt will be called in September of 2022.

The District had three general obligation bond issues (2012A Series, 2012B Series, and 2018 refunding Series) outstanding at the end of the year with interest rates ranging from 3 to 5 percent. The 2012A Series, 2012B Series, and 2018 Series bonds are scheduled to mature September 2029, September 2028, and September 2020. Payments on the general obligation bonds are made by the debt service fund from property taxes and state bond levy equalization support.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2020

NOTE N 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. The debt limit for the District is \$4,592,534,703 x 5%, or \$229,626,735. The Debt Service fund had \$8,734,985 available and the general obligation debt was \$25,920,000 leaving a legal debt margin of \$212,441,720.

NOTE O GENERAL OBLIGATION BOND ISSUES

Future debt service requirements are as follows:

Fiscal Year Ended June 30,	Total	Interest	Principal
2021	4,900,175	995,175	3,905,000
2022	3,077,150	882,150	2,195,000
2023	3,072,650	792,650	2,280,000
2024	2,760,950	705,950	2,055,000
2025	2,771,850	621,850	2,150,000
2026-2030	14,885,875	1,550,875	13,335,000
Total	<u>31,468,650</u>	<u>5,548,650</u>	<u>25,920,000</u>

Outstanding bond obligations and related premiums include the following:

<p>\$14,320,000 2012A general obligation bond due in semi-annual interest only payments of \$195,500 through September 15, 2025, when principal payment of \$1,170,000 to \$3,020,000 will be due for September 2025 through 2029; interest at 5%, with unamortized bond premium of \$1,429,165. \$6,500,000 of bonds due September 15, 2030 and 2031 were refunded in June of 2018.</p>	9,249,166
<p>\$29,670,000 2012BA general obligation bonds due in annual installments of \$1,000,000 to \$2,065,000 through September 15, 2028; interest from 3.0% to 4.0%, including unamortized bond premium of \$906,672. \$1,265,000 of bonds due September 2023 through September 2026 were refunded in September of 2018.</p>	17,211,672
<p>\$3,540,000 general obligation refunding bonds, Series 2018 due in annual installments of \$1,745,000 to \$1,795,000 through September 15, 2020; interest at 3.000% including unamortized bond premium of \$3,931. The bonds are not subject to optional redemption prior to their maturity.</p>	<u>1,798,931</u>
Total	<u>28,259,769</u>

Changes to bond principal payable and interest payable are summarized as follows:

Principal	Total
Balances at July 1, 2019	32,625,000
Bonds retired during fiscal year	(3,770,000)
Bonds refunded	(2,935,000)
Balances at June 30, 2020	<u>25,920,000</u>
Interest to be provided	Total
Balances at July 1, 2019	8,165,469
Interest paid on bonds during fiscal year	(1,186,006)
Change in interest due to refunding	(1,430,813)
Balances at June 30, 2020	<u>5,548,650</u>

Idaho Falls School District #91

Notes to Financial Statements *June 30, 2020*

NOTE P NON-MONETARY TRANSACTIONS

The District received \$237,504 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 Q COMMITMENTS AND CONTINGENCIES

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 R SUBSEQUENT EVENTS

Management of the District evaluated subsequent events through October 23, 2020, which was 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. In response, the federal and state government approved additional funding through the CARES act to counteract the additional costs and losses suffered by the District during this time. The District cannot reasonably estimate the future impact of the economic changes as a result of the pandemic.

In July 2020, the District refunded \$7,820,000 (2012A) of their bond indebtedness in order to reduce property tax levy requirements and reduce overall interest payments. There were no other subsequent type events, identified by management of the District, that are required to be disclosed.

