

Idaho Falls School District #91

Financial Statements and
Supplementary Information

Year Ended June 30, 2019



WIPFLi LLP
CPAs and Consultants

Idaho Falls School District #91

Contents June 30, 2019

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Idaho Falls School District #91

Management's Discussion and Analysis *Fiscal Year Ended June 30, 2019*

The discussion and analysis of Idaho Falls School District #91's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. 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 financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

In total, net position increased \$7,695,282 which represents a 14.41% increase from the 2018—restated balance of \$45,702,347.

General revenues accounted for \$68,002,951 in revenue or 79.72% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$17,298,897 or 20.28% of total revenues of \$85,301,848.

Total assets of governmental activities increased by \$4,214,824 with current and other assets increasing by \$2,006,825, and capital assets increasing by \$2,207,999 due to the capitalization of expenditures. 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 increased by \$736,082.

The District had \$77,606,566 in expenses; only \$17,298,897 of these expenses was offset by program revenues (i.e. charges for services, operating and capital grants or contributions). General revenues (primarily state aid and property taxes) of \$68,002,951 were adequate to provide for these programs.

Among major funds, the General Fund had \$63,891,393 in revenues, \$64,099,585 in expenditures, and \$195,008 in net transfers. The General Fund balance decreased \$403,200 from 2018.

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 and Analysis *Fiscal Year Ended June 30, 2019*

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 2019?" 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 that 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 conditions, 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 12. 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, and 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 and Analysis Fiscal Year Ended June 30, 2019

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 2019 compared to 2018:

	<u>2019</u>	<u>2018</u> (as restated)
Assets		
Current and other assets	<u>41,969,979</u>	39,963,154
Capital assets	<u>73,099,074</u>	70,891,075
Total assets	<u>115,069,053</u>	110,854,229
Deferred outflows of resources	<u>9,464,053</u>	8,906,440
Current and other liabilities	<u>9,239,585</u>	9,203,392
Long-term liabilities	<u>57,823,664</u>	61,121,663
Total liabilities	<u>67,063,249</u>	70,325,055
Deferred inflows of resources	<u>4,072,228</u>	3,733,267
Net position		
Net investment in capital assets	<u>37,581,372</u>	32,959,022
Restricted	<u>13,306,303</u>	10,969,453
Unrestricted	<u>2,509,954</u>	1,773,872
Total net position	<u>53,397,629</u>	45,702,347

Total assets of governmental activities increased by \$4,214,824 with current and other assets increasing by \$2,006,825, and capital assets increasing by \$2,207,999. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,397,629 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 increased by \$736,082.

Idaho Falls School District #91

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

The following table shows the changes in net position for fiscal year 2019:

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues		
Charges for services	2,211,050	1,051,143
Operating grants and contributions	15,087,847	15,944,451
General revenues		
Property taxes	16,231,913	14,629,888
State aid	50,574,278	48,521,153
Federal aid		205,382
Other	1,196,760	407,775
Total revenues	<u>85,301,848</u>	<u>80,759,792</u>
Program expenses		
Instruction	46,053,359	44,637,423
Support services	8,290,219	7,374,889
Administration	5,421,334	5,624,206
Business operations	1,353,292	958,979
Operations	6,736,123	5,438,834
Transportation	3,048,050	2,669,476
Non-instructional	3,453,847	3,453,708
Interest and fiscal charges	1,216,139	1,105,584
Capital improvements	2,034,203	2,458,193
Total expenses	<u>77,606,566</u>	<u>73,721,292</u>
Increase (decrease) in net position	<u>7,695,282</u>	<u>7,038,500</u>

GOVERNMENTAL ACTIVITIES

State aid of \$57,236,994 included in program and general revenues that consists of the Idaho base support, salary based apportionment, transportation, exceptional child, revenue in lieu of taxes, other state revenue, and benefit apportionment, make up 67.1% of revenues from governmental activities. Federal contracts and grants of \$8,718,588 make up 10.22% of total revenues from governmental activities. Property taxes of \$16,231,913 make up 19.03% of total revenues from governmental activities.

Instructional expenses when combined with instructional support services, which includes support services, administration, business operations, operations, and transportation comprise 91.36% of District expenses.

Idaho Falls School District #91

Management's Discussion and Analysis Fiscal Year Ended June 30, 2019

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 2019	Net cost of services 2019
Instruction	46,053,359	38,437,216
Support services	8,290,219	5,668,242
Administration	5,421,334	5,336,159
Business operations	1,353,292	1,353,292
Operations	6,736,123	5,980,348
Transportation	3,048,050	688,976
Non-instructional	3,453,847	168,533
Interest	1,216,139	841,623
Capital improvements	2,034,203	1,833,280
Total expenses.	77,606,566	60,307,669

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 school system.

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 and administration includes expenses associated with administrative supervision of the District.

Business Operations: 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 the prudent management of District resources.

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 school 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 and Analysis Fiscal Year Ended June 30, 2019

THE DISTRICT'S FUNDS

Information about the District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$85,128,700 and expenditures of \$83,465,835. The net change in fund balance for the year in the General Fund, Debt Service, and the Capital Projects Funds was a decrease of \$403,200, an increase of \$4,125,664, and a decrease of \$2,008,055, respectively.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to Idaho law, and is based on accounting for certain transactions on the modified basis of accounting. The most significant budgeted fund is the General Fund.

During the course of the 2019 fiscal year, the District did not amend its General Fund budget.

CAPITAL ASSETS

At the end of the fiscal year 2019, the District had \$73,099,074 invested in land, buildings, furniture and equipment, and vehicles (net of accumulated depreciation).

	<u>2019</u>	<u>2018</u>
Capital assets not being depreciated	3,190,035	2,896,694
Buildings and improvements	67,541,611	65,522,484
Equipment	1,090,179	1,217,875
Vehicles	1,277,249	1,254,022
	<u>73,099,074</u>	<u>70,891,075</u>
Total capital assets, net		

Overall capital assets increased \$2,207,999 from fiscal year 2018 to fiscal year 2019. Increases in capital assets (primarily buildings, equipment, and vehicles) were offset by depreciation expense for the year.

DEBT ADMINISTRATION

At June 30, 2019, the District had four general obligation bond issues outstanding. The current portion of debt due in one year is \$3,770,000.

At June 30, 2019, the District's overall legal debt margin was \$241,137,789.

CURRENT FINANCIAL ISSUES AND CONCERNS

Facilities are one of the biggest challenges facing the District. With aging facilities and educational delivery changes, the District is looking at various options to best meet student needs. The Board of Trustees is working with Cooperative Strategies to develop a long-term facilities plan that will look at the District's needs as a whole.

