

# Idaho Falls School District #91

Financial Statements and Supplemental  
Information

Year Ended June 30, 2021



**WIPFLI**

# Idaho Falls School District #91

Contents  
June 30, 2021

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# Idaho Falls School District #91

## Management's Discussion & Analysis *Fiscal Year Ended June 30, 2021*

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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, 2021. 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 2021 are as follows:

In total, net position increased \$4,237,606 which represents an 6.29% increase from 2020's restated balance of \$63,182,151.

General revenues accounted for \$73,271,444 in revenue or 78.43% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$20,146,742 or 21.57% of total revenues of \$93,418,186.

Total assets of governmental activities increased by \$2,742,905, as cash and cash equivalents increased by \$1,383,416, receivables and prepaid expenses increased by \$48,993, inventory decreased by \$77,629, sick leave asset increased by \$753,047, and capital assets increased by \$635,078. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District decreased by \$5,580,221.

The District had \$89,180,580 in expenses; only \$20,146,742 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily state support and local property taxes) of \$73,271,444 were adequate to provide for these programs.

Among major funds, the General Fund had \$68,641,386 in revenues, \$67,568,320 in expenditures, and \$2,113,843 in net transfers out. In addition, the General, Debt Service, and Capital Projects Funds recorded an extraordinary item related to the closeout of the Pancheri Urban Renewal District, which paid out a total of \$250,270 to the District, \$96,000 of which went into the General Fund. The General Fund's fund balance decreased \$942,500 from 2020.

### **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, 2021*

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## 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 2021?" 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 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General, Debt Service, and Capital Projects Funds.

### Governmental Funds

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

# Idaho Falls School District #91

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2021

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## 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 2021 compared to 2020:

	<u>2021</u>	<u>2020 – as restated</u>
Assets		
Current and other assets	<b>46,052,090</b>	43,944,263
Capital assets	<b>74,313,737</b>	73,678,659
Total assets	<b><u>120,365,827</u></b>	<u>117,622,922</u>
Deferred outflows of resources	<b><u>12,629,464</u></b>	<u>8,391,466</u>
Current and other liabilities	<b>10,034,744</b>	9,301,274
Long-term liabilities	<b>52,691,885</b>	45,785,928
Total liabilities	<b><u>62,726,629</u></b>	<u>55,087,202</u>
Deferred inflows of resources	<b><u>2,848,905</u></b>	<u>7,745,035</u>
Net position		
Net investment in capital assets	<b>53,999,845</b>	45,418,890
Restricted	<b>18,891,606</b>	17,654,734
Unrestricted	<b>(5,471,694)</b>	108,527
Total net position	<b><u>67,419,757</u></b>	<u>63,182,151</u>

Total assets of governmental activities increased by \$2,742,905, as cash and cash equivalents increased by \$1,383,416, receivables and prepaid expenses increased by \$48,993, inventory decreased by \$77,629, sick leave asset increased by \$753,047, and capital assets increased by \$635,078. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67,419,757 at the close of the most recent fiscal year. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the District decreased by \$5,580,221 from 2020.

# Idaho Falls School District #91

Management's Discussion & Analysis  
Fiscal Year Ended June 30, 2021

The following table shows the changes in net position for fiscal years 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Revenues		
Program revenues		
Charges for services	<b>1,879,521</b>	1,805,772
Operating grants and contributions	<b>18,267,221</b>	15,507,228
General revenues		
Property taxes	<b>16,656,895</b>	17,933,441
State aid	<b>51,414,952</b>	51,640,438
Federal aid	<b>3,391,551</b>	10,368
Other	<b>1,808,046</b>	1,767,736
Total revenues	<b><u>93,418,186</u></b>	<u>88,664,983</u>
Program expenses		
Instruction	56,403,668	47,716,441
Support services	10,197,980	9,823,649
Administration	6,745,866	5,894,270
Business admin services	1,305,288	1,193,297
Operations	5,693,123	6,403,150
Transportation	3,447,750	2,965,383
Non-instructional	4,325,071	3,332,982
Interest and fiscal charges	42,982	1,032,047
Capital improvements	1,018,852	1,512,684
Total expenses	<b><u>89,180,580</u></b>	<u>79,873,903</u>
Increase (decrease) in net position	<b><u>4,237,606</u></b>	<u>8,791,080</u>

## GOVERNMENTAL ACTIVITIES

Governmental revenues come primarily from three sources. State aid of \$58,672,079 consists of the state apportionment, other state grants, and revenue in lieu of taxes, and makes up 63.04% of revenues from governmental activities. Property taxes of \$16,345,068 make up 17.50% of total revenues from governmental activities. Federal contracts and grants of \$15,614,192 make up 16.78% of total revenues from governmental activities.

