

Idaho Falls School District #91

Financial Statements and Supplemental
Information

Year Ended June 30, 2022



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Idaho Falls School District #91

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June 30, 2022

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Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2022*

The discussion and analysis of Idaho Falls School District #91's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

In total, net position increased \$16,723,883 which represents a 24.8% increase from 2021's balance of \$67,419,757.

General revenues accounted for \$75,883,607 in revenue or 70.97% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$31,036,564 or 29.03% of total revenues of \$106,920,171.

Total assets of governmental activities increased by \$5,131,622, as cash and investments decreased by \$4,804,623, receivables and prepaid expenses increased by \$6,269,337, inventory decreased by \$395, OPEB and pension related items increased by \$1,724,490, and capital assets increased by \$1,897,163. 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 \$6,180,216.

The District had \$90,196,288 in expenses; only \$31,036,564 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily state support and local property taxes) of \$75,883,607 were adequate to provide for these programs.

Among major funds, the General Fund had \$69,713,881 in revenues, \$69,501,023 in expenditures, and \$951,364 in net transfers in. The General Fund's fund balance increased \$1,164,222 from 2021.

USING THE BASIC FINANCIAL STATEMENTS

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

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

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2022*

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 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General, Debt Service, Capital Projects, ESSER II and ESSER III 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.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2022

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 2022 compared to 2021:

	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	<u>49,286,549</u>	46,052,090
Capital assets	<u>76,210,900</u>	74,313,737
Total assets	<u>125,497,449</u>	<u>120,365,827</u>
Deferred outflows of resources	<u>20,514,394</u>	12,629,464
Current and other liabilities	<u>14,659,863</u>	10,034,744
Long-term liabilities	<u>10,335,249</u>	52,691,885
Total liabilities	<u>24,995,112</u>	<u>62,726,629</u>
Deferred inflows of resources	<u>36,873,091</u>	2,848,905
Net position		
Net investment in capital assets	<u>68,762,307</u>	53,999,845
Restricted	<u>14,672,945</u>	18,891,606
Unrestricted	<u>708,388</u>	(5,471,694)
Total net position	<u>84,143,640</u>	<u>67,419,757</u>

Total assets of governmental activities increased by \$5,131,622, as cash and investments decreased by \$4,804,623, receivables and prepaid expenses increased by \$6,314,987, inventory decreased by \$395, OPEB and pension related items increased by \$1,724,490, and capital assets increased by \$1,897,163. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,143,774 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 \$6,180,216 from 2021.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2022

The following table shows the changes in net position for fiscal years 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	1,833,775	1,879,521
Operating grants and contributions	29,202,789	18,267,221
General revenues		
Property taxes	16,485,861	16,656,895
State aid	56,869,385	51,414,952
Federal aid	264,402	3,391,551
Other	2,263,959	1,808,046
Total revenues	<u>106,920,171</u>	<u>93,418,186</u>
Program expenses		
Instruction	53,503,080	56,403,668
Support services	11,730,313	10,197,980
Administration	6,247,532	6,745,866
Business admin services	1,973,902	1,305,288
Operations	6,531,937	5,693,123
Transportation	3,996,260	3,447,750
Non-instructional	4,401,388	4,325,071
Interest and fiscal charges	160,533	42,982
Capital improvements	1,651,343	1,018,852
Total expenses	<u>90,196,288</u>	<u>89,180,580</u>
Increase (decrease) in net position	<u>16,723,883</u>	<u>4,237,606</u>

GOVERNMENTAL ACTIVITIES

Governmental revenues come primarily from three sources. State aid of \$63,409,953 consists of the state apportionment, other state grants, and revenue in lieu of taxes, and makes up 59.69% of revenues from governmental activities. Property taxes of \$16,317,114 make up 15.36% of total revenues from governmental activities. Federal contracts and grants of \$23,216,128 make up 21.85% of total revenues from governmental activities.

Instruction expenditures including the support activities of support services, administrative, business admin services, operations, and transportation comprise 93.11% of District expenses.

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2022

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 2022	Net cost of services 2022
Instruction	53,503,080	38,932,949
Support services	11,730,313	5,180,532
Administration	6,247,532	5,746,485
Business admin services	1,973,902	1,828,188
Operations	6,531,937	5,564,657
Transportation	3,996,260	1,582,822
Non-instructional	4,401,388	(5,193)
Interest	160,533	(67,225)
Capital improvements	1,651,343	396,509
Total expenses	90,196,288	59,159,724

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

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

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

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

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

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

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

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

Idaho Falls School District #91

Management's Discussion & Analysis Fiscal Year Ended June 30, 2022

THE DISTRICT'S FUNDS

Information about the District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$106,230,294 and expenditures of \$103,116,354. The net change in fund balance for the year in the General Fund, Debt Service Fund, Capital Projects Fund, ESSER II Fund, and ESSER III Fund, was an increase of \$1,164,222, a decrease of \$4,760,513, a decrease of \$251,800, and no change for ESSER II or III, respectively.

GENERAL FUND BUDGETING HIGHLIGHTS

During the course of fiscal 2022 year, the District did amend its budget.

For the General Fund, the budgeted revenue was \$69,602,738 and budgeted expenses were \$75,282,513. Actual revenue was \$69,713,881 which includes \$566,646 for leadership premiums and \$234,396 for master educator premiums to qualifying personnel, and \$279,628 in professional development funds. Actual expenditures were \$69,501,023, which include expenditures related to the leadership and master educator premiums, and professional development.

CAPITAL ASSETS

At the end of the fiscal year 2022, the District had \$76,210,900 invested in land, buildings, furniture and equipment, and vehicles (net of accumulated depreciation).

	2022	2021
Capital assets not being depreciated	5,856,676	3,834,416
Buildings and improvements	66,972,714	68,221,715
Equipment	950,783	890,818
Vehicles	1,173,626	1,366,788
Right of use assets	1,257,101	157,401
Total capital assets, net	76,210,900	74,471,138

Overall capital assets increased \$1,897,163 from fiscal year 2021 to fiscal year 2022. The increase in capital assets, primarily buildings and vehicles was mostly due to the construction projects and replacement vehicles, and the adoption of GASB 87, which added a right-of-use asset to the financial statements.

DEBT ADMINISTRATION

At June 30, 2022, the District had two general obligation bond issues outstanding. The current portion of debt due in one year is \$710,000.

At June 30, 2022, the District's overall legal debt margin was \$334,339,799.

CURRENT FINANCIAL ISSUES AND CONCERNS

Fiscal Year 2022 (FY22) was for Idaho Falls School District 91 (District), a year of change brought on by new opportunities for growth in the student body and staff. Looking at the needs of our student population, the District decided to focus on training for staff, increasing graduation rates within the secondary student population, and providing opportunities for young students to increase their reading skills early in the education process. The District started a program that would provide extensive training for staff, this training focused on improving the instruction provided to its students, and the accountability within the individual schools for the students that attend.

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2022*

Using federal grants, the District decided to expand its CTE program, the new program would provide opportunities for students to obtain work-based certificates, while getting credit for graduation, this non-traditional route gave additional opportunities for high school students to graduate from high school. Finally, the District prepared to provide all day kindergarten for FY23 to the students in our District, additional kindergarten instruction would help provide much needed reading intervention for our youngest students.

During FY22 the District experienced additional growth in its student body. Located in Bonneville County, the District added several hundred students to its enrollment during the year. The growth in the county continues to stress the already aging facilities the District operates. Local growth accompanied by aging infrastructure has prompted the Board of Directors for the District to move forward with a bond proposal in November 2022 election. The proposal contains funding for extensive renovations to Skyline High School, a new school for Idaho Falls High School, and two elementary schools located in the South and in the North of the District. The District feels strongly that this bond will help it strategically move forward ready to address the growing population in the area.

For the second year in a row the District was able to use the federal funding awarded in FY21 to help with capital projects including to help fund the new CTE center that opened for classes in fall 2022, a centralized IDEA center for special needs students and staff, upgrades to Idaho Falls High School's electrical, and security projects for schools that did not have up to date security measures in place. Federal funds were also used to offer a comprehensive summer school program for the majority of the District's K-8 students, and credit recovery for the high school students.

Federal funds also continue to provide funding for items such as technology, and intervention services. The District feels that these funds can help offset the lost instruction that impacted students during the worst parts of the pandemic, as well as allow the District to emerge from the pandemic stronger and better prepared for the types of instruction needed for students being educated today.