During fiscal year 2019, the Board of Trustees purchased land south of Idaho Falls. The Board also entered into a land exchange that provided the District with one new elementary school site along with the funds to purchase an additional site. These are in addition to the elementary site currently owned by the District. Also, construction on the transportation facility was completed, and the Board of Trustees purchased a property to be used as a

Idaho Falls School District #91

Management's Discussion and Analysis *Fiscal Year Ended June 30, 2019*

maintenance facility. These facilities will free additional space under the stadium for classrooms for Idaho Falls High School. The construction and property acquisitions should position the District well for the future.

Idaho Falls School District 91 budgeted to use a portion of its fund balance in 2018-2019 to purchase land and make other one-time purchases. Strong attendance, increased state funding, and conservative budgeting combined to minimize the planned reduction to the fund balance. The district has a solid financial position and continues to align the district's expenses and revenues while maintaining a healthy fund balance in preparation for future needs.

The patrons renewed the \$6.8 million supplemental levy in March of 2019. This levy is critical to the district's financial stability and accounts for over 10% of the district's general fund revenue. The District appreciates the strong support of the community.

Student and staff safety is always a priority, and tragedies in schools throughout the country have increased the attention in this area. Funds are being allocated to support the initiatives that come from this focus.

Cyber security is a rising issue in public education. As the attacks become more and more sophisticated, the cost of protection increases. Funds have been directed to combat these attacks.

The Idaho Legislature will be looking at options to change Idaho's funding formula. It is unclear at this time how this will affect the District, but it is an issue we will watch closely.

Starting in fiscal year 2020, Governmental Accounting Standards Board (GASB) 84 will change the way student body funds are reported on the District's audit. This provides an opportunity for the District to review and update the financial procedures in place at the school level.

Idaho Falls School District #91 has committed itself to financial excellence for many years. It has implemented a system of financial planning, budgeting, and internal financial controls that is well regarded. The district will continue its sound fiscal management as it meets future challenges.

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 Carrie Smith at Idaho Falls School District #91, 690 John Adams Parkway, Idaho Falls, ID 83401, (208) 525-7500, SmitCarr@d91.k12.id.us.

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Idaho Falls School District #91
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, 2019, 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, 2019, 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-Sick Leave plan last 10 fiscal years, schedule of employer contribution PERSI-Sick Leave Plan last 10 fiscal years, 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 as listed in the table of contents, on pages 1 through 7 and pages 42 through 47 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.

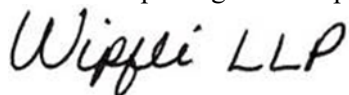
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. 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, and 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 basic financial statements.

The combining and individual nonmajor fund financial schedules, the agency funds combining schedule of changes in assets and liabilities, and 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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, and 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 September 30, 2019, 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, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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
September 30, 2019

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Idaho Falls School District #91

Statement of Net Position June 30, 2019

	Governmental Activities
ASSETS	
Cash and investments	28,534,110
Property tax receivable, net	6,057,937
Other receivables	4,292,771
Supplies inventory	351,575
PERSI SL	2,733,586
Land and construction in progress	3,190,035
Depreciable buildings, equipment, and vehicles, net of depreciation	69,909,039
Total assets	<u>115,069,053</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	334,899
Changes of assumptions or other inputs - OPEB	181,041
Changes of assumptions or other inputs - PERSI SL	861,268
Related to pensions	8,086,845
Total deferred outflows of resources	<u>9,464,053</u>
LIABILITIES	
Accounts payable	936,773
Accrued wages	5,930,737
Accrued employee benefits	1,988,159
Other payables	2,500
Interest payable	381,416
Long-term liabilities	
Net pension liability	18,601,268
OPEB liability	3,505,955
Other liabilities	198,739
Portion due or payable within one year	
General obligation bonds/premium	4,204,986
Portion due or payable after one year	
General obligation bonds/premium	31,312,716
Total liabilities	<u>67,063,249</u>
DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual experience - OPEB	130,191
Differences between expected and actual experience - PERSI SL	144,888
Related to pensions	3,797,149
Total deferred inflows of resources	<u>4,072,228</u>
NET POSITION	
Net investment in capital assets	37,581,372
Restricted for	
Child nutrition	1,073,770
Capital improvements	2,269,897
Debt service	7,786,338
Other purposes	2,326,292
Unrestricted	2,359,960
Total net position	<u>53,397,629</u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Statement of Activities Fiscal Year Ended June 30, 2019

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	46,053,359	1,234,868	6,381,275		(38,437,216)
Support services	8,290,219		2,621,977		(5,668,242)
Administrative	5,421,334	2,392	82,783		(5,336,159)
Business admin services	1,353,292				(1,353,292)
Operations	6,736,123	43,622	712,153		(5,980,348)
Transportation	3,048,050	257,337	2,101,737		(688,976)
Noninstructional	3,453,847	672,831	2,612,483		(168,533)
Interest on long-term debt	1,216,139		374,516		(841,623)
Capital improvements	2,034,203		200,923		(1,833,280)
Total governmental activities	<u>77,606,566</u>	<u>2,211,050</u>	<u>15,087,847</u>	<u>0</u>	<u>(60,307,669)</u>
General revenues					
Taxes					
Property taxes					16,231,913
Investment earnings					881,550
State apportionment					
Base					43,942,036
Benefits					5,799,244
Other state revenues					832,998
Gain on disposition of assets					194,174
Other local					121,036
Total general revenues					<u>68,002,951</u>
Change in net position					7,695,282
Net position - beginning					42,641,004
Prior period adjustment					<u>3,061,343</u>
Net position - beginning (as restated)					<u>45,702,347</u>
Net position - ending					<u>53,397,629</u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Combined Balance Sheet Governmental Funds June 30, 2019

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	18,384,920	5,163,651	1,549,443	3,436,096	28,534,110
Receivables					
Taxes - current	2,331,207	2,280,540	836,758		5,448,505
Taxes - delinquent	268,831	244,044	96,557		609,432
State apportionment	1,288,345				1,288,345
Federal grants				1,286,204	1,286,204
State agencies		99,053	43,380		142,433
Other	1,416,337			159,452	1,575,789
Interfund receivable	876,703				876,703
Supplies inventory	242,661			108,914	351,575
Total assets	<u>24,809,004</u>	<u>7,787,288</u>	<u>2,526,138</u>	<u>4,990,666</u>	<u>40,113,096</u>
LIABILITIES					
Accounts payable	279,489	950	256,241	400,093	936,773
Accrued wages	5,391,918			538,819	5,930,737
Accrued employee benefits	1,787,313			200,846	1,988,159
Other payables	2,500				2,500
Interfund payable				876,703	876,703
Total liabilities	<u>7,461,220</u>	<u>950</u>	<u>256,241</u>	<u>2,016,461</u>	<u>9,734,872</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>268,831</u>	<u>244,044</u>	<u>96,557</u>	<u>0</u>	<u>609,432</u>
FUND BALANCES					
Nonspendable					
Inventory	242,661			108,914	351,575
Restricted for					
Debt service		7,542,294			7,542,294
Capital projects			2,173,340		2,173,340
Child nutrition				964,856	964,856
Other fund activities	425,857			1,900,435	2,326,292
Assigned	7,583,944				7,583,944
Unassigned	8,826,491				8,826,491
Total fund balances	<u>17,078,953</u>	<u>7,542,294</u>	<u>2,173,340</u>	<u>2,974,205</u>	<u>29,768,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>24,809,004</u>	<u>7,787,288</u>	<u>2,526,138</u>	<u>4,990,666</u>	<u>40,113,096</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, 2019