REQUIRED FINANCIAL INFORMATION

Idaho Falls School District #91

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Property taxes	6,800,000	6,929,911	6,832,067	(97,844)
Penalties and interest on delinquent taxes	47,000	47,000	44,525	(2,475)
Earnings on investments	300,000	300,000	767,113	467,113
Transportation fees	200,000	831,934	199,975	(631,959)
Tuition	61,875	61,875	51,979	(9,896)
Rental	40,000	40,000	47,233	7,233
Contributions	25,500	25,500	31,090	5,590
Other local	57,454	57,454	76,814	19,360
State apportionment				
Base	45,230,001	45,023,843	45,432,016	408,173
Transportation	2,100,000	2,100,000	2,199,374	99,374
Exceptional child	160,000	160,000	163,739	3,739
Benefits	6,188,544	6,188,544	6,208,422	19,878
Other school support	733,200	733,200	758,655	25,455
Property tax replacement	136,441	136,441	133,605	(2,836)
Other state revenue	3,095,694	3,095,694	3,090,088	(5,606)
Vocational education	170,654	170,654	289,846	119,192
Total revenues	<u>65,346,363</u>	<u>65,902,050</u>	<u>66,326,541</u>	<u>424,491</u>
EXPENDITURES				
Instruction				
Elementary	17,847,444	17,635,354	17,378,222	257,132
Secondary	17,473,107	17,473,107	16,870,035	603,072
Alternative school	876,650	876,650	754,343	122,307
Professional technical education	888,530	888,530	777,197	111,333
Exceptional child	4,230,829	4,230,829	4,193,359	37,470
Special education preschool program	462,431	462,431	464,466	(2,035)
Gifted and talented	285,366	285,366	307,662	(22,296)
Interscholastic program	652,807	652,807	620,890	31,917
School activity	133,085	133,085	99,084	34,001
Summer school	1,885	1,885	1,199	686
Detention center	133,673	133,673	121,210	12,463
Total instruction	<u>42,985,807</u>	<u>42,773,717</u>	<u>41,587,667</u>	<u>1,186,050</u>
Support services				
Attendance, guidance, and health	3,056,820	3,056,820	3,041,725	15,095
Special education support services	884,966	884,966	822,270	62,696
Instructional improvement	1,305,827	1,305,827	1,046,150	259,677
Educational media	446,672	446,672	427,100	19,572
Instruction related technology	1,849,447	1,849,447	1,779,779	69,668
Total support services	<u>7,543,732</u>	<u>7,543,732</u>	<u>7,117,024</u>	<u>426,708</u>

See Independent Auditor's Report.

Idaho Falls School District #91

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
-Budget to Actual-
Fiscal Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
EXPENDITURES, continued				
Administration				
Board of Education	352,467	352,467	312,388	40,079
District administration	1,029,760	1,029,760	971,596	58,164
School administration	4,214,765	4,214,765	4,220,208	(5,443)
Total administration	<u>5,596,992</u>	<u>5,596,992</u>	<u>5,504,192</u>	<u>92,800</u>
Business administrative services				
Business operations	587,123	587,123	573,299	13,824
Central services	125,230	125,230	122,762	2,468
Administrative technology services	775,380	775,380	497,236	278,144
Total business administrative services	<u>1,487,733</u>	<u>1,487,733</u>	<u>1,193,297</u>	<u>294,436</u>
Operations				
Building care (custodial)	3,359,589	3,359,589	3,249,755	109,834
Maintenance	3,003,980	3,003,980	2,990,991	12,989
Security	185,000	185,000	131,753	53,247
Total operations	<u>6,548,569</u>	<u>6,548,569</u>	<u>6,372,499</u>	<u>176,070</u>
Transportation	<u>3,050,283</u>	<u>3,050,283</u>	<u>2,673,472</u>	<u>376,811</u>
Noninstructional	<u>30,100</u>	<u>30,100</u>	<u>36,846</u>	<u>(6,746)</u>
Contingency reserve	<u>3,374,300</u>	<u>1,445,493</u>		<u>1,445,493</u>
Total expenditures	<u>70,617,516</u>	<u>68,476,619</u>	<u>64,484,997</u>	<u>2,546,129</u>
Revenues over (under) expenditures	(5,271,153)	(2,574,569)	1,841,544	2,970,620
OTHER FINANCING SOURCES (USES)				
Operating transfers, net	<u>(193,698)</u>	<u>(3,893,698)</u>	<u>(3,886,651)</u>	<u>7,047</u>
Revenues and other financing sources over (under) expenditures	<u>(5,464,851)</u>	<u>(6,468,267)</u>	<u>(2,045,107)</u>	<u>2,977,667</u>
Fund balance - July 1, 2019			<u>17,078,953</u>	
Fund balance - June 30, 2020			<u>15,033,846</u>	