During the Idaho Legislative season, the State Department of Education provided historic levels of funding for FY 23 and the District has taken measures to pass this funding down to staff and students. The District added one time increases to classified staff of 5% and teacher salary schedule pay increases of 5% The District also chose to buy into the state department of insurance for its benefits. This will reduce the cost of insurance for employees and also provide employees with a more competitive insurance package. Finally, the state awarded additional one-time funds to instructional and per pupil staff both in May of FY22 and for the FY23 year. The District extended this payment to all employee's full time and part time, and paid the May payment in May, and will pay the FY23 payment in two payments, November 2022, and January 2023.

The District is unable to predict if the current level of inflation impacting our region will impact the District's departments or how or when this impact would be felt. For FY23 the District has again taken a conservative budgeting approach to provide the District with the flexibility to prepare for changes in the surrounding economics in the region. This includes reductions to additional planned capital expenditures and uses of Fund balance, to provide the level of service currently help in the District, but prepare for a restriction in funds. The District is leveraging Federal Grants to pay for unexpected Covid-19 expenses and continues to follow the ARP ESSER III spending plan for the federal grants awarded during FY21. This plan was submitted to the State of Idaho for approval in September 2021 and updated in August of 2022, this plan will continue to provide guidance to the District for spending these federal dollars.

Idaho Falls School District #91

Management's Discussion & Analysis *Fiscal Year Ended June 30, 2022*

The District has been able to meet its debt obligations and has sufficient funds to pay all debt obligations as they arise as well as reserves for potential changes in the market. Additionally, the District was able to defease the bond 2012B and pay it off early. This leaves the District with only one current bond debt obligation remaining, and the District's expects to have sufficient funds to call and pay this debt in September of 2023. Due to increased growth in the area the District has been able to lower their levy rate again for the upcoming fiscal FY22 year. The District expects to have all previous debt paid in full in the next fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Idaho Falls School District #91
690 John Adams Parkway
Idaho Falls, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Idaho Falls School District #91 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 the Idaho Falls School District #91, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Idaho Falls School District #91, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note A to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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 of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Idaho Falls School District #91's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Idaho Falls School District #91 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Idaho Falls School District #91 ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America 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 on pages 1-8 and 43-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Idaho Falls School District #91 basic financial statements. The combining nonmajor fund financial statements, schedule of taxes receivable, schedule of liquidity analysis of the general fund balance, and 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules referred to above 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 November 10, 2022 on our consideration of the 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 solely 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 the District'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 District's internal control over financial reporting and compliance.



Wipfli LLP
CPAs and Consultants
Idaho Falls, Idaho
November 10, 2022

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Idaho Falls School District #91

Statement of Net Position June 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	26,327,473
Property tax receivable, net	5,611,824
Other receivables	10,979,703
Prepaid expenses	349,384
Supplies inventory	402,182
PERSI SL	4,589,634
Net pension asset	1,026,349
Land and construction in progress	5,856,676
Depreciable buildings, equipment, and vehicles, net	70,354,224
Total assets	125,497,449
DEFERRED OUTFLOWS OF RESOURCES	
Changes of assumptions or other inputs - OPEB	356,930
Changes of assumptions or other inputs - PERSI SL	1,193,931
Related to pensions	18,963,533
Total deferred outflows of resources	20,514,394
LIABILITIES	
Accounts payable	2,666,978
Accrued wages	8,236,432
Accrued employee benefits	2,323,744
Other payables	3,343
Interest payable	59,721
Long-term liabilities	
Portion due or payable within one year	
General obligation bonds/premium	861,532
Lease payable	274,902
Compensated absences	233,211
Portion due or payable after one year	
OPEB liability	2,758,530
General obligation bonds/premium	6,587,061
Lease payable	989,658
Total liabilities	24,995,112
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on refunding	54,869
Unearned lease rental income	802,715
Differences between expected and actual experience - OPEB	1,085,712
Differences between expected and actual experience - PERSI SL	2,096,388
Related to pensions	32,833,407
Total deferred inflows of resources	36,873,091
NET POSITION	
Net investment in capital assets	68,762,307
Restricted for	
Child nutrition	1,204,158
Capital improvements	5,882,960
Debt service	3,676,529
Other purposes	3,909,298
Unrestricted	708,388
Total net position	84,143,640

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Statement of Activities
Fiscal Year Ended June 30, 2022

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	53,503,080	1,391,607	13,178,524		(38,932,949)
Support services	11,730,313	326,558	6,223,223		(5,180,532)
Administrative	6,247,532	6,890	494,157		(5,746,485)
Business admin services	1,973,902		145,714		(1,828,188)
Operations	6,531,937	7,537	959,743		(5,564,657)
Transportation	3,996,260	101,183	2,312,255		(1,582,822)
Noninstructional	4,401,388		4,406,581		5,193
Interest on long-term debt	160,533		227,758		67,225
Capital improvements	1,651,343		1,254,834		(396,509)
Total governmental activities	90,196,288	1,833,775	29,202,789	0	(59,159,724)
General revenues					
Taxes					
Property taxes					16,174,756
Property tax replacement					311,105
Investment earnings					(316,662)
State apportionment					
Base					49,528,835
Benefits					6,780,102
Federal grants					264,402
Other state revenues					560,448
Other local					1,716,208
Gain on disposition of assets					8,853
Gain on defeases of bond					855,560
Total general revenues					75,883,607
Change in net position					16,723,883
Net position - beginning					67,419,757
Net position - ending					84,143,640

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Combined Balance Sheet Governmental Funds June 30, 2022

	General	Debt Service	Capital Projects	ESSER II	ESSER III	All Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and investments	14,176,356	1,482,802	6,058,953			4,609,362	26,327,473
Receivables							
Taxes - current	2,122,334	2,190,677	762,418				5,075,429
Taxes - delinquent	222,939	233,369	80,087				536,395
State apportionment	406,934						406,934
Federal grants				2,458,375	3,857,742	2,346,793	8,662,910
State agencies	16,565	3,050					19,615
Lease receivable	805,216						805,216
Other	432,885					652,143	1,085,028
Prepaid expenses	349,384						349,384
Interfund receivable	7,084,973						7,084,973
Supplies inventory	273,068					129,114	402,182
Total assets	<u>25,890,654</u>	<u>3,909,898</u>	<u>6,901,458</u>	<u>2,458,375</u>	<u>3,857,742</u>	<u>7,737,412</u>	<u>50,755,539</u>
LIABILITIES							
Accounts payable	468,065		938,411	875,880	96,466	288,156	2,666,978
Accrued wages	7,077,221			16,942	251,871	890,398	8,236,432
Accrued employee benefits	2,060,803					262,941	2,323,744
Other payables	3,343						3,343
Interfund payable				1,565,553	3,509,405	2,010,015	7,084,973
Total liabilities	<u>9,609,432</u>	<u>0</u>	<u>938,411</u>	<u>2,458,375</u>	<u>3,857,742</u>	<u>3,451,510</u>	<u>20,315,470</u>
DEFERRED INFLOWS OF RESOURCES							
Unearned lease revenue	802,715						802,715
Unavailable revenue	222,939	233,369	80,087				536,395
Total deferred inflows of resources	<u>1,025,654</u>	<u>233,369</u>	<u>80,087</u>				<u>1,339,110</u>
FUND BALANCES							
Nonspendable							
Inventory	273,068					129,114	402,182
Prepaid expenses	349,384						349,384
Restricted for							
Debt service		3,676,529					3,676,529
Capital projects			5,882,960				5,882,960
Child nutrition						1,204,158	1,204,158
Other fund activities	956,668					2,952,630	3,909,298
Assigned	7,472,500						7,472,500
Unassigned	6,203,948						6,203,948
Total fund balances	<u>15,255,568</u>	<u>3,676,529</u>	<u>5,882,960</u>			<u>4,285,902</u>	<u>29,100,959</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>25,890,654</u>	<u>3,909,898</u>	<u>6,901,458</u>	<u>2,458,375</u>	<u>3,857,742</u>	<u>7,737,412</u>	<u>50,755,539</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, 2022

Total fund balances - governmental funds	29,100,959
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.	76,210,900
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.	536,395
The net pension liability (asset) and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position: Net pension asset is \$1,026,349, deferred inflows of resources related to pensions is \$32,833,407 and deferred outflows of resources related to pensions is \$18,963,533.	(12,843,525)
The net PERSI sick leave asset and the deferred outflows of resources and deferred inflows of resources related to PERSI sick leave are only reported in the Statement of Net Position: Net PERSI sick leave asset is \$4,589,634, deferred inflows of resources related to PERSI sick leave is (\$2,096,388) and deferred outflows of resources related to PERSI sick leave is \$1,193,931.	3,687,177
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.	(558,462)
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.	(728,782)
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	(6,945,000)
Lease payable	(1,264,560)
Accrued interest on the bonds	(59,721)
Compensated absences	(233,211)
OPEB obligation	(2,758,530)
	<u>(11,261,022)</u>
Total net position - governmental activities	<u>84,143,640</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, 2022