Total fund balances - governmental funds	29,768,792
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.	73,099,074
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.	609,432
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 \$18,601,268, deferred inflows of resources related to pensions is \$3,797,149 and deferred outflows of resources related to pensions is \$8,086,845.	(14,311,572)
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 \$(2,733,586), deferred inflows of resources related to PERSI SL is \$144,888 and deferred outflows of resources related to PERSI SL is \$861,268.	3,449,966
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.	(2,557,803)
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.	50,850
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	(32,625,000)
Accrued interest on the bonds	(381,416)
Compensated absences	(198,739)
OPEB obligation	(3,505,955)
	<u>(36,711,110)</u>
Total net position - governmental activities	<u>53,397,629</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, 2019

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	6,929,947	6,735,669	2,488,078		16,153,694
Penalties & interest on delinquent taxes	47,804	34,272	17,169		99,245
Earnings on investments	811,812	69,738			881,550
Transportation fees	257,337				257,337
Rental	43,622				43,622
Food service				672,831	672,831
Tuition	14,361				14,361
Contributions	85,552				85,552
Other local	103,275		20,000	3,835	127,110
State apportionment					
Base	43,942,036				43,942,036
Transportation	2,101,737				2,101,737
Exceptional child	248,382				248,382
Benefits	5,799,244				5,799,244
Other school support	651,358				651,358
Property tax replacement	133,775	177,330			311,105
Other state revenue	2,534,693	374,516		1,925,281	4,834,490
Vocational education	186,458				186,458
Federal contracts and grants				8,718,588	8,718,588
Total revenues	63,891,393	7,391,525	2,525,247	11,320,535	85,128,700
EXPENDITURES					
Current					
Instruction	39,837,067			5,573,694	45,410,761
Support services	6,412,477			1,783,053	8,195,530
Administration	5,259,995			122,736	5,382,731
Business operations	1,353,292				1,353,292
Operations	6,724,496			100,105	6,824,601
Transportation	2,808,264				2,808,264
Noninstructional	34,744			3,332,753	3,367,497

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, 2019

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
EXPENDITURES, continued					
Debt service					
Principal		2,339,226			2,339,226
Interest		926,635			926,635
Facility acquisition	1,669,250		4,987,125	200,923	6,857,298
	<u>64,099,585</u>	<u>3,265,861</u>	<u>4,987,125</u>	<u>11,113,264</u>	<u>83,465,835</u>
Total expenditures					
	<u>64,099,585</u>	<u>3,265,861</u>	<u>4,987,125</u>	<u>11,113,264</u>	<u>83,465,835</u>
Revenues over (under) expenditures	(208,192)	4,125,664	(2,461,878)	207,271	1,662,865
	<u>(208,192)</u>	<u>4,125,664</u>	<u>(2,461,878)</u>	<u>207,271</u>	<u>1,662,865</u>
OTHER FINANCING SOURCES (USES)					
Sale of property			260,536		260,536
Operating transfers, net	(195,008)		193,287	1,721	0
	<u>(195,008)</u>	<u>0</u>	<u>453,823</u>	<u>1,721</u>	<u>260,536</u>
Total other financing sources (uses)					
	<u>(195,008)</u>	<u>0</u>	<u>453,823</u>	<u>1,721</u>	<u>260,536</u>
Revenues and other financing sources over (under) expenditures	(403,200)	4,125,664	(2,008,055)	208,992	1,923,401
	<u>(403,200)</u>	<u>4,125,664</u>	<u>(2,008,055)</u>	<u>208,992</u>	<u>1,923,401</u>
Fund balance - July 1, 2018	17,482,153	3,416,630	4,181,395	2,765,213	27,845,391
	<u>17,482,153</u>	<u>3,416,630</u>	<u>4,181,395</u>	<u>2,765,213</u>	<u>27,845,391</u>
Fund balance - June 30, 2019	17,078,953	7,542,294	2,173,340	2,974,205	29,768,792
	<u>17,078,953</u>	<u>7,542,294</u>	<u>2,173,340</u>	<u>2,974,205</u>	<u>29,768,792</u>

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, 2019*

Total net change in fund balances - governmental funds:	1,923,401
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.	2,207,997
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 decreased by \$21,026 this year.	(21,026)
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.	2,167,710
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 increase in interest expense reported in the Statement of Activities is the net result of the increase in accrued interest on bonds of \$117,989.	(117,989)
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.	<u>1,535,189</u>
Change in net position of governmental activities	<u><u>7,695,282</u></u>

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Fiduciary Funds Statement of Fiduciary Net Position *June 30, 2019*

	Agency Funds
ASSETS	
Cash	<u>1,035,172</u>
Total assets	<u><u>1,035,172</u></u>
LIABILITIES	
Due to student groups	<u>1,035,172</u>
Total liabilities	<u><u>1,035,172</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, 2019

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, 2019

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, 2019

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 not amend its budgets in 2019.

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, 2019

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, 2019

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. The asset and deferred outflow of resources at June 30, 2018, are recorded as a prior period adjustment as discussed in Note R.