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2020

Schedule of Changes in Total OPEB Liability and Related Ratios

As of the measurement date of June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	293,486	293,108	272,179
Interest on total OPEB liability	123,575	120,091	128,384
Changes of benefit terms			(139,951)
Differences between expected and actual experience	(812,206)		
Effect of assumption changes or inputs	38,790	91,322	96,445
Expected benefit payments	<u>(243,990)</u>	<u>(284,458)</u>	<u>(253,787)</u>
Net change in total OPEB liability	(600,345)	220,063	103,270
 Total OPEB liability, beginning	<u>3,505,955</u>	<u>3,285,892</u>	<u>3,182,622</u>
 Total OPEB liability, ending	<u><u>2,905,610</u></u>	<u><u>3,505,955</u></u>	<u><u>3,285,892</u></u>
 Covered valuation payroll	40,366,648	33,378,450	32,172,000
 Total OPEB liability as a % of covered valuation payroll	7.20%	10.50%	10.21%

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

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2020

Schedule of Employer's Share of Net OPEB Asset PERSI-OPEB Plan Last 10-Fiscal Years *

	2019	2018	2017
Employer's portion of net OPEB asset	3.2767099%	3.2956631%	3.33184485%
Employer proportionate share of the net OPEB asset	3,138,446	2,733,586	2,547,338
Employer's covered-employee valuation payroll	42,708,247	40,806,676	38,949,285
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	7.349%	6.699%	6.540%
Plan fiduciary net position as a percentage of the total OPEB asset	138.51%	135.69%	136.78%

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

Data reported is measured as of June 30, 2019.

Schedule of Employer Contribution PERSI-OPEB Plan Last 10-Fiscal Years *

	2020	2019	2018
Statutorily required contribution	(281,604)	(538,124)	(514,005)
Contributions in relation to the statutorily required contribution	283,929	538,124	514,005
Contribution (deficiency) excess	2,325	0	0
Employer's covered-employee payroll	44,699,028	42,708,247	40,806,676
Contributions as a percentage of covered-employee payroll	0.630%	1.260%	1.260%

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

Data reported is measured as of June 30, 2020.

See Independent Auditor's Report.

Idaho Falls School District #91

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	1.2617045%	1.2610880%	1.2540293%	1.2689501%	1.2747356%	1.3247276%
Employers proportionate share of the net pension liability	14,402,005	18,601,268	19,711,186	25,723,567	16,786,194	9,752,068
Employer's covered payroll	42,708,247	40,806,676	38,949,285	36,883,746	35,429,127	35,623,545
Employer's proportional share of the net pension liability as a percentage of its covered payroll	33.72%	45.58%	50.61%	69.74%	47.38%	27.38%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.68%	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 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	5,337,064	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
Contributions in relation to the statutorily Contribution (deficiency) excess	5,337,064	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
required contribution	0	0	0	0	0	0
Employer's covered payroll	44,699,028	42,708,247	40,806,676	38,949,285	36,883,746	35,429,127
Contributions as a percentage of covered payroll	11.9400%	11.3200%	11.3200%	11.3200%	11.3200%	11.3200%

* 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).

See Independent Auditor's Report.

Idaho Falls School District #91

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2020

NOTE A BUDGET ADOPTION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund, Debt Service Fund, and Capital Projects Fund. All annual appropriations lapse at year end.

NOTE B EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Actual expenditures exceeded budget for the Debt Service Fund, Child Nutrition Fund, and Capital Projects Fund.

NOTE C OPEB NOTES

Changes of benefit terms - There are no changes of benefit terms.

Changes of assumptions - Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period.