	General	Debt Service	Capital Projects	ESSER II	ESSER III	All Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	6,793,950	7,011,476	2,439,452				16,244,878
Penalties & interest on delinquent taxes	30,350	30,983	10,903				72,236
Earnings (loss) on investments	(300,557)	(16,551)				446	(316,662)
Transportation fees	101,183						101,183
Rental	7,537						7,537
Food service						27,794	27,794
Tuition	93,849						93,849
Contributions	65,887						65,887
Other local	575,071		1,000			1,965,938	2,542,009
State apportionment							
Base	49,528,835						49,528,835
Transportation	2,235,380						2,235,380
Exceptional child	89,619						89,619
Benefits	6,780,102						6,780,102
Other school support	678,345						678,345
Property tax replacement	(843)	311,948					311,105
Other state revenue	2,947,932	227,757				1,289,223	4,464,912
Vocational education	87,157						87,157
Federal contracts and grants	84			3,204,177	5,800,778	14,211,089	23,216,128
Total revenues	69,713,881	7,565,613	2,451,355	3,204,177	5,800,778	17,494,490	106,230,294
EXPENDITURES							
Current							
Instruction	44,521,341			551,520	2,080,688	8,679,932	55,833,481
Support services	6,481,681			1,435,537	2,465,899	1,595,218	11,978,335
Administration	6,081,347			83,290	156,126	299,102	6,619,865
Business administrative services	1,828,188			123,907	7,170	14,637	1,973,902
Operations	6,769,258		4,039		84,549	195,849	7,053,695
Transportation	3,818,568					76,875	3,895,443
Noninstructional	640					4,406,581	4,407,221
Debt service							
Principal		6,195,000					6,195,000
Interest		500,886					500,886
Fees		800					800
Facility acquisition			2,912,581	676,671	578,163	490,311	4,657,726
Total expenditures	69,501,023	6,696,686	2,916,620	2,870,925	5,372,595	15,758,505	103,116,354
Revenues over (under) expenditures	212,858	868,927	(465,265)	333,252	428,183	1,735,985	3,113,940

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, 2022

	General	Debt Service	Capital Projects	ESSER II	ESSER III	All Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Operating transfers, net	951,364		213,465	(333,252)	(428,183)	(403,394)	0
Gain on bond defeasance		855,560					855,560
Payment to refunded bond escrow agent		(6,485,000)					(6,485,000)
Total other financing sources (uses)	951,364	(5,629,440)	213,465	(333,252)	(428,183)	(403,394)	(5,629,440)
Net change in fund balances	1,164,222	(4,760,513)	(251,800)	0	0	1,332,591	(2,515,500)
Fund balance - July 1, 2021	14,091,346	8,437,042	6,134,760			2,953,311	31,616,459
Fund balance - June 30, 2022	15,255,568	3,676,529	5,882,960	0	0	4,285,902	29,100,959

The accompanying notes are an integral part of these statements.

Idaho Falls School District #91

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities *For Fiscal Year Ended June 30, 2022*

Total net change in fund balances - governmental funds:	(2,515,500)
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 and amortization expense. This is the amount by which capital outlays exceed depreciation and amortization and assets disposed.	478,750
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 \$142,359 this year.	(142,359)
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.	12,842,506
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The decrease in interest expense reported in the Statement of Activities is the net result of the decrease in accrued interest on bonds of \$100,986.	
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.	341,154
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>5,719,332</u>
Change in net position of governmental activities	<u><u>16,723,883</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, 2022

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. 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 custodial. 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, 2022

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.

ESSER II Fund - The ESSER II Fund is used to account for the financial resources used to support the District through the COVID19 pandemic timeframe and the resulting additional costs of operations.

ESSER III Fund - The ESSER III Fund is used to account for the financial resources used to support the District through the COVID19 pandemic timeframe and the resulting additional costs of operations.

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

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, 2022

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.

5. Budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, and Capital Projects funds. All annual appropriations lapse at fiscal year end. The District did amend its budgets in 2022.

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

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

6. Cash and Investments. Cash includes amounts in demand as well as short-term investments with a maturity date within three months of the date acquired by the District. The District pools cash of all funds into common bank accounts 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, 2022

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.

7. Short-term Interfund Receivables / Payables. During the course of operations, numerous transactions occur between individual funds and the General Fund for goods provided, or services rendered. These receivables and payables are classified as 'interfund receivable' or 'interfund payable' on the balance sheet.
8. 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.
9. Capital Assets. Capital assets, including land, buildings, improvements, and equipment assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$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 acquisition 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, 2022

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Lease Accounting. The District is a lessee in multiple noncancelable operating and financing leases. If the contract provides the District the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The implicit rates of the District's leases are not readily determinable and accordingly, the District has elected to use the State's Diversified Bond Fund (DBF) portfolio rate. This rate is used to calculate the present value of future lease payments. This rate is an alternative investment rate for other than short-term investments and is materially the same as the rate the District might incur from an external lender.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For all underlying classes of assets, the District has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The District recognizes short-term lease cost on a straight-line basis over the lease term.

In addition, under the new standard, the District has adopted a policy which evaluates the material nature of long-term leases as a group. For group calculations which fall below the policy threshold for recording, the District will not recognize the lease liability and ROU and will instead expense these costs as incurred. Copier leases is one such group.

The District is a lessor in multiple noncancelable leases. The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The District uses the incremental borrowing rate based on the information available at the commencement date for all leases. The District's incremental borrowing rate is the same rate used for the determination of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

12. Other Post-Employment Benefits. PERSI employees who retire and have not yet become eligible for Federal Medicare coverage are eligible to purchase insurance through the District's healthcare plan. Although retirees pay their own premium, there is an implicit cost due to increased group premiums when retirees are included in District insurance plans. For the purpose of measuring the net other post-employment benefit liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and other post-employment benefit expenses, information about fiduciary net position of the implicit medical benefit Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Benefit payments are recognized when due and payable in accordance with the benefit terms.

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

13. Pensions. For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
14. Long-term Obligations. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable, available, financial resources is reported as a fund liability of a governmental fund. The entire portion of such obligations is reported in the government-wide financial statements.
15. Deferred Outflows / Inflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three 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 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. The District has five 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 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 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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Lease-related amounts are recognized at the inception of leases in which the District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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 be 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.

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.

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.
21. Recently Adopted Accounting Pronouncement. In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. The statement enhances the relevance and consistency of reporting for the District's leasing activities by establishing requirements for lease accounting based on the principle that leases are financings of underlying right-to-use assets. A lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The District adopted this guidance retroactively for the year ended June 30, 2022. The adoption of this guidance did not affect beginning net position and, accordingly, restatement of beginning July 1, 2021, net position was not necessary.
22. Upcoming Accounting Pronouncements. GASB Statement No. 94 – Public/Private and Public/Public Partnership Arrangements: Issued to improve financial reporting related to public-private and public-public partnership arrangements (PPPs). Effective for the fiscal year ending June 30, 2023.

GASB Statement No. 96 – Subscription Based Information Technology Arrangements: Issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Effective for the fiscal year ending June 30, 2023.

GASB Statement No. 91, Conduit Debt Obligations: Issued May 2019, the objective of this statement is to provide for a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. This statement is effective for the fiscal year ending June 30, 2023.

GASB Statement No. 92 – Omnibus 2020: Issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature relative to certain GASB Statements. Effective for the fiscal year ending June 30, 2023.

NOTE B CASH AND INVESTMENTS

At June 30, 2022, the carrying amount of the District's deposits was \$6,886,971 and the bank balance was as follows:

	Bank Balance
Insured by Federal Depository Insurance	890,904
Uninsured and uncollateralized	6,558,315
Total	7,449,219

Idaho Falls School District #91

Notes to Financial Statements June 30, 2022

NOTE B CASH AND INVESTMENTS, continued

At June 30, 2022, 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	13,945,510	13,920,409	108 days
Diversified Bond Fund at NAV	5,786,841	5,520,093	3.27 years
Total investments	<u>19,732,351</u>	<u>19,440,502</u>	

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, 2022, \$6,558,315 of the District's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the investments, \$13,920,409 was held in two accounts in the State Treasurer's Investment Pool, and \$5,520,093 was held in the Diversified Bond Fund which are not insured or guaranteed by the FDIC.