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, 2019

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, 2019

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, 2019, the carrying amount of the District's deposits was \$7,008,596 and the bank balance was as follows:

	Bank Balance
Insured by Federal Depository Insurance	894,290
Uninsured and uncollateralized	7,669,090
Total	8,563,380

At June 30, 2019, 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	17,034,128	17,080,120	88 days
Diversified Bond Fund at NAV	5,504,392	5,495,983	2.94 years
Total investments	22,538,520	22,576,103	

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, 2019, \$7,669,090 of the District's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the investments, \$17,034,128 was held in two accounts in the State Treasurer's Investment Pool, and \$5,504,392 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, 2019

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, 2019, balances of interfund amounts receivable or payable have been recorded as follows:

	Receivable	Payable
General Fund	876,703	
Nonmajor Funds		876,703
Total	876,703	876,703

The General Fund transferred \$284,664 to support various major and nonmajor programs in accordance with the budget and other funding considerations. The General Fund transferred \$91,377 to Child Nutrition as required by state law, and \$193,287 was transferred to Capital Projects for bus depreciation. The federal programs transferred \$89,656 to the General Fund as budgeted for payment of indirect costs.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2019

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>
Pitney Bowes	Postage Machine	2/3/2020	60 Months	8,928	5,960
Yost	Copiers	7/31/20	60 Months	57,692	119,342
Yost	Copiers	10/1/20	60 Months	2,144	4,824
Yost	Copiers	7/31/21	60 Months	6,003	18,509
Total minimum lease payments					<u>148,635</u>

Total rental expense under the equipment and other operating leases for the year ended June 30, 2019, was \$180,259. Minimum future lease payments under these operating leases as of June 30, 2019, for the succeeding years are:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>
2020	71,390
2021	11,313
2022	500
Total	<u>83,203</u>

NOTE F CONSTRUCTION COMMITMENTS

During the year ended June 30, 2019, the District contracted with various contractors to do certain projects, revisions, and additions. The following construction contracts were in progress at June 30, 2019:

<u>Project</u>	<u>Original bid plus changes</u>	<u>Average percent complete</u>	<u>Expenditures Recorded Currently</u>	<u>Remaining construction obligation</u>
Admin Building Stairway	120,376	20%	24,075	96,301
Linden Park Roof Projects	134,330	75%	101,270	33,060
Total	<u>261,776</u>		<u>130,675</u>	<u>131,100</u>

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

NOTE G CAPITAL ASSETS

Following is a summary of the capital assets at June 30, 2019:

	Balance July 1, 2018	Additions	Deductions	Transfers	Balance June 30, 2019
Capital assets, not being depreciated					
Land					
Elementary	777,074	234,000			1,011,074
Secondary	598,675		(300,360)		298,315
Administration	89,383	1,657,581			1,746,964
Construction in progress	1,431,562	133,682		(1,431,562)	133,682
Total capital assets, not being depreciated	2,896,694	2,025,263	(300,360)	(1,431,562)	3,190,035
Capital assets, being depreciated					
Buildings					
Elementary	64,935,306	146,916			65,082,222
Secondary	40,184,744				40,184,744
Administration	2,053,656	2,520,744		1,431,562	6,005,962
Total buildings	107,173,70	2,667,660	0	1,431,562	111,272,928
Equipment					
Elementary	757,061				757,061
Secondary	1,566,296	45,754			1,612,050
Administration	1,551,564	21,485			1,573,049
Total equipment	3,874,921	67,239	0	0	3,942,160
Vehicles	5,832,520	326,891			6,159,411
Total capital assets, being depreciated	116,881,14	3,061,790	0	1,431,562	121,374,499
Less accumulated depreciation for:					
Buildings	(41,651,222)	(2,080,095)			(43,731,317)
Equipment	(2,657,046)	(194,935)			(2,851,981)
Vehicles	(4,578,498)	(303,664)			(4,882,162)
Total accumulated depreciation	(48,886,766)	(2,578,694)	0	0	(51,465,460)
Total capital assets being depreciated, net	67,994,381	483,096	0	1,431,562	69,909,039
Governmental activities capital assets, net	70,891,075	2,508,359	(300,360)	0	73,099,074

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2019

NOTE G CAPITAL ASSETS, continued

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

Governmental activities	
Instruction	1,656,777
Support services	299,007
Administration	196,385
Transportation	303,664
Noninstructional	122,861
Total depreciation expense – governmental activities	<u>2,578,694</u>

NOTE H PAYROLL EXPENDITURES AND RELATED LIABILITIES

Teacher contracts were signed for the nine-month period September 1, 2018, through May 31, 2019, to be paid over the twelve months of September 1, 2018, through August 31, 2019. 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 2019, the District contributed approximately \$284,458 of the annual required contribution of \$293,108. 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, 2018, and updated for the year ended June 30, 2019, and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2018.

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 July 1, 2017, accounting valuation:

Valuation Timing	Actuarial valuations are performed biennially as of July 1 for accounting purposes only. The most recent valuation was performed as of July 1, 2017 with a roll forward to June 30, 2018.
Actuarial Cost Method	Entry Age Normal
Inflation	3.75%

Idaho Falls School District #91

Notes to Financial Statements June 30, 2019

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

Salary Increases	3.75% general wage growth plus increases due to promotions and longevity.
Discount Rate	3.5%
Health Cost Trend Rates	Medical with vision trend is 6.5% from year ending June 30, 2019, to year ending June 30, 2020, 6.0% from year ending June 30, 2020, to June 30, 2021, then gradually decreasing to an ultimate rate of 3.8% for 2075 and beyond. Dental trend is 3% from year ending June 30, 2019, to year ending June 30, 2020, then gradually lowering to 2.0% for 2022 and beyond, as shown in the July 1, 2017, 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 49% of females eligible at age 65.
Turnover	45% of future retirees are assumed to elect medical coverage, 45% of future retirees are assumed to elect dental coverage, and 70% of the future retirees who elect medical or dental coverage and are married are assumed to elect spousal coverage as well.
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments, set back three years for both males and females.
Retiree Contributions	The retiree contributions are a weighted average of all retiree contributions for the period July 1, 2017, to June 30, 2018. The cost of Medical and Prescription Drug was \$6,988 for a retiree or surviving spouse, and \$8,382 for a spouse. For Dental it was \$418 for a retiree or surviving spouse, and \$458 for a spouse.

Total OPEB Liability	June 30, 2019
Actuarially Determined Contribution (ADC)	473,491
Total OPEB liability	3,505,955
Covered employee payroll	33,378,450
Total OPEB liability as a % of covered employee payroll	10.50%

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	3.50%
20 Year Tax-Exempt Municipal Bond index	3.50%

The discount rate was based on the 20-year Municipal Bond Index on 6/30/2019.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

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

Other Key Actuarial Assumptions

The total OPEB liability as of July 1, 2018, and June 30, 2019, were based on the 2016 PERSI Experience study for demographic assumptions and the July 1, 2017, OPEB Valuation for the economic and OPEB specific assumptions.

<u>Changes in total OPEB liability</u>	<u>Increase (Decrease) Total OPEB Liability</u>
Balance as of June 30, 2018	3,285,892
Changes for the year:	
Service cost	293,108
Interest on total OPEB liability	120,091
Effect of assumptions, changes, or inputs	91,322
Expected benefit payments	<u>(284,458)</u>
Balance as of June 30, 2019	<u><u>3,505,955</u></u>

Sensitivity Analysis

The following presents the total OPEB liability of the school district, calculated using the discount rate of 3.5%, 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 (2.5%) or 1 percentage point higher (4.5%) than the current rate.