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OTHER FINANCIAL INFORMATION

Idaho Falls School District #91

All Nonmajor Funds
Combining Balance Sheet
June 30, 2020

	Federal Forest	E- Rate	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	Migrant Education	Title I Delin- quent	IDEA School Age	IDEA Preschool	Medicaid	Title IV-A	Perkins Professional Technical	Title III	Supporting Effective Instruction	21st Century Schools	Child Nutrition	Expendable Fdn.	All Nonmajor Funds
ASSETS																			
Cash and investments	154,466	40,311	665,464	466,838	115,831						78,931			24,666			779,436		2,325,943
Receivables																			
Federal grants receivable						382,503	9,894	12,427	764,941	27,386		25,583	108,796	39,762	106,806	75,085	165,707		1,718,890
Other receivables																		85,310	85,310
Supplies inventory																	165,857		165,857
Total assets	154,466	40,311	665,464	466,838	115,831	382,503	9,894	12,427	764,941	27,386	78,931	25,583	108,796	64,428	106,806	75,085	1,111,000	85,310	4,296,000
LIABILITIES AND FUND BALANCE																			
LIABILITIES																			
Accounts payable			32		37,500			30	27	28		117			13,100	3,985	11,663	52	66,534
Accrued wages			32,306	126		150,844	4,241	5,368	144,224	8,748	53,266	5,447	5,667	8,906	39,067	7,468	172,134		637,812
Accrued employee benefits			9,028	563		47,762	2,137	2,364	59,737	1,708	24,484	2,802	434	5,079	10,534	2,337	63,618		232,587
Interfund payable						183,897	3,516	4,665	560,953	16,902		17,217	95,565		44,105	61,295		52,129	1,040,244
Total liabilities	0	0	41,366	689	37,500	382,503	9,894	12,427	764,941	27,386	77,750	25,583	101,666	13,985	106,806	75,085	247,415	52,181	1,977,177
FUND BALANCE																			
Nonspendable																	165,857		165,857
Restricted	154,466	40,311	624,098	466,149	78,331						1,181		7,130	50,443			697,728	33,129	2,152,966
Total fund balance	154,466	40,311	624,098	466,149	78,331	0	0	0	0	0	1,181	0	7,130	50,443	0	0	863,585	33,129	2,318,823
Total liabilities and fund balance	154,466	40,311	665,464	466,838	115,831	382,503	9,894	12,427	764,941	27,386	78,931	25,583	108,796	64,428	106,806	75,085	1,111,000	85,310	4,296,000

Idaho Falls School District #91

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

	Federal Forest	E- Rate	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	Migrant Education	Title I Delin- quent	IDEA School Age	IDEA Preschool	Medicaid	Title IV-A	Perkins Professional Technical	Title III	Supporting Effective Instruction	21st Century Schools	Child Nutrition	Expendable Fdn.	All Nonmajor Funds
REVENUES																			
Earnings on investments																	548		548
Food service																	545,118		545,118
Other local			47	27,666													5,008	80,492	113,213
Other state revenue			254,218	1,011,445	124,008														1,389,671
Federal contracts and grants	32,701					2,027,987	37,850	49,799	1,865,756	91,700	997,908	189,694	160,843	96,933	286,800	155,136	2,420,884		8,413,991
Total revenues	32,701	0	254,265	1,039,111	124,008	2,027,987	37,850	49,799	1,865,756	91,700	997,908	189,694	160,843	96,933	286,800	155,136	2,971,558	80,492	10,462,541
EXPENDITURES																			
Instruction																			
Elementary	16,942			7,122		1,248,207	1,870					65,275		65,352	15,345	155,136		43,040	1,618,289
Secondary	8,101			93,307		157,703	7,101					48,838		30,432	9,715			43,111	398,308
Alternative school				167				2				0			950				1,119
Exceptional child									1,641,387		970,565							149	2,612,101
Special ed preschool program										90,600									90,600
Summer school									2,553										2,553
Vocational			199,750										147,290						347,040
Detention center program								49,207										190	49,397
Support services																			
Attendance, guidance, and health					4,642						27,288								31,930
Instructional improvement			148,173		14,237	512,634			142,469			14,575	2		257,495				1,089,585
Instructional related technology				1,302,439								58,758							1,361,197
School administration						85,415	28,430		56,993		7,969		10,841		50				189,698
Security					72,008														72,008
Noninstructional services																	3,243,958		3,243,958
Facility acquisition				17,192															17,192
Total expenditures	25,043	0	347,923	1,420,227	90,887	2,003,959	37,401	49,209	1,843,402	90,600	1,005,822	187,446	158,133	95,784	283,555	155,136	3,243,958	86,490	11,124,975
Revenues over (under) expenditures	7,658	0	(93,658)	(381,116)	33,121	24,028	449	590	22,354	1,100	(7,914)	2,248	2,710	1,149	3,245	0	(272,400)	(5,998)	(662,434)
OTHER FINANCING SOURCES (USES)																			
Net transfers						(24,028)	(449)	(590)	(22,354)	(1,100)		(2,248)		(1,149)	(3,245)		62,215		7,052
Total other financing sources	0	0	0	0	0	(24,028)	(449)	(590)	(22,354)	(1,100)	0	(2,248)	0	(1,149)	(3,245)	0	62,215	0	7,052
Revenues and other financing sources over (under) expenditures and other financing sources (uses)																			
	7,658		(93,658)	(381,116)	33,121						(7,914)		2,710				(210,185)	(5,998)	(655,382)
Fund balance - July 1, 2019	146,808	40,311	717,756	847,265	45,210	0	0	0	0	0	9,095	0	4,420	50,443	0	0	1,073,770	39,127	2,974,205
Fund balance - June 30, 2020	154,466	40,311	624,098	466,149	78,331	0	0	0	0	0	1,181	0	7,130	50,443	0	0	863,585	33,129	2,318,823