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 Annual Comprehensive 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.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2022

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, 2022, balances of interfund amounts receivable or payable have been recorded as follows:

	Receivable	Payable
General Fund	7,084,973	
ESSER II		1,565,553
ESSER III		3,509,405
Nonmajor Funds		2,010,015
Total	<u>7,084,973</u>	<u>7,084,973</u>

The General Fund transferred \$119,677 to Child Nutrition as required by state law. The General Fund transferred \$213,465 to Capital Projects for bus depreciation. ESSER II and ESSER III transferred \$333,252 and \$428,183, respectively, to the General Fund for payment of indirect costs. The federal programs transferred \$523,071 to the General Fund for payment of indirect costs.

NOTE E CONSTRUCTION COMMITMENTS

During the year ended June 30, 2022, the District contracted with various contractors to do certain projects, revisions, and additions. The District has incurred architect fees but has not awarded a contract for the 49th Street Complex, but the project was not started until after year end. The following construction contracts were in progress at June 30, 2022:

Project	Original bid plus changes	Average percent complete	Expenditures Recorded Currently	Remaining construction obligation
Ravsten turf project	2,627,621	64.6%	1,698,072	929,549
Ravsten lights project	310,634	0%	0	310,634
IFHS electrical upgrade	1,018,990	0%	0	1,018,990
Admin office project	1,427,294	2.8%	39,662	1,387,632
CTE remodel	<u>2,370,588</u>	<u>36.2%</u>	<u>857,405</u>	<u>1,513,183</u>
Total	<u>7,755,127</u>		<u>2,595,139</u>	<u>5,159,988</u>

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

NOTE F CAPITAL ASSETS

Following is a summary of the capital assets at June 30, 2022:

	Balance July 1, 2021	Additions	Deductions	Transfers	Balance June 30, 2022
Capital assets, not being depreciated					
Land					
Elementary	1,216,258				1,216,258
Secondary	1,955,897				1,955,897
Administration	89,382				89,382
Construction in progress	572,879	2,595,139		(572,879)	2,595,139
Total capital assets, not being depreciated	3,834,416	2,595,139	0	(572,879)	5,856,676
Capital assets, being depreciated					
Buildings					
Elementary	67,943,909	39,663			67,983,572
Secondary	42,025,588	104,593		59,523	42,189,704
Administration	6,149,181	217,717		513,356	6,880,254
Total buildings	116,118,678	361,973	0	572,879	117,053,530
Equipment					
Elementary	757,061				757,061
Secondary	1,683,407	180,209			1,863,616
Administration	1,588,049	49,061	(49,985)		1,587,125
Total equipment	4,028,517	229,270	(49,985)	0	4,207,802
Vehicles	6,315,349	125,807	(373,738)	0	6,067,418
Total capital assets, being depreciated	126,462,544	717,051	(423,723)	572,879	127,328,750
Less accumulated depreciation for:					
Buildings	(47,896,963)	(2,183,853)			(50,080,816)
Equipment	(3,137,700)	(145,978)	26,659		(3,257,019)
Vehicles	(4,948,560)	(318,970)	373,738		(4,893,792)
Total accumulated depreciation	(55,983,223)	(2,648,801)	400,397	0	(58,231,627)
Total capital assets being depreciated, net	70,479,321	(1,931,750)	(23,326)	572,879	69,097,124
Right of use assets:					
Leased asset	157,401	1,261,013			1,418,414
Less amortization		(161,313)			(161,313)
Total right of use asset, net	157,401	1,099,700	0	0	1,257,101
Governmental activities capital assets, net	74,471,138	1,763,088	(23,326)	0	76,210,900

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE F CAPITAL ASSETS, continued

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

Governmental activities	
Instruction	1,700,322
Support services	352,485
Administration	199,782
Operations	837
Transportation	319,225
Noninstructional	136,146
Facility Acquisition	101,317
Total depreciation expense – governmental activities	<u>2,810,114</u>

NOTE G PAYROLL EXPENDITURES AND RELATED LIABILITIES

Teacher contracts were signed for the nine-month period September 1, 2021, through May 31, 2022, to be paid over the twelve months of September 1, 2021, through August 31, 2022. The financial statements reflect the salary expense for this period. The accrued payroll reflects the final two months of these contracts.

NOTE H 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 2022, the District contributed approximately \$254,822 of the annual required contribution of \$271,412. 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, 2022, and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Methods and Assumptions. The District does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the June 30, 2022, accounting valuation:

Valuation Timing	Actuarial valuations are performed biennially as of June 30 for accounting purposes only. The most recent valuation was performed as of June 30, 2022.
Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.05%

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

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

Discount Rate	3.50%
Health Cost Trend Rates	7.00% decreasing to 6.50%, then decreasing by .10% per year down to 4.50% and level thereafter.
Retirement	Based on PERSI for Teacher's with 32% of males and 33% of females eligible at age 55, 36% of males and 32% of females first year eligible at age 60, and 36% of males and 44% of females eligible at age 65. Based on PERSI (General) with 20% of males and 19% of females eligible at age 55, 21% of males and 29% of females first year eligible at age 60, 31% of males and 36% of females eligible at age 65 and 14% of males and 18% of females eligible at age 70.
Turnover	40% of active employees currently electing coverage. 25% of future covered retirees are assumed to cover a spouse in retirement.
Mortality	General and Teacher Pub-2010 Mortality Tables adjusted for future mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010.

Total OPEB Liability	June 30, 2022
Total OPEB liability	2,758,530
Covered employee payroll	46,391,289
Total OPEB liability as a % of covered employee payroll	5.95%

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.

Other Key Actuarial Assumptions

The total OPEB liability as of June 30, 2022, was based on the 2021 PERSI Experience study from 2015-20 for demographic assumptions.

Changes in total OPEB liability	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2021	2,959,693
Changes for the year:	
Service cost	271,412
Interest on total OPEB liability	66,780
Differences between expected and actual experience	(498,746)
Effect of assumptions, changes, or inputs	214,213
Expected benefit payments	(254,822)
Net changes	(201,163)
Balance as of June 30, 2022	2,758,530

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

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

Sensitivity Analysis

The following presents the total OPEB liability of the school district, calculated using the discount rate of 3.50%, as well as what the school district's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total June 30, 2022, OPEB liability	2,946,122	2,758,530	2,581,279

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

	1% Decrease (5.5% Decreasing to 4%)	Healthcare cost trend rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Total June 30, 2022, OPEB liability	2,462,194	2,758,530	3,110,352

OPEB Expense

Service cost	271,412
Interest on total OPEB liability	66,780
Changes	
Recognition of assumption changes	41,572
Recognition of experience gains and losses	(155,421)
OPEB expense	224,343

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		(100,911)
Changes of assumptions or other inputs	96,445	June 30, 2018	14.34	(6,726)	69,541	
Changes of assumptions or other inputs	91,322	June 30, 2019	13.56	(6,735)	71,117	
Difference between expected & actual experience	(812,206)	June 30, 2020	9.00	90,245		(541,471)
Changes of assumptions or other inputs	38,790	June 30, 2020	9.00	(4,310)	25,860	
Difference between expected & actual experience	(498,746)	June 30, 2022	9.00	55,416		(443,330)
Changes of assumptions or other inputs	214,213	June 30, 2022	9.00	(23,801)	190,412	
Total	(1,010,133)			113,849	356,930	(1,085,712)

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:	
2023	(113,849)
2024	(113,849)
2025	(113,849)
2026	(113,849)
2027	(113,849)
Thereafter	(159,537)

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

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

NOTE I PERSI SICK LEAVE INSURANCE RESERVE FUND

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

OPEB Benefits

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. PERSI did not require any District contributions after December of 2019. The District had no contributions for the year ended June 30, 2022. Contribution requirements are set to continue in fiscal year 2023.

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

At June 30, 2022, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, 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, 2021, the District's proportion was 3.1604601 percent.