	<u>1% Decrease 2.5%</u>	<u>Discount Rate 3.5%</u>	<u>1% Increase 4.5%</u>
Total June 30, 2019, OPEB liability	3,724,307	3,505,955	3,299,117

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.

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total June 30, 2019, OPEB liability	3,165,743	3,505,955	3,903,324

<u>OPEB Expense</u>	<u>July 1, 2018, to June 30, 2019</u>
Service cost	293,108
Interest on total OPEB liability	120,091
Recognition of Deferred Inflows/Outflows of Resources	
Difference between expected and actual experience	(9,760)
Recognition of assumption changes or inputs	6,726
Benefit Payments	<u>(265,912)</u>
OPEB expense	<u><u>144,253</u></u>

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

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

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		(130,191)
Changes of assumptions or other inputs	96,445	June 30, 2018	14.34	(6,726)	89,719	
Changes of assumptions or other inputs	91,322	June 30, 2019	13.56	0	91,322	
Total	<u>47,816</u>			<u>3,034</u>	<u>181,041</u>	<u>(130,191)</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:	
2020	3,699
2021	3,699
2022	3,699
2023	3,699
2024	3,700
Thereafter	32,354

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

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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2019

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

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District contributions were \$538,124 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018 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, 2018, the District's proportion was 3.2956631 percent.

For the year ended June 30, 2019, the District recognized OPEB expense offset of \$388,623. The \$538,124 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.

At June 30, 2019, 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	309,291	
Changes in assumptions or other inputs	13,853	
Net difference between projected and actual earnings on OPEB plan investments		162,379
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions		(17,491)
District contributions subsequent to the measurement date	538,124	
Total	<u>861,268</u>	<u>144,888</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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.20%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

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

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.

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
Total Fund	Expected Return	Expected Inflation	Expected Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of fees and expenses.

Actuarial Assumptions:

Assumed Inflation – Mean	2.25%
Assumed Inflation – Standard Deviation	1.50%
Portfolio Arithmetic Mean Return	6.75%
Portfolio Long-Term Expected Geometric Rate of Return	6.13%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	<u><u>5.73%</u></u>

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

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

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)	(2,413,669)	(2,733,586)	(3,034,036)

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, 2019, 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 LONG-TERM DEBT

Following is a summary of the changes the general long-term debt for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Bonds payable	34,575,000		1,950,000	32,625,000
Premium	3,357,053		464,351	2,892,702
Total bonds/premium	37,932,053	0	2,414,351	35,517,702
Compensated absences	192,532	6,207		198,739
OPEB	3,285,892	220,063		3,505,955
Total	41,410,477	226,270	2,414,351	39,222,396

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

NOTE K LONG-TERM DEBT, *continued*

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.

The District had four general obligation bond issues (2012A Series, 2012B Series, 2012C 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, 2012C Series, and 2018 Series bonds are scheduled to mature September 2029, September 2028, September 2032, 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.

NOTE L GENERAL OBLIGATION BOND ISSUES

Future debt service requirements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2020	5,011,038	1,241,038	3,770,000
2021	5,010,237	1,105,237	3,905,000
2022	3,187,213	992,213	2,195,000
2023	3,182,712	902,712	2,280,000
2024	2,871,013	816,013	2,055,000
2025-2029	15,112,538	2,647,538	12,465,000
2030-2033	6,415,719	460,719	5,955,000
Total	<u>40,790,470</u>	<u>8,165,470</u>	<u>32,625,000</u>

Outstanding bond obligations and related premiums include the following:

\$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 \$1,594,051. \$6,500,000 of bonds due September 15, 2030 and 2031 were refunded in June of 2018. 9,414,051

\$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 \$1,155,653. \$1,265,000 of bonds due September 2023 through September 2026 were refunded in September of 2018. 19,485,653

\$2,935,000 2012C general obligation bonds due in semi-annual interest only installments of \$55,031 through September 15, 2031, and the final interest payment and principal due September 15, 2032; interest at 3.75% with unamortized bond premium of \$127,384. 3,062,384

\$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 \$15,614. The bonds are not subject to optional redemption prior to their maturity. 3,555,614

Total 35,517,702

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2019

NOTE L GENERAL OBLIGATION BOND ISSUES, continued

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

Principal	Total
Balances at July 1, 2018	34,575,000
Bonds retired during fiscal year	(1,950,000)
Balances at June 30, 2019	32,625,000
Interest to be provided	Total
Balances at July 1, 2018	9,484,746
Interest paid on bonds during fiscal year	(1,319,277)
Balances at June 30, 2019	8,165,469

NOTE M 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 \$5,324,390,897 x 5%, or \$266,219,545. The Debt Service fund had \$7,543,244 available and the general obligation debt was \$32,625,000 leaving a legal debt margin of \$241,137,789.

NOTE N 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% 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.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2019

NOTE N PENSION PLAN, continued

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2018, it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions were \$4,834,574 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2018, the District's proportion was 1.2610880 percent.

For the year ended June 30, 2019, the District recognized pension expense of \$3,529,727. At June 30, 2019, 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	2,041,891	1,404,846
Changes in assumptions or other inputs	1,210,380	
Net difference between projected and actual earnings on pension plan investments		2,066,706
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions		325,597
District contributions subsequent to the measurement date	4,834,574	
Total	8,086,845	3,797,149

\$4,834,574 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determine at July 1, 2017, the beginning of the measurement period ended June 30, 2018, is 4.9 years and 5.5 years for the measurement period ended June 30, 2018.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2019

NOTE N PENSION PLAN, continued

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:	
2019	1,712,807
2020	300,271
2021	(1,501,275)
2022	(405,487)

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.05%, net investment expenses
Cost-of-living adjustments	1%

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, 2007, through June 30, 2013, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009, through June 30, 2013. The Total Pension Liability as of June 30, 2018, is based on the results of an actuarial valuation date of July 1, 2018.

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.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

NOTE N PENSION PLAN, continued

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
<u>Total Fund</u>	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of fees and expenses.

Actuarial Assumptions:

Assumed Inflation – Mean	2.25%
Assumed Inflation – Standard Deviation	1.50%
Portfolio Arithmetic Mean Return	6.75%
Portfolio Long-Term Expected Geometric Rate of Return	7.45%
Assumed Investment Expenses	<u>0.40%</u>
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	<u><u>7.05%</u></u>

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.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

NOTE N PENSION PLAN, continued

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)	46,563,182	18,601,268	(4,552,344)

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, 2019, 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 O 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 2018-2019 school 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 P NON-MONETARY TRANSACTIONS

The District received \$356,477 in USDA Commodities during the 2018-2019 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.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2019

NOTE R PRIOR YEAR RESTATEMENT

As a result of the addition of the asset for the PERSI sick leave account of \$2,547,338 and the deferred inflows related to the contributions of \$514,005, the governmental activities beginning net position was restated to increase by \$3,061,343. The restated beginning net position at July 1, 2018, after this adjustment is \$45,702,347.