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Idaho Falls School District #91

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

ASSETS	Balance June 30, 2019	Receipts	Disbursements	Balance June 30, 2020
Cash				
Idaho Falls High School	337,635	503,974	441,855	399,754
Skyline High School	272,979	714,082	685,426	301,635
Emerson High School	13,554	18,589	22,530	9,613
Compass Academy	12,778	105,741	89,794	28,725
Eagle Rock Jr. High School	53,284	95,720	79,131	69,873
Taylorview Jr. High School	37,283	95,875	96,301	36,857
Ethel Boyes Elementary School	24,217	9,781	17,086	16,912
Theresa Bunker Elementary School	5,805	4,370	3,549	6,626
A.H. Bush Elementary School	20,067	2,795	6,144	16,718
Edgemont Gardens Elementary School	15,413	8,925	6,738	17,600
Dora Erickson Elementary School	5,721	11,086	8,600	8,207
Fox Hollow Elementary School	2,355	6,048	6,186	2,217
Hawthorne Elementary School	10,105	8,375	10,253	8,227
Linden Park Elementary School	9,144	1,863	10,491	516
Longfellow Elementary School	16,374	12,975	9,928	19,421
Sunnyside Elementary School	10,365	16,386	11,753	14,998
Templeview Elementary School	19,982	7,480	9,045	18,417
Westside Elementary School	6,377	17,201	6,452	17,126
Athletic Funds	161,736	184,592	205,237	141,091
	<u>1,035,172</u>	<u>1,825,858</u>	<u>1,726,499</u>	<u>1,134,531</u>
Total assets	<u>1,035,172</u>	<u>1,825,858</u>	<u>1,726,499</u>	<u>1,134,531</u>

The Athletic Funds had revenues of approximately \$184,592 which included gate receipts, tournament fees, and a portion of the student activity card fees. Expenses totaled \$205,237 which included equipment, uniforms, entry fees, officials, game management, etc. The costs for coaches, state tournament costs, and transportation were paid from the General Fund.

See Independent Auditor's Report.