For the year ended June 30, 2022, the District recognized an OPEB expense offset of \$250,065. There were no amounts reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2022

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

At June 30, 2022, 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	654,868	
Changes in assumptions or other inputs	539,063	869,475
Net difference between projected and actual earnings on OPEB plan investments		1,226,913
Total	<u>1,193,931</u>	<u>2,096,388</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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	5.45%

The long-term expected rate of return on OPEB plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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

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

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

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

Capital Market Assumptions

Asset Class	Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT Expected Real Rate of Return (Arithmetic)
Core Fixed Income	50.00%	2.80%	(.20)%
Broad U.S. Equity	39.30%	8.00%	6.00%
Developed Foreign Equities	10.70%	8.25%	6.25%
Assumed Inflation – Mean		2.00%	2.00%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-term Expected Real Rate of Return, Net of Investment Expenses			3.15%
Assumed Inflation			2.30%
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses			5.45%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.45%. 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 5.45 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 (4.45 percent) or 1-percentage-point higher (6.45 percent) than the current rate:

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer's proportionate share of the net OPEB liability (asset)	(3,982,738)	(4,589,634)	(5,156,513)

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

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

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the OPEB plan

At June 30, 2022, 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 J PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE J PENSION PLAN, continued

The contribution rates for employees are set by statute at 60% of the employer rate. As of June 30, 2021, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The District's contributions were \$6,287,062 for the year ended June 30, 2022.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the District's proportion was 1.2995385 percent.

For the year ended June 30, 2022, the District recognized pension expense offset of \$6,677,878. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	1,512,183	596,584
Changes in assumptions or other inputs	11,781,160	
Net difference between projected and actual earnings on pension plan investments		32,236,823
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions	(616,872)	
District contributions subsequent to the measurement date	6,287,062	
Total	18,963,533	32,833,407

\$6,287,062 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, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020, the beginning of the measurement period ended June 30, 2020, is 4.7 years and 4.6 years for the measurement period ended June 30, 2021.

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

Year ended June 30:	
2022	1,507,072
2023	(4,305,258)
2024	(3,785,412)
2025	(7,286,274)

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE J PENSION PLAN, continued

Actuarial Assumptions

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

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, 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

Assumption used to calculate the enclosed figures are described in our 2021 Experience study. The total pension liability as of June 30, 2021 is based on the results of an actuarial valuation date July 1, 2021

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

Idaho Falls School District #91

Notes to Financial Statements
June 30, 2022

NOTE J PENSION PLAN, continued

Capital Market Assumptions

Asset Class	Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	(.20) %
Broad U.S. Equity	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation – Mean		2.00%	2.00%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%
Portfolio Long-term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			2.30%
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses			6.35%

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 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 (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	35,678,067	(1,026,349)	(31,113,695)

Idaho Falls School District #91

Notes to Financial Statements

June 30, 2022

NOTE J PENSION PLAN, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At June 30, 2022, the District reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE K POST-RETIREMENT BENEFITS

The District funds post-retirement benefits on a current basis through PERSI. At January 1, 2020, the required contribution rate went to 0.0% which lasted through 2022. Contribution requirements are set to resume in fiscal year 2023. 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 L LONG-TERM DEBT

Following is a summary of the changes the general long-term debt for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Refunding	Balance June 30, 2022	Current Portion
Bonds payable	19,625,000		6,195,000	6,485,000	6,945,000	710,000
Premium	688,892		185,299		503,593	151,532
Total bonds/premium	20,313,892	0	6,380,298	6,485,000	7,448,593	861,532
Lease payable		1,418,414	153,854		1,264,560	274,902
Compensated absences	219,524	13,687			233,211	233,211
Net pension liability	29,198,776		29,198,776			
OPEB	2,959,693		201,163		2,758,530	
Total	23,493,109	1,432,101	35,934,091	6,485,000	11,704,894	1,369,645

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.

On August 6, 2020, the District issued \$5,430,000 in general obligation refunding bonds. The District completed the advanced refunding in 2021 and again in 2022. The 2022 refunding was completed to reduce its total debt service payments over the next 8 years by \$6,868,900 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$842,629.

The advanced refunding during 2021 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$164,607. This difference is reported in the statement of net position as a deferred outflow of resources and will be recognized as a component of interest expense over the life of the series 2020 general obligation refunding bonds.

Idaho Falls School District #91

Notes to Financial Statements June 30, 2022

NOTE M GENERAL OBLIGATION BOND ISSUES

The District had two general obligation bond issues (2012B Series, and 2020 refunding Series) outstanding at the end of the year. The 2020 general refunding bonds were originally \$5,430,000 due in principal payments of \$710,000 to \$720,000 through September 15, 2023, interest at .84%. The 2012B general obligation bond was originally \$29,670,000 and is due in annual installments of \$1,080,000 to \$1,685,000 through September 15, 2028, interest from 3.0% to 4.0%, including unamortized bond premium of \$503,593.

Payments on the general obligation bonds are made by the debt service fund from property taxes and state bond levy equalization support.

Future debt service requirements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2023	906,880	196,880	710,000
2024	910,874	190,874	720,000
2025	187,850	187,850	0
2026	1,246,250	166,250	1,080,000
2027	1,281,450	121,450	1,160,000
2028-2029	3,374,675	99,675	3,275,000
Total	<u>7,907,979</u>	<u>962,979</u>	<u>6,945,000</u>

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

<u>Principal</u>	<u>2012B</u>	<u>2020</u>	<u>Total</u>
Balances at July 1, 2021	14,195,000	5,430,000	19,625,000
Bonds issued			
Bonds retired during fiscal year	(2,195,000)	(4,000,000)	(6,195,000)
Bonds refunded	(6,485,000)		(6,485,000)
Balances at June 30, 2022	<u>5,515,000</u>	<u>1,430,000</u>	<u>6,945,000</u>
<u>Interest to be provided</u>	<u>2012B</u>	<u>2020</u>	<u>Total</u>
Balances at July 1, 2021	1,825,975	40,866	1,866,841
Interest paid on bonds during fiscal year	(491,150)	(28,812)	(519,962)
Change in interest due to refunding	(383,900)		(383,900)
Balances at June 30, 2022	<u>950,925</u>	<u>12,054</u>	<u>962,979</u>

NOTE N LEASES

The District has two leases outstanding at year end. Details of the leases are as follows:

Yost/Pacific Office – This agreement is made of 1 master lease agreement with several addendums. Lease agreements are dated between September 2020 through May 2022 with combined monthly installments of \$3,745, including imputed interest at 1.38%. The agreements expire between May and September 2025. These lease are for office equipment.

137,915

JH Building – Lease agreement dated January 2022 with monthly installments of \$20,160 with an annual payment increase of 3%, and including imputed interest at 1.38%, through December 2026. This lease covers building use.

1,126,645

Total

1,264,560

Idaho Falls School District #91

Notes to Financial Statements June 30, 2022

NOTE N LEASES, continued

Future debt service requirements are as follows:

Fiscal Year Ended June 30, 2022	Total	Interest	Principal
2023	290,315	15,413	274,902
2024	297,669	11,536	286,133
2025	304,685	7,502	297,183
2026	274,311	3,565	270,746
2027	135,986	390	135,596
Total	1,302,966	38,406	1,264,560

District as Lessor

The District, as a lessor, has entered into lease agreements with Verizon for space on 3 of their buildings for cell towers. The leases commenced in July of 2016 with an initial annual payment of \$36,000 and an annual increase set at 2% for each year thereafter. The lease term is for 5 years with 4 renewal options, which the District is reasonably certain will be exercised. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows recognized during the fiscal year was \$39,747. The future minimum lease payments to be received under these leases are as follows:

Fiscal Year Ended June 30, 2022	Total	Interest	Principal
2023	51,654	11,112	40,542
2024	40,793	10,552	30,241
2025	41,763	10,135	31,628
2026	42,588	9,699	32,889
2027	43,431	9,245	34,186
2028-2032	230,396	38,773	191,623
2033-2037	254,130	24,530	229,600
2038-2041	222,033	7,526	214,507
Total	926,788	121,572	805,216

NOTE O 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 \$6,752,165,403 x 5%, or \$337,608,270. The Debt Service fund had \$3,676,529 available and the general obligation debt was \$6,945,000 leaving a legal debt margin of \$334,339,799.

NOTE P NON-MONETARY TRANSACTIONS

The District received \$236,703 in USDA Commodities during the 2021-2022 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 S SUBSEQUENT EVENTS

Management of the District evaluated subsequent events through November 10, 2022, which was the date the financial statements were available to be issued. There were no subsequent type events, identified by management of the District, that are required to be disclosed.