NOTE S SUBSEQUENT EVENTS

Management of the District evaluated subsequent events through September 30, 2019, which was the date the financial statements were available to be issued. Beginning July 1, 2019, the rate for PERSI withholdings increased from 11.32% to 11.94% for employer required withholdings and 6.79% to 7.16% for employee required contributions to the state-wide retirement plan. In September 2019, the District defeased \$2,935,000 of the long-term debt obligations resulting in a significant decrease in available cash in their debt service fund and a reduction in overall interest to be paid on bonds. 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, 2019

	Original & Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	6,800,000	6,929,947	129,947
Penalties and interest on delinquent taxes	50,000	47,804	(2,196)
Earnings on investments	150,000	811,812	661,812
Transportation fees	180,000	257,337	77,337
Tuition		14,361	14,361
Rental	45,000	43,622	(1,378)
Contributions	22,500	85,552	63,052
Other local		103,275	103,275
State apportionment			
Base	43,537,255	43,942,036	404,781
Transportation	1,975,000	2,101,737	126,737
Exceptional child	160,000	248,382	88,382
Benefits	5,772,347	5,799,244	26,897
Other school support	655,000	651,358	(3,642)
Property tax replacement	134,424	133,775	(649)
Other state revenue	2,376,266	2,534,693	158,427
Vocational education	190,000	186,458	(3,542)
Total revenues	<u>62,047,792</u>	<u>63,891,393</u>	<u>1,843,601</u>
EXPENDITURES			
Instruction			
Elementary	17,330,963	16,676,885	654,078
Secondary	15,777,633	15,934,802	(157,169)
Alternative school	794,190	804,647	(10,457)
Professional technical education	1,118,695	1,005,078	113,617
Exceptional child	3,998,848	3,921,210	77,638
Special education preschool program	437,072	431,975	5,097
Gifted and talented	237,143	255,822	(18,679)
Interscholastic program	590,124	575,588	14,536
School activity	111,126	94,154	16,972
Summer school	23	11,047	(11,024)
Detention center	131,984	125,859	6,125
Total instruction	<u>40,527,801</u>	<u>39,837,067</u>	<u>690,734</u>
Support services			
Attendance, guidance, and health	2,971,168	2,868,876	102,292
Special education support services	765,130	762,998	2,132
Instructional improvement	1,281,954	1,192,057	89,897
Educational media	444,130	455,641	(11,511)
Instruction related technology	1,168,665	1,132,905	35,760
Total support services	<u>6,631,047</u>	<u>6,412,477</u>	<u>218,570</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, 2019

	Original & Final Budget	Actual	Favorable (Unfavorable) Variance
EXPENDITURES, continued			
Administration			
Board of Education	338,950	403,699	(64,749)
District administration	997,717	893,516	104,201
School administration	3,885,203	3,962,780	(77,577)
Total administration	<u>5,221,870</u>	<u>5,259,995</u>	<u>(38,125)</u>
Business administrative services			
Business operations	516,535	531,304	(14,769)
Central services	117,982	118,335	(353)
Administrative technology services	410,045	703,653	(293,608)
Total business administrative services	<u>1,044,562</u>	<u>1,353,292</u>	<u>(308,730)</u>
Operations			
Building care (custodial)	3,223,584	3,279,173	(55,589)
Maintenance	2,916,855	3,233,525	(316,670)
Security	190,096	211,798	(21,702)
Total operations	<u>6,330,535</u>	<u>6,724,496</u>	<u>(393,961)</u>
Transportation	<u>2,898,063</u>	<u>2,808,264</u>	<u>89,799</u>
Noninstructional	<u>29,394</u>	<u>34,744</u>	<u>(5,350)</u>
Facility acquisition services	<u>2,500,000</u>	<u>1,669,250</u>	<u>830,750</u>
Total expenditures	<u>65,183,272</u>	<u>64,099,585</u>	<u>1,083,687</u>
Revenues over (under) expenditures	(3,135,480)	(208,192)	2,927,288
OTHER FINANCING SOURCES (USES)			
Operating transfers, net	<u>(208,962)</u>	<u>(195,008)</u>	<u>13,954</u>
Revenues and other financing sources over (under) expenditures	<u>(3,344,442)</u>	<u>(403,200)</u>	<u>2,941,242</u>
Fund balance - July 1, 2018		<u>17,482,153</u>	
Fund balance - June 30, 2019		<u><u>17,078,953</u></u>	

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2019

Schedule of Changes in Total OPEB Liability and Related Ratios

As of the measurement date of June 30, 2018

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	293,108	272,179
Interest on total OPEB liability	120,091	128,384
Changes of benefit terms		(139,951)
Effect of assumption changes or inputs	91,322	96,445
Expected benefit payments	<u>(284,458)</u>	<u>(253,787)</u>
Net change in total OPEB liability	220,063	103,270
 Total OPEB liability, beginning	<u>3,285,892</u>	<u>3,182,622</u>
 Total OPEB liability, ending	<u><u>3,505,955</u></u>	<u><u>3,285,892</u></u>
 Covered valuation payroll	33,378,450	32,172,000
 Total OPEB liability as a % of covered valuation payroll	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, 2019

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

	<u>2019</u>	<u>2018</u>
Employer's portion of net OPEB asset	3.2956631%	3.33184485%
Employer proportionate share of the net OPEB asset	2,733,586	2,547,338
Employer's covered valuation payroll	40,806,676	38,949,285
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	6.699%	6.540%
Plan fiduciary net position as a percentage of the total OPEB asset	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, 2018.

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

	<u>2019</u>	<u>2018</u>
Statutorily required contribution	538,124	514,005
Contributions in relation to the statutorily required contribution	(538,124)	(514,005)
Employer's covered payroll	42,708,247	40,806,676
Contributions as a percentage of covered payroll	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, 2019.

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2019

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

	2019	2018	2017	2016	2015
Employer's portion of net pension liability	1.2610880%	1.2540293%	1.2689501%	1.2747356%	1.3247276%
Employers proportionate share of the net pension liability	18,601,268	19,711,186	25,723,567	16,786,194	9,752,068
Employer's covered payroll	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	45.58%	50.61%	69.74%	47.38%	27.38%
Plan fiduciary net position as a percentage of the total pension liability	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, 2018 (measurement date).