Idaho Falls School District #91

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

LIABILITIES	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Due to student groups				
Idaho Falls High School	337,635	503,974	441,855	399,754
Skyline High School	272,979	714,082	685,426	301,635
Emerson High School	13,554	18,589	22,530	9,613
Compass Academy	12,778	105,741	89,794	28,725
Eagle Rock Jr. High School	53,284	95,720	79,131	69,873
Taylorview Jr. High School	37,283	95,875	96,301	36,857
Ethel Boyes Elementary School	24,217	9,781	17,086	16,912
Theresa Bunker Elementary School	5,805	4,370	3,549	6,626
A.H. Bush Elementary School	20,067	2,795	6,144	16,718
Edgemont Gardens Elementary School	15,413	8,925	6,738	17,600
Dora Erickson Elementary School	5,721	11,086	8,600	8,207
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Linden Park Elementary School	9,144	1,863	10,491	516
Longfellow Elementary School	16,374	12,975	9,928	19,421
Sunnyside Elementary School	10,365	16,386	11,753	14,998
Templeview Elementary School	19,982	7,480	9,045	18,417
Westside Elementary School	6,377	17,201	6,452	17,126
Athletic Funds	161,736	184,592	205,237	141,091
Total liabilities	1,035,172	1,825,858	1,726,499	1,134,531

See Independent Auditor's Report.

Idaho Falls School District #91

Schedule of Taxes Receivable Fiscal Year Ended June 30, 2020

	General Fund		
	Total	2019	2018 and prior
Unearned balance at July 1, 2019	268,831	0	268,831
ADDITIONS			
Roll charges applicable to 2019	6,847,389	6,847,389	
Subsequent additions and cancellations	(3,339)	(2,033)	(1,306)
Total additions	6,844,050	6,845,356	(1,306)
DEDUCTIONS			
Collections received	4,587,244	4,407,373	179,871
Current amount due on taxes collected by the county	2,244,909	2,227,002	17,907
Total deductions	6,832,153	6,634,375	197,778
Unearned balance at June 30, 2020	280,728	210,981	69,747

See Independent Auditor's Report.

Idaho Falls School District #91

Schedule of Taxes Receivable Fiscal Year Ended June 30, 2020

Debt Service Fund			Capital Projects Fund		
Total	2019	2018 and prior	Total	2019	2018 and prior
244,044	0	244,044	96,556	0	96,556
8,537,054 (3,711)	8,537,054 (2,536)	(1,175)	2,458,524 (1,199)	2,458,524 (730)	(469)
8,533,343	8,534,518	(1,175)	2,457,325	2,457,794	(469)
5,660,477	5,497,312	163,165	1,647,817	1,583,217	64,600
2,789,638	2,774,025	15,613	805,221	798,788	6,433
8,450,115	8,271,337	178,778	2,453,038	2,382,005	71,033
327,272	263,181	64,091	100,843	75,789	25,054

See Independent Auditor's Report.

Idaho Falls School District #91

Schedule of Liquidity Analysis of the General Fund Balance *June 30, 2020*

Fund balance of the General Fund at June 30, 2020	15,033,846
Less nonspendable-inventories	(314,349)
Less restricted for other purposes	(1,154,344)
Less assigned for encumbrances	(296,089)
Less assigned for specific programs	(1,051,411)
Less assigned for budget purposes	<u>(4,895,032)</u>
	<u><u>7,322,621</u></u>

See Independent Auditor's Report.

Annual Federal Compliance Section

Idaho Falls School District #91

June 30, 2020

**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
Idaho Falls School District #91
Idaho Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to the financial audits contained 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 Idaho Falls School District #91 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Idaho Falls School District #91's basic financial statements, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Idaho Falls School District #91's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Idaho Falls School District #91'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
CPAs and Consultants

Idaho Falls, Idaho
October 23, 2020

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

Board of Trustees
Idaho Falls School District #91
Idaho Falls, Idaho

Report on Compliance for Each Major Federal Program

We have audited Idaho Falls School District #91's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Idaho Falls School District #91's major federal program for the year ended June 30, 2020. Idaho Falls School District #91's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Idaho Falls School District #91's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Idaho Falls School District #91's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Idaho Falls School District #91's compliance.