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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, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Property taxes	6,800,000	6,800,000	6,793,950	(6,050)
Penalties and interest on delinquent taxes	45,000	30,350	30,350	0
Earnings on investments	200,000	50,000	(300,557)	(350,557)
Transportation fees	150,000	100,000	101,183	1,183
Tuition	60,000		93,849	93,849
Rental	5,000	5,000	7,537	2,537
Contributions	25,000	25,000	65,887	40,887
Other local	63,950	487,650	575,071	87,421
State apportionment				
Base	46,651,200	49,540,721	49,528,835	(11,886)
Transportation	2,057,552	2,300,000	2,235,380	(64,620)
Exceptional child	150,000	150,000	89,619	(60,381)
Benefits	6,369,295	6,773,685	6,780,102	6,417
Other school support	605,865	678,345	678,345	0
Property tax replacement	151,500	151,500	(843)	(152,343)
Other state revenue	2,749,139	2,377,161	2,947,932	570,771
Vocational education	133,326	133,326	87,157	(46,169)
Federal Grants and assistance			84	84
Total revenues	<u>66,216,827</u>	<u>69,602,738</u>	<u>69,713,881</u>	<u>111,143</u>
EXPENDITURES				
Instruction				
Elementary	18,877,645	19,877,645	18,758,887	1,118,758
Secondary	17,333,335	18,333,335	16,904,311	1,429,024
Alternative school	841,722	841,722	750,371	91,351
Professional technical education	875,476	875,476	1,013,977	(138,501)
Exceptional child	4,363,197	4,363,197	4,056,451	306,746
Special education preschool program	392,188	392,188	419,466	(27,278)
Gifted and talented	234,124	234,124	253,190	(19,066)
Interscholastic program	655,109	655,109	866,817	(211,708)
School activity	104,396	204,366	112,920	91,446
Summer school	957	214,545	1,276,831	(1,062,286)
Detention center	120,140	120,200	108,120	12,080
Total instruction	<u>43,798,289</u>	<u>46,111,907</u>	<u>44,521,341</u>	<u>1,590,566</u>
Support services				
Attendance, guidance, and health	3,282,884	3,282,884	3,173,241	109,643
Special education support services	788,225	788,225	383,636	404,589
Instructional improvement	1,209,916	1,209,916	1,033,500	176,416
Educational media	455,967	455,967	445,450	10,517
Instruction related technology	1,457,286	2,457,286	1,445,854	1,011,432
Total support services	<u>7,194,278</u>	<u>8,194,278</u>	<u>6,481,681</u>	<u>1,712,597</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, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
EXPENDITURES, continued				
Administration				
Board of Education	357,514	357,514	337,595	19,919
District administration	1,057,557	1,057,557	1,199,279	(141,722)
School administration	4,365,881	4,365,881	4,544,473	(178,592)
Total administration	<u>5,780,952</u>	<u>5,780,952</u>	<u>6,081,347</u>	<u>(300,395)</u>
Business administrative services				
Business operations	681,277	681,277	1,245,618	(564,341)
Central services	124,680	124,680	126,142	(1,462)
Administrative technology services	503,697	503,697	456,428	47,269
Total business administrative services	<u>1,309,654</u>	<u>1,309,654</u>	<u>1,828,188</u>	<u>(518,534)</u>
Operations				
Building care (custodial)	3,476,535	3,476,535	3,597,929	(121,394)
Maintenance	2,800,148	2,800,148	3,010,588	(210,440)
Security	160,000	160,000	160,741	(741)
Total operations	<u>6,436,683</u>	<u>6,436,683</u>	<u>6,769,258</u>	<u>(332,575)</u>
Transportation	<u>3,254,723</u>	<u>3,854,723</u>	<u>3,818,568</u>	<u>36,155</u>
Noninstructional	<u>32,608</u>		<u>640</u>	<u>(640)</u>
Contingency reserve	<u>3,405,671</u>	<u>3,594,316</u>		<u>3,594,316</u>
Facility acquisition services				<u>0</u>
Total expenditures	<u>71,212,858</u>	<u>75,282,513</u>	<u>69,501,023</u>	<u>5,781,490</u>
Revenues over (under) expenditures	(4,996,031)	(5,679,775)	212,858	5,892,633
OTHER FINANCING SOURCES (USES)				
Operating transfers, net	<u>(159,178)</u>	<u>(52,180)</u>	<u>951,364</u>	<u>1,003,544</u>
EXTRAORDINARY ITEM				
Closeout of Pancheri UR District				<u>0</u>
Revenues and other financing sources over (under) expenditures	<u>(5,155,209)</u>	<u>(5,731,955)</u>	<u>1,164,222</u>	<u>6,896,177</u>
Fund balance - July 1, 2021			<u>14,091,346</u>	
Fund balance - June 30, 2022			<u>15,255,568</u>	

See Independent Auditor's Report.

Idaho Falls School District #91

ESSER II Statement of Revenues, Expenditures, and Changes in Fund Balance -Budget to Actual- Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Federal Grants and assistance	6,261,930	2,281,142	3,204,177	923,035
Total revenues	6,261,930	2,281,142	3,204,177	923,035
EXPENDITURES				
Instruction				
Elementary	1,326,175	65,775	50,575	15,200
Secondary	1,513,223	77,047	77,047	0
Professional technical education		470,870	341,578	129,292
Exceptional child		38,850	82,320	(43,470)
Total instruction	2,839,398	652,542	551,520	101,022
Support services				
Instructional improvement	2,155,451	112,870	801,372	(688,502)
Instruction related technology	587,386	607,464	634,165	(26,701)
Total support services	2,742,837	720,334	1,435,537	(715,203)
Administration				
District administration	12,000	9,563	19,564	(10,001)
School administration	127,695	64,446	63,726	720
Total administration	139,695	74,009	83,290	(9,281)
Business administrative services				
Business operations		19,959	37,940	(17,981)
Central services		132,000	82,000	50,000
Total business administrative services	0	155,926	123,907	32,019
Facility acquisition services	540,000	678,331	676,671	1,660
Total expenditures	6,261,930	2,281,142	2,870,925	(589,783)
Revenues over (under) expenditures			333,252	333,252
OTHER FINANCING SOURCES (USES)				
Operating transfers, net			(333,252)	(333,252)
Revenues and other financing sources over (under) expenditures	0	0	0	0
Fund balance - July 1, 2021			0	
Fund balance - June 30, 2022			0	

See Independent Auditor's Report.

Idaho Falls School District #91

ESSER III Statement of Revenues, Expenditures, and Changes in Fund Balance -Budget to Actual- Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES				
Federal Grants and assistance	14,771,261	2,845,869	5,800,778	2,954,909
Total revenues	14,771,261	2,845,869	5,800,778	2,954,909
EXPENDITURES				
Instruction				
Elementary	6,499,355	737,186	999,461	(262,275)
Secondary	6,499,355	786,493	1,081,227	(294,734)
Total instruction	12,998,710	1,523,679	2,080,688	(557,009)
Support services				
Attendance, guidance, and health			111,333	(111,333)
Special education support services			224,097	(224,097)
Instructional improvement			143,539	(143,539)
Support services		314,813	315,570	(757)
Instruction related technology		146,301	1,671,360	(1,525,059)
Total support services	0	461,114	2,465,899	(2,004,785)
Administration				
District administration		71,837	73,433	(1,596)
School administration	1,772,551	82,478	82,693	(215)
Total administration	1,772,551	154,315	156,126	(1,811)
Business administrative services	0	7,172	7,170	2
Operations				
Building care (custodial)			10,659	(10,659)
Maintenance			73,890	(73,890)
Total operations	0	0	84,549	(84,549)
Facility acquisition services	0	699,589	578,163	121,426
Total expenditures	14,771,261	2,845,869	5,372,595	(2,526,726)
Revenues over (under) expenditures	0	0	428,183	428,183
OTHER FINANCING SOURCES (USES)				
Operating transfers, net			(428,183)	(428,183)
Revenues and other financing sources over (under) expenditures	0	0	0	0
Fund balance - July 1, 2021			0	
Fund balance - June 30, 2022			0	

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2022

Schedule of Changes in Total OPEB Liability and Related Ratios

As of the measurement date of June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	271,412	265,440	293,486	293,108	272,179
Interest on total OPEB liability	66,780	65,251	123,575	120,091	128,384
Changes of benefit terms					
Differences between expected and actual experience	(498,746)		(812,206)		(139,951)
Effect of assumption changes or inputs	214,213		38,790	91,322	96,445
Expected benefit payments	(254,822)	(276,608)	(243,990)	(284,458)	(253,787)
Net change in total OPEB liability	(201,163)	54,083	(600,345)	220,063	103,270
Total OPEB liability, beginning	2,959,693	2,905,610	3,505,955	3,285,892	3,182,622
Total OPEB liability, ending	2,758,530	2,959,693	2,905,610	3,505,955	3,285,892
Covered valuation payroll	46,391,289	40,366,648	40,366,648	33,378,450	32,172,000
Total OPEB liability as a % of covered valuation payroll	5.95%	7.33%	7.20%	10.50%	10.21%