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

	2019	2018	2017	2016	2015
Statutorily required contribution	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
Contributions in relation to the statutorily required contribution	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
Employer's covered payroll	42,708,247	40,806,676	38,949,285	36,883,746	35,429,127
Contributions as a percentage of covered payroll	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, 2019 (reporting date).

Idaho Falls School District #91

Notes to Required Supplementary Information
Fiscal Year Ended June 30, 2019

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.

See Independent Auditor's Report.

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OTHER FINANCIAL INFORMATION

Idaho Falls School District #91

All Nonmajor Funds
Combining Balance Sheet
June 30, 2019

	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	113,235	40,311	773,939	1,203,199	85,444						-		-	37,360			1,144,853	37,755	3,436,096
Receivables																			
Federal grants receivable	33,573					243,999	25,309	12,434	511,937	19,880		139,970	160,592	22,881	53,364	62,265			1,286,204
Other receivables											158,080							1,372	159,452
Supplies inventory																	108,914		108,914
Total assets	146,808	40,311	773,939	1,203,199	85,444	243,999	25,309	12,434	511,937	19,880	158,080	139,970	160,592	60,241	53,364	62,265	1,253,767	39,127	4,990,666
LIABILITIES AND FUND EQUITY																			
LIABILITIES																			
Accounts payable				354,450	37,500	4,500	792		2,851										400,093
Accrued wages			42,396	1,228	2,014	146,618	3,800	5,676	145,964	10,003	13,490	3,080	2,635	5,938	22,256	7,187	126,489		538,774
Accrued employee benefits			13,470	256	720	44,961	3,287	2,322	61,673	2,045	4,878	992	462	3,860	5,827	2,313	53,780		200,846
Accrued payroll liabilities			317														(272)		45
Interfund payable						47,920	17,430	4,436	301,449	7,832	130,617	135,898	153,075		25,281	52,765			876,703
Total liabilities	0	0	56,183	355,934	40,234	243,999	25,309	12,434	511,937	19,880	148,985	139,970	156,172	9,798	53,364	62,265	179,997	0	2,016,461
FUND EQUITY																			
Nonspendable																	108,914		108,914
Restricted	146,808	40,311	717,756	847,265	45,210						9,095		4,420	50,443			964,856	39,127	2,865,291
Total fund equity	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
Total liabilities and fund equity	146,808	40,311	773,939	1,203,199	85,444	243,999	25,309	12,434	511,937	19,880	158,080	139,970	160,592	60,241	53,364	62,265	1,253,767	39,127	4,990,666

Idaho Falls School District #91

All Nonmajor Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30, 2019

	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																			
Food service																	672,831		672,831
Other local																		3,835	3,835
Other state revenue			519,406	1,280,690	125,185														1,925,281
Federal contracts and grants	35,792					1,897,088	59,543	53,207	1,893,079	83,522	1,220,507	139,970	160,592	53,035	320,811	188,959	2,612,483		8,718,588
Total revenues	35,792	0	519,406	1,280,690	125,185	1,897,088	59,543	53,207	1,893,079	83,522	1,220,507	139,970	160,592	53,035	320,811	188,959	3,285,314	3,835	11,320,535
EXPENDITURES																			
Instruction																			
Elementary	19,418			42,178		1,426,081	9,606					64,604		49,076	11,099	188,959		137	1,811,158
Secondary	17,355			1,041		158,097	6,798					20,518		28,145	13,762			3,708	249,424
Alternative school				94				6,126				0							6,220
Exceptional child									1,698,120		1,236,566								2,934,686
Special ed preschool program										82,564									82,564
Summer school									9,008										9,008
Vocational			281,563										152,600						434,163
Detention center program								46,471											46,471
Support services																			
Attendance, guidance, and health					31,181														31,181
Instructional improvement			144,714		31,573	271,283			163,496						282,201				893,267
Instructional related technology				805,362								53,243							858,605
School administration					1,636	19,873	42,456		747		36,479		11,465		10,080				122,736
Security					100,105														100,105
Noninstructional services																	3,332,753		3,332,753
Facility acquisition				200,923															200,923
Total expenditures	36,773	0	426,277	1,049,598	164,495	1,875,334	58,860	52,597	1,871,371	82,564	1,273,045	138,365	164,065	77,221	317,142	188,959	3,332,753	3,845	11,113,264
Revenues over (under) expenditures	(981)	0	93,129	231,092	(39,310)	21,754	683	610	21,708	958	(52,538)	1,605	(3,473)	(24,186)	3,669	0	(47,439)	(10)	207,271
OTHER FINANCING SOURCES (USES)																			
Net transfers						(21,754)	(683)	(610)	(21,708)	(958)		(1,605)		(896)	(3,669)		53,604		1,721
Total other financing sources	0	0	0	0	0	(21,754)	(683)	(610)	(21,708)	(958)	0	(1,605)	0	(896)	(3,669)	0	53,604	0	1,721
Revenues and other financing sources over (under) expenditures and other financing sources (uses)																			
	(981)		93,129	231,092	(39,310)						(52,538)		(3,473)	(25,082)			6,165	(10)	208,992
Fund balance - July 1, 2018	147,789	40,311	624,627	616,173	84,520						61,633		7,893	75,525			1,067,605	39,137	2,765,213
Fund balance - June 30, 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

Idaho Falls School District #91

All Agency Funds Combining Schedule of Changes in Assets and Liabilities *Fiscal Year Ended June 30, 2019*

ASSETS	Balance June 30, 2018	Receipts	Disbursements	Balance June 30, 2019
Cash				
Idaho Falls High School	299,982	665,910	628,257	337,635
Skyline High School	165,538	698,645	591,204	272,979
Emerson High School	26,610	23,405	36,462	13,554
Compass Academy	18,714	117,252	123,188	12,778
Eagle Rock Jr. High School	54,203	88,115	89,034	53,284
Taylorview Jr. High School	35,064	107,250	105,031	37,283
Ethel Boyes Elementary School	13,448	28,226	17,457	24,217
Theresa Bunker Elementary School	5,965	5,936	6,097	5,805
A.H. Bush Elementary School	19,822	9,304	9,058	20,067
Edgemont Gardens Elementary School	15,445	5,934	5,965	15,413
Dora Erickson Elementary School	3,532	8,584	6,395	5,721
Fox Hollow Elementary School	3,552	5,168	6,365	2,355
Hawthorne Elementary School	5,819	12,007	7,721	10,105
Linden Park Elementary School	9,650	2,710	3,216	9,144
Longfellow Elementary School	9,028	25,735	18,389	16,374
Sunnyside Elementary School	9,524	20,726	19,886	10,365
Templeview Elementary School	12,753	14,918	7,689	19,982
Westside Elementary School	15,239	26,933	35,795	6,377
Athletic Funds	193,023	208,658	239,945	161,736
	<u>916,911</u>	<u>2,075,415</u>	<u>1,957,154</u>	<u>1,035,172</u>
Total assets	<u>916,911</u>	<u>2,075,415</u>	<u>1,957,154</u>	<u>1,035,172</u>