Opinion on Each Major Federal Program

In our opinion, Idaho Falls School District #91 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

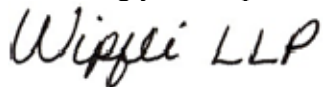
Report on Internal Control over Compliance

Management of Idaho Falls School District #91 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Idaho Falls School District #91's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal programs and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP
CPAs and Consultants

Idaho Falls, Idaho
October 23, 2020

Idaho Falls School District #91

Schedule of Findings and Questioned Costs Fiscal Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified Opinion.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X None reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes _____ X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X None reported

Type of auditor's report issued on compliance for major programs: Unmodified Opinion.

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? _____ Yes _____ X No

Identification of major programs:

CFDA Number(s)

84.010

Name of Federal Program or Cluster

Title I Grants to Local Educational Agencies

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

_____ \$750,000

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

Idaho Falls School District #91

Schedule of Findings and Questioned Costs *Fiscal Year Ended June 30, 2020*

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III -FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Idaho Falls School District #91

Schedule of Expenditures of Federal Awards Fiscal Year Ended June 30, 2020

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
United States Department of Agriculture			
Passed Through Idaho State Department of Education:			
Child Nutrition Cluster			
Cash Assistance			
School Breakfast Program	10.553	2019NI109947	50,667
		2020NI109947	195,791
COVID19 – School Breakfast Program	10.553	2020N850347	234,502
National School Lunch Program	10.555	2019NI109947	245,469
		2020NI109947	878,422
COVID19 - National School Lunch Program	10.555	2020N850347	433,704
			2,038,555
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555		237,504
Total Child Nutrition Cluster			2,276,059
Fresh Fruit and Vegetable Program	10.582	2019L160347	11,460
		2020L160347	83,963
COVID19 - Fresh Fruit and Vegetable Program	10.582	2020N850347	3,110
			2,374,592
Total Passed Through Idaho State Department of Education			
Passed Through Bonneville County			
Federal Forest	10.665		25,043
			2,399,635
United States Department of Education			
Passed Through Idaho State Department of Education			
Title I-Grants to Local Educational Agencies	84.010	S010A180012	832,366
		S010A190012	1,245,421
Migrant Education	84.011	S011A180012	16,236
		S011A190012	21,613
English Language Acquisition	84.365	S365A180012	27,744
		S365A190012	69,189
Student Support & Academic Enrichment	84.424	S424A180013	41,196
		S424A190013	148,499
Supporting Effective Instruction	84.367	S367A180011	47,298
		S367A190011	239,502
			2,689,064
Special Education Cluster			
Special Education – Grants to States (IDEA Part B)	84.027	H027A180088	152,610
		H027A190088	1,713,146
Special Education – Preschool Grants (IDEA Preschool)	84.183	H183A180030	31,095
		H183A190030	60,604
			1,957,455
Total Special Education Cluster			

Idaho Falls School District #91

Schedule of Expenditures of Federal Awards Fiscal Year Ended June 30, 2020

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
United States Department of Education, continued			
Passed Through Idaho State Department of Education, continued			
21 st Century Schools	84.287	S287C190012	<u>155,135</u>
Total Passed Through Idaho State Department of Education			<u>4,801,654</u>
Passed Through Idaho State Division of Professional Technical Vocational Education	84.048A	V048A180012	<u>158,133</u>
Total United States Department of Education			<u>4,959,787</u>
United States Department of Treasury			
Passed Through Idaho State Department of Education			
COVID19 – Child Nutrition - Idaho Rebounds – Corona Virus Relief Fund	21.019		<u>46,292</u>
Total United States Department of Treasury			<u>46,292</u>
Total Expenditures of Federal Awards			<u><u>7,405,714</u></u>

Idaho Falls School District #91

Notes to Schedule of Expenditures of Federal Awards *Fiscal Year Ended June 30, 2020*

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance issued by the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net assets of the District.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note A to the District's financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C NONMONETARY TRANSACTIONS

Nonmonetary assistance is reported for the Food Distribution Program at fair market value of commodities received which is established by the State Department of Education. The District held \$38,436 of commodities in inventory at June 30, 2020.

NOTE D INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

NOTE E SUBRECIPIENTS

The District had no subrecipients or subrecipient expenditures.

Idaho Falls School District #91

Summary Schedule of Prior Audit Findings *Fiscal Year Ended June 30, 2020*

None.