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

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2022

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

	2021	2020	2019	2018	2017
Employer's portion of net OPEB asset	3.1604601%	3.1604601%	3.2767099%	3.2956631%	3.33184485%
Employer proportionate share of the net OPEB asset	4,589,634	3,891,493	3,138,446	2,733,586	2,547,338
Employer's covered-employee valuation payroll	48,427,157	44,699,028	42,708,247	40,806,676	38,949,285
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	9.477%	8.706%	7.349%	6.699%	6.540%
Plan fiduciary net position as a percentage of the total OPEB asset	152.61%	152.87%	138.51%	135.69%	136.78%

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

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

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

	2022	2021	2020	2019	2018
Statutorily required contribution			(281,604)	(538,124)	(514,005)
Contributions in relation to the statutorily required contribution			283,929	538,124	514,005
Contribution (deficiency) excess			2,325		
Employer's covered-employee payroll	52,655,460	48,427,157	44,699,028	42,708,247	40,806,676
Contributions as a percentage of covered-employee payroll	0.000%	0.000%	0.630%	1.260%	1.260%

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

Data reported is measured as of June 30, 2022 (reporting date).

See Independent Auditor's Report.

Idaho Falls School District #91

Required Supplementary Information
Fiscal Year Ended June 30, 2022

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

	2021	2020	2019	2018	2017	2016	2015	2014
Employer's portion of net pension liability	1.2995385%	1.2574123%	1.2617045%	1.2610880%	1.2540293%	1.2689501%	1.2747356%	1.3247276%
Employers proportionate share of the net pension liability	(1,026,349)	29,198,776	14,402,005	18,601,268	19,711,186	25,723,567	16,786,194	9,752,068
Employer's covered payroll	48,427,157	44,699,028	42,708,247	40,806,676	38,949,285	36,883,746	35,429,127	35,623,545
Employer's proportional share of the net pension liability as a percentage of its covered payroll	-2.12%	65.32%	33.72%	45.58%	50.61%	69.74%	47.38%	27.38%
Plan fiduciary net position as a percentage of the total pension liability	100.36%	88.22%	93.79%	91.68%	90.68%	87.26%	91.38%	94.95%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	6,287,062	5,782,203	5,337,064	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
Contributions in relation to the statutorily	6,287,062	5,782,203	5,337,064	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
Contribution (deficiency) excess required contribution	0	0	0	0	0	0	0	0
Employer's covered payroll	52,655,460	48,427,157	44,699,028	42,708,247	40,806,676	38,949,285	36,883,746	35,429,127
Contributions as a percentage of covered payroll	11.9400%	11.9400%	11.9400%	11.3200%	11.3200%	11.3200%	11.3200%	11.3200%

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

Data reported is measured as of June 30, 2022 (reporting date).

See Independent Auditor's Report.

Idaho Falls School District #91

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2022

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, Capital Projects Fund, ESSER II Fund, and ESSER III Fund. All annual appropriations lapse at year end.

NOTE B EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Actual expenditures exceeded budget for the Debt Service, ESSER II, and ESSER III Funds.

NOTE C OPEB NOTES

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

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

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OTHER FINANCIAL INFORMATION

Idaho Falls School District #91

All Nonmajor Funds
Combining Balance Sheet
June 30, 2022

	Federal Forest	E- Rate	School Activities	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	ESSER I	Covid Relief Funds	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	Premium Pay	Child Nutrition	Expendable Fdn.	All Nonmajor Funds
ASSETS																							
Cash and investments	160,774		2,068,108	74,431	584,802	154,203			9,300	7,992			6,589		3,909		22,029		55,905	1,196	1,440,376	19,748	4,609,362
Receivables																							
Federal grants receivable							602,246			4,477	17,684	1,153,138	33,901		11,301	145,979	56,452	217,345	34,832		69,438		2,346,793
Other receivables														652,643								(500)	652,143
Supplies inventory																					129,114		129,114
Total assets	160,774	0	2,068,108	74,431	584,802	154,203	602,246	0	9,300	12,469	17,684	1,153,138	40,490	652,643	15,210	145,979	78,481	217,345	90,737	1,196	1,638,928	19,248	7,737,412
LIABILITIES AND FUND BALANCE																							
LIABILITIES																							
Accounts payable	1,639		60,762	3,549	27,702	6,222	130,853				55	17,854	14	4,247			5,278	13,433	907		15,561	80	288,156
Accrued wages			458	51,782	275		246,410		8,639	4,410	6,295	227,798	11,654	35,151	1,743	5,716	16,660	34,441	17,662	1,000	220,304		890,398
Accrued employee benefits			88	13,360	592		55,357		661	2,267	4,046	78,627	2,350	11,911	1,254	716	6,100	12,181	3,444	196	69,791	-	262,941
Interfund payable							169,626			5,792	7,288	828,859	26,472	601,334	12,213	132,417		157,290	68,724				2,010,015
Total liabilities	1,639	0	61,308	68,691	28,569	6,222	602,246	0	9,300	12,469	17,684	1,153,138	40,490	652,643	15,210	138,849	28,038	217,345	90,737	1,196	305,656	80	3,451,510
FUND BALANCE																							
Nonspendable																					129,114		129,114
Restricted	159,135		2,006,800	5,740	556,233	147,981										7,130	50,443				1,204,158	19,168	4,156,788
Total fund balance	159,135	0	2,006,800	5,740	556,233	147,981	0	0	0	0	0	0	0	0	0	7,130	50,443	0	0	0	1,333,272	19,168	4,285,902
Total liabilities and fund balance	160,774	0	2,068,108	74,431	584,802	154,203	602,246	0	9,300	12,469	17,684	1,153,138	40,490	652,643	15,210	145,979	78,481	217,345	90,737	1,196	1,638,928	19,248	7,737,412

Idaho Falls School District #91

All Nonmajor Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Fiscal Year Ended June 30, 2022

	Federal Forest	E- Rate	School Activities	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	ESSER I	Covid Relief Funds	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	Premium Pay	Child Nutrition	Expendable Fdn.	All Nonmajor Funds
REVENUES																							
Earnings on investments																					446		446
Food service																					27,794		27,794
Other local			1,960,938																		5,000		1,965,938
Other state revenue				328,346	841,469	119,408																	1,289,223
Federal contracts and grants	33,913						1,842,740	22,936	995,084	80,931	72,490	2,544,349	94,201	1,624,316	82,081	157,139	104,188	478,430	153,407	1,126,514	4,798,370		14,211,089
Total revenues	33,913	0	1,960,938	328,346	841,469	119,408	1,842,740	22,936	995,084	80,931	72,490	2,544,349	94,201	1,624,316	82,081	157,139	104,188	478,430	153,407	1,126,514	4,831,610	0	17,494,490
EXPENDITURES																							
Instruction																							
Elementary	17,368						1,364,733		735,283	14,660		576		1,196	34,425		56,881	256,553	153,407	265,114		(15,257)	2,884,939
Secondary	17,969						302,397		184,506	710		0	0	0	44,797		45,848	102,691		247,638		18,923	965,479
Alternative school									300											10,976			11,276
Exceptional child												2,176,061		1,296,562						169,731			3,642,354
Special ed preschool program												37	92,882							13,133			106,052
Gifted and talented																				3,568			3,568
School activity			504,343																	256			504,599
Summer school												2,455											2,455
Vocational				325,678												136,203				21,262			483,143
Detention center program											72,490									3,577			76,067
Support services																							
Attendance, guidance, and health									2,100			127,001		282,209						63,553			474,863
Instructional improvement				129,274		12,594	56,298	22,936	6,445	31,497		206,184			2,640	2		112,365		18,818			599,053
Instructional related technology					473,494				9,300						219					38,289			521,302
School administration							95,347		16,500	32,931				44,349		20,934		122		88,907	12		299,102
Business administration service									1,500											13,137			14,637
Security						91,117			20,550											84,182			195,849
Transportation																				76,875			76,875
Noninstructional services									18,600											7,498	4,077,591		4,103,689
Student Activities			302,892																				302,892
Facility acquisition		40,311		450,000																			490,311
Total expenditures	35,337	40,311	807,235	904,952	473,494	103,711	1,818,775	22,936	995,084	79,798	72,490	2,512,314	92,882	1,624,316	82,081	157,139	102,729	471,731	153,407	1,126,514	4,077,591	3,678	15,758,505
Revenues over (under) expenditures	(1,424)	(40,311)	1,153,703	(576,606)	367,975	15,697	23,965			1,133		32,035	1,319				1,459	6,699			754,019	(3,678)	1,735,985
OTHER FINANCING SOURCES (USES)																							
Net transfers							(23,965)			(1,133)		(32,035)	(1,319)				(1,459)	(6,699)			(336,784)		(403,394)
Total other financing sources	0	0	0	0	0	0	(23,965)	0	0	(1,133)	0	(32,035)	(1,319)	0	0	0	(1,459)	(6,699)	0	0	(336,784)	0	(403,394)
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,424)	(40,311)	1,153,703	(576,606)	367,975	15,697															417,235	(3,678)	1,332,591
Fund balance - July 1, 2021	160,559	40,311	853,097	582,346	188,258	132,284	0	0	0	0	0	0	0	0	0	7,130	50,443	0	0	0	916,037	22,846	2,953,311
Fund balance - June 30, 2022	159,135	0	2,006,800	5,740	556,233	147,981	0	0	0	0	0	0	0	0	0	7,130	50,443	0	0	0	1,333,272	19,168	4,285,902

See Independent Auditor's Report.