Instruction expenditures including the support activities of support services, administrative, business admin services, operations, and transportation comprise 93.96% of District expenses.

# Idaho Falls School District #91

## Management's Discussion & Analysis Fiscal Year Ended June 30, 2021

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 2021	Net cost of services 2021
Instruction	56,403,668	46,644,500
Support services	10,197,980	6,631,452
Administration	6,745,866	6,587,329
Business admin services	1,305,288	1,162,180
Operations	5,693,123	4,861,441
Transportation	3,447,750	1,113,353
Non-instructional	4,325,071	1,342,120
Interest	42,982	(327,389)
Capital improvements	1,018,852	1,018,852
Total expenses	<u>89,180,580</u>	<u>69,033,838</u>

**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, 2021

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## THE DISTRICT'S FUNDS

Information about the District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$93,068,195 and expenditures of \$89,616,204. The net change in fund balance for the year in the General Fund, Debt Service Fund, and Capital Projects Fund, was a decrease of \$942,500, a decrease of \$296,992, and an increase of \$2,108,785, respectively.

## GENERAL FUND BUDGETING HIGHLIGHTS

During the course of fiscal 2021 year, the District did amend its budget.

For the General Fund, the budgeted revenue was \$67,472,654 and budgeted expenses were \$70,250,014. Actual revenue was \$68,641,386 which includes \$566,504 for leadership premiums and \$248,747 for master educator premiums to qualifying personnel, and \$256,408 in professional development funds. Actual expenditures were \$67,472,654, which include expenditures related to the leadership and master educator premiums, and professional development.

## CAPITAL ASSETS

At the end of the fiscal year 2021, the District had \$74,313,737 invested in land, buildings, furniture and equipment, and vehicles (net of accumulated depreciation).

	<u>2021</u>	<u>2020</u>
Capital assets not being depreciated	<b>3,834,416</b>	5,245,805
Buildings and improvements	<b>68,221,715</b>	66,079,600
Equipment	<b>890,818</b>	1,001,284
Vehicles	<b>1,366,788</b>	1,351,970
Total capital assets, net	<b><u>74,313,737</u></b>	<b><u>73,678,659</u></b>

Overall capital assets increased \$635,078 from fiscal year 2020 to fiscal year 2021. The increase in capital assets, primarily buildings and vehicles was mostly due to the construction projects and replacement vehicles.

## DEBT ADMINISTRATION

At June 30, 2021, the District had two general obligation bond issues outstanding. The current portion of debt due in one year is \$6,195,000

At June 30, 2021, the District's overall legal debt margin was \$325,925,282.

## CURRENT FINANCIAL ISSUES AND CONCERNS

The impact of Covid-19 on schools in Idaho has been substantial, and Idaho Falls School District 91 (the District) has felt the impact in both financial and operational levels. After closing operations in March of 2020, the District re-opened all schools for the 20-21 school year and went fully in-person, along with offering online and hybrid instruction to accommodate for individual student and family needs during the height of the pandemic. The District offered hybrid, online, and in-person school and work options for both staff and students. The District has continued to add additional sanitization, disinfection, and repairs of the District's facilities throughout the pandemic. District staff who needed to work remotely were allowed to do so, and the District continued to work with Eastern Idaho Public health to conduct contact tracing and quarantining for individuals exposed or suffering from Covid-19.



# Idaho Falls School District #91

Management's Discussion & Analysis  
*Fiscal Year Ended June 30, 2021*

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The financial impact to the District was exacerbated when Governor Little passed a 5% holdback of the FY21 approved budget for school districts in Idaho. In total this resulted in a loss of just over \$2,654,360 in budgeted funds to the District. With State funding uncertain, the District took measures to temporarily replace these dollars with fund balance and budgeted accordingly, which included reductions in capital expenditures where possible. Additionally, the District used the one-time Governors fund money to offset these budget cuts, as well as applying for and receiving additional federal grants to mitigate the lost state revenue.