The Athletic Funds had revenues of approximately \$208,658 which included gate receipts, tournament fees, and a portion of the student activity card fees. Expenses totaled \$239,945 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, 2019

LIABILITIES	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Due to student groups				
Idaho Falls High School	299,982	665,910	628,257	337,635
Skyline High School	165,538	698,645	591,204	272,979
Emerson High School	26,610	23,405	36,462	13,554
Compass Academy	18,714	117,252	123,188	12,778
Eagle Rock Jr. High School	54,203	88,115	89,034	53,284
Taylorview Jr. High School	35,064	107,250	105,031	37,283
Ethel Boyes Elementary School	13,448	28,226	17,457	24,217
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A.H. Bush Elementary School	19,822	9,304	9,058	20,067
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Templeview Elementary School	12,753	14,918	7,689	19,982
Westside Elementary School	15,239	26,933	35,795	6,377
Athletic Funds	193,023	208,658	239,945	161,736
	<u>916,911</u>	<u>2,075,415</u>	<u>1,957,154</u>	<u>1,035,172</u>
Total liabilities	<u>916,911</u>	<u>2,075,415</u>	<u>1,957,154</u>	<u>1,035,172</u>

See Independent Auditor's Report.

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Idaho Falls School District #91

Taxes Receivable Fiscal Year Ended June 30, 2019

	General Fund		
	Total	2018	2017 and prior
Unearned balance at July 1, 2018	300,108	0	300,108
ADDITIONS			
Roll charges applicable to 2018	6,899,881	6,899,881	
Subsequent additions and cancellations	(1,217)	(917)	(300)
Total additions	6,898,664	6,898,964	(300)
DEDUCTIONS			
Collections received	4,598,734	4,409,159	189,575
Current amount due on taxes collected by the county	2,331,207	2,305,610	25,597
Total deductions	6,929,941	6,714,769	215,172
Unearned balance at June 30, 2019	268,831	184,195	84,636

See Independent Auditor's Report.

Idaho Falls School District #91

Taxes Receivable
Fiscal Year Ended June 30, 2019

Debt Service Fund			Capital Projects Fund		
Total	2018	2017 and prior	Total	2018	2017 and prior
222,570	0	222,570	107,780	0	107,780
6,758,278	6,758,278		2,477,294	2,477,294	
(1,135)	(901)	(234)	(438)	(329)	(109)
6,757,143	6,757,377	(234)	2,476,856	2,476,965	(109)
4,455,129	4,314,670	140,459	1,651,321	1,583,231	68,090
2,280,540	2,261,855	18,685	836,758	827,563	9,195
6,735,669	6,576,525	159,144	2,488,079	2,410,794	77,285
244,044	180,852	63,192	96,557	66,171	30,386

See Independent Auditor's Report.

Idaho Falls School District #91

Liquidity Analysis of the General Fund Balance *June 30, 2019*

Fund balance of the General Fund at June 30, 2019	17,078,953
Less nonspendable-inventories	(242,661)
Less restricted for other purposes	(425,857)
Less assigned for encumbrances	(1,253,260)
Less assigned for specific programs	(874,833)
Less assigned for budget purposes	<u>(5,455,851)</u>
	<u><u>8,826,491</u></u>

See Independent Auditor's Report.

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Single Audit Section

Idaho Falls School District #91

June 30, 2019

**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, 2019, 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 September 30, 2019.

Internal Control over Financial Reporting

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

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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
September 30, 2019



**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, 2019. Idaho Falls School District #91's major federal program is 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 each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Idaho Falls School District #91's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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, 2019.

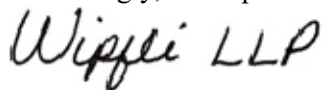
Report on Internal Control over Compliance

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 program 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 Idaho Falls School District #91'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
September 30, 2019

Idaho Falls School District #91

Schedule of Findings and Questioned Costs Fiscal Year Ended June 30, 2019

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)

10.553/10.555/10.556

Name of Federal Program or Cluster

Child Nutrition Cluster

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, 2019*

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, 2019

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	2017NI109947	42,459
		2018NI109947	349,131
National School Lunch Program – cash	10.555	2017NI109947	215,537
		2018NI109947	1,536,982
Special Milk Program	10.556	2017NI109947	153
		2018NI109947	680
			2,144,942
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555		356,447
Total Child Nutrition Cluster			2,501,389
Fresh Fruit and Vegetable Program	10.582	2017L160347	5,432
		2018L160347	105,662
			105,662
Total Passed Through Idaho State Department of Education			2,612,483
Passed Through Bonneville County			
Federal Forest	10.665		36,773
			36,773
Total United States Department of Agriculture			2,649,256
United States Department of Education			
Passed Through Idaho State Department of Education			
Title I-Grants to Local Educational Agencies	84.010	S010A170012	601,402
		S010A180012	1,348,893
Migrant Education	84.011	S011A170012	1,196
		S011A180012	58,347
English Language Acquisition	84.365	S365A180012	53,035
Student Support & Academic Enrichment	84.424	S424A180013	139,970
Supporting Effective Instruction	84.367	S367A170011	24,344
		S367A180011	296,467
Special Education Cluster			
Special Education – School-age	84.027	H027A170088	92,617
		H027A180088	1,800,462
Special Education – Preschool	84.173	H173A180030	83,522
Total Special Education Cluster			1,976,601

Idaho Falls School District #91

Schedule of Expenditures of Federal Awards *Fiscal Year Ended June 30, 2019*

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
United States Department of Education, continued			
Passed Through Idaho State Department of Education, continued			
21 st Century Schools	84.287	S287C180012	188,959
Total Passed Through Idaho State Department of Education			4,689,214
Passed Through Idaho State Division of Professional Technical Vocational Education	84.048A	V048A170012	160,592
Total United States Department of Education			4,849,806
United States Department of Health and Human Services			
Passed Through Idaho State Department of Health & Welfare			
Block Grant for Prevention & Treatment of Substance Abuse	93.969		6,981
Total United States Department of Health and Human Services			6,981
Total Federal Financial Assistance			7,506,043

Idaho Falls School District #91

Notes to Schedule of Expenditures of Federal Awards *Fiscal Year Ended June 30, 2019*

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, 2019. 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 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 \$31,900 of commodities in inventory at June 30, 2019.

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, 2019*

None.