Idaho Falls School District #91

Schedule of Taxes Receivable Fiscal Year Ended June 30, 2022

	General Fund		
	Total	2021	2020 and prior
Unearned balance at July 1, 2020	280,300	0	280,300
ADDITIONS			
Roll charges applicable to 2020	6,769,924	6,769,924	
Subsequent additions and cancellations	(33,320)	(32,284)	(1,036)
Total additions	6,736,604	6,737,640	(1,036)
DEDUCTIONS			
Collections received	4,671,631	4,466,773	204,858
Current amount due on taxes collected by the county	2,122,334	2,114,044	8,290
Total deductions	6,793,965	6,580,817	213,148
Unearned balance at June 30, 2021	222,939	156,823	66,116

See Independent Auditor's Report.

Idaho Falls School District #91

Schedule of Taxes Receivable Fiscal Year Ended June 30, 2022

Debt Service Fund			Capital Projects Fund		
Total	2021	2020 and prior	Total	2021	2020 and prior
297,762	0	297,762	100,692	0	100,692
6,981,476 (34,392)	6,981,476 (33,309)	(1,083)	2,430,815 (11,968)	2,430,815 (11,598)	(370)
6,947,084	6,948,167	(1,083)	2,418,847	2,419,217	(370)
4,820,800	4,605,199	215,601	1,677,034	1,603,442	73,592
2,190,677	2,181,166	9,511	762,418	759,440	2,978
7,011,477	6,786,365	225,112	2,439,452	2,362,882	76,570
233,369	161,802	71,567	80,087	56,335	23,752

See Independent Auditor's Report.

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Idaho Falls School District #91

Schedule of Liquidity Analysis of the General Fund Balance *June 30, 2022*

Fund balance of the General Fund at June 30, 2022	15,255,568
Less nonspendable-inventories	(273,068)
Less nonspendable-prepaid expenses	(349,384)
Less restricted for other purposes	(956,668)
Less assigned for encumbrances	(2,115,932)
Less assigned for budget purposes	<u>(5,356,568)</u>
	<u><u>6,203,948</u></u>

See Independent Auditor's Report.

Annual Federal Compliance Section

Idaho Falls School District #91

June 30, 2022



**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 of America 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, 2022, 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 November 10, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Idaho Falls School District #91's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Idaho Falls School District #91's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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
November 10, 2022



**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

Opinion on Each Major Federal Programs

We have audited Idaho Falls School District #91's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Idaho Falls School District #91's major federal programs for the year ended June 30, 2022. Idaho Falls School District #91's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Idaho Falls School District #91 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Idaho Falls School District #91's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Idaho Falls School District #91's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Idaho Falls School District #91's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Idaho Falls School District #91's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Idaho Falls School District #91's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Idaho Falls School District #91's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Idaho Falls School District #91's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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
November 10, 2022

Idaho Falls School District #91

Schedule of Findings and Questioned Costs Fiscal Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified.

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
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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 weakness? | _____ Yes | _____ X | None reported |

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance)?

_____ Yes	_____ X	No
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Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds
21.027	CSLFRF
84.425D/84.425R/84.425U	Education Stabilization Funds
10.533/10.555/10.582/10.559	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
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Idaho Falls School District #91

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2022

SECTION II - FINDINGS - 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, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Disbursements / Expenditures
United States Department of Agriculture			
Passed through Idaho State Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	202222N109947	796,120
National School Lunch Program-cash	10.555	202121N119947	82,808
		202222N119947	2,889,419
		202221N850347	166,624
COVID-19 - Emergency Operating Grant	10.555	202121H170347	95,901
Summer Food Service Program for Children	10.559	202121N109947	77,646
			4,108,518
Non-Cash Assistance (Commodities)			
National School Lunch Program-commodities	10.555		236,703
Total Child Nutrition Cluster			4,345,221
COVID-19 – 2021 NSLP Emergency Operating	10.579	217IDIDH1703	3,645
COVID19 – Rebate for commodities	10.541		23,657
Federal Forest	10.665		22,717
			4,395,240
United States Department of Education			
Passed through Idaho State Department of Education:			
Title I			
Title I Grants to Local Educational Agencies	84.010	S010A200012	965,341
		S010A210012	876,399
Title I-A School Improvement 1003A	84.010	S010A190012	1,000
Title I-D Neglected & Delinquent	84.010	S010A200012	11,621
		S010A210012	60,869
Total Title I			1,915,230
Migrant Education	84.011	S011A200012	51,505
		S011A210012	29,426
Total Migrant Education			80,931
COVID19–ESSER I	84.425D		22,936
COVID19–ESSER II	84.425R		3,204,177
COVID19–ESSER III	84.425U		5,800,778
Total ESSER Funds			9,027,891
State Personnel Development Grant	84.323	H323A200002	2,800

See Notes to Schedule of Expenditures of Federal Awards

Idaho Falls School District #91

Schedule of Expenditures of Federal Awards Fiscal Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Disbursements / Expenditures
United States Department of Education			
Passed through Idaho State Department of Education:			
Special Education Cluster			
Special Education – School-age	84.027	H027A190088	31,027
		H027A200088	249,292
		H027A210088	2,007,716
COVID19 – Special Education – School-age		H027A210088	256,314
Special Education - Preschool	84.173	H183A210030	9,704
		H183A200030	84,497
Total Special Education Cluster			<u>2,638,550</u>
21 st Century Community Learning Centers	84.287	S287C200012	78,283
		S287C210012	75,124
Total 21 st Century Community Learning Centers			<u>153,407</u>
English Language Acquisition	84.365	S365A200012	14,497
		S365A210012	89,691
Total English Language Acquisition			<u>104,188</u>
Supporting Effective Instruction	84.367	S367A200011	162,461
		S367A210011	313,169
Total Supporting Effective Instruction			<u>475,630</u>
Title IV – Student Support and Academic Enrichment	84.424	S424A200013	33,440
		S424A210013	48,641
Total Student Support and Academic Enrichment			<u>82,081</u>
Total Passed through Idaho Department of Education			<u>14,480,708</u>
Passed through Idaho State Division of Professional Technical:			
Vocational Education	84.048	V048A210012	157,139
Total U.S. Department of Education			<u>14,637,847</u>
United States Department of Treasury			
Passed Through Idaho State Department of Education			
COVID19 – Coronavirus Relief Fund	21.019	20-1892-0-1-806	654,478
COVID19 – CSLFRF	21.027	SLFRP0142	1,126,514
Total U.S. Department of Education			<u>1,780,992</u>
Passed Through Office of the Governor			
COVID19 – Coronavirus Relief Fund	21.019	20-1892-0-1-806	340,606
Total Office of the Governor			<u>340,606</u>
Total United States Department of Treasury			<u>2,121,598</u>
Total Expenditures of Federal Awards			<u><u>21,154,685</u></u>

See Notes to Schedule of Expenditures of Federal Awards

Idaho Falls School District #91

Notes to Schedule of Expenditures of Federal Awards *Fiscal Year Ended June 30, 2022*

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, 2022. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance issued by the Office of Management and Budget (OMB). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net assets of the District.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note A to the District's financial statements. Such expenditures are recognized following the cost principles contained in OMB 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 an undetermined amount of those commodities in inventory at June 30, 2022.

NOTE D INDIRECT COST RATE

The District has elected not to use the 10 percent 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, 2022

None