In December 2020, the Federal government passed the CARES II Act, and in March 2021 ARP Cares III was passed to help schools with funding shortfalls and expenses related to Covid-19. However, instead of this being used to supplement District Funds, the State of Idaho once again reduced funding by the federal funding amount for FY21. The District expects that this will continue until all the federal grants run out in FY24. Due to the continued reduction in discretionary funding, the District has budgeted these federal funds in a manner consistent with the shortages to mitigate consequences caused by the funding reductions. However, despite the state holdback the net overall effect on the FY21 budget was mitigated by better-than-expected attendance during the FY21 school year and the additional federal funds provided.

The District is unable to predict how long the economic impact will last or how or when the impact on the operations of the District will end. For FY22 the District has again taken a conservative budgeting approach to mitigate the State's budget holdbacks due to the pandemic. This includes reductions to additional planned capital expenditures and uses of fund balance. Due to the District's past conservative budgeting, the District is well positioned to adjust to the planned budget shortfalls and is leveraging Federal Grants to pay for unexpected Covid-19 expenses. Additionally, in July and August of 2021 the District asked for public input and created an ARP ESSER III stakeholder panel to help the District draft a spending plan for this federal grant. This plan was submitted to the State of Idaho for approval in September 2021 and will provide guidance to the District for spending these federal dollars.

Due to social distancing requirements and in an abundance of caution the District has implemented health and safety policies for both students and staff during this unprecedented time. Care has been taken to address the policies to the needs of both students and staff to promote the health and safety of all, while maintaining our core goal of making the education of our students the priority of our organization. These policies include social distancing where possible, mask requirements when required by State and Federal law, along with the opportunity for students and staff to work remotely as needed or as required by local health authorities. The regular sanitization and disinfection of classrooms and shared spaces, and flexible learning and working environments for students and staff will also continue as long as deemed necessary by the Health Department. The District uses planned measures to mitigate the risk that Covid-19 presents in the District and monitors both the policies and procedures in place and updates and prepares to meet all requirements recommended by the local health district.

The District has been able to meet its debt obligations and has sufficient funds to pay all debt obligations as they arise as well as reserves for potential changes in the market. At this juncture the District is well positioned to meet all existing debt obligations and is on track to pay off all obligations by FY 2029. Due to increased growth in the area the District has been able to lower their levy rate from .004190114 to .003456361 for the upcoming fiscal FY22 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](mailto:PendAnge@d91.k12.id.us).

## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Falls School District #91 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Falls School District #91, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net OPEB asset PERSI-OPEB Plan Last 10-fiscal year, schedule of employer contributions PERSI-OPEB plan last 10 fiscal years, schedule of employer's share of net pension liability for PERSI-Base plan last 10 fiscal years, and schedule of employer contributions PERSI-Base plan for last 10 fiscal years as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial schedules and other schedules listed in the table of contents are not a required part of the financial statements.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, on our consideration of Idaho Falls School District #91's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Idaho Falls School District #91's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
CPAs and Consultants  
Idaho Falls, Idaho  
October 26, 2021

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# Idaho Falls School District #91

Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	31,132,096
Property tax receivable, net	5,800,909
Other receivables	4,521,281
Prepaid expenses	303,734
Supplies inventory	402,577
PERSI SL	3,891,493
Land and construction in progress	3,834,416
Depreciable buildings, equipment, and vehicles, net of depreciation	70,479,321
Total assets	<u>120,365,827</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Changes of assumptions or other inputs - OPEB	184,289
Changes of assumptions or other inputs - PERSI SL	541,105
Related to pensions	11,904,070
Total deferred outflows of resources	<u>12,629,464</u>
<b>LIABILITIES</b>	
Accounts payable	1,046,762
Accrued wages	6,570,209
Accrued employee benefits	2,245,913
Other payables	2,500
Interest payable	169,360
Long-term liabilities	
Net pension liability	29,198,776
OPEB liability	2,959,693
Other liabilities	219,524
Portion due or payable within one year	
General obligation bonds/premium	6,380,298
Portion due or payable after one year	
General obligation bonds/premium	13,933,594
Total liabilities	<u>62,726,629</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred charge on refunding	109,738
Differences between expected and actual experience - OPEB	742,387
Differences between expected and actual experience - PERSI SL	995,486
Related to pensions	1,001,294
Total deferred inflows of resources	<u>2,848,905</u>
<b>NET POSITION</b>	
Net investment in capital assets	53,999,845
Restricted for	
Child nutrition	916,037
Capital improvements	6,235,452
Debt service	8,734,804
Other purposes	3,005,313
Unrestricted	<u>(5,471,694)</u>
Total net position	<u>67,419,757</u>

The accompanying notes are an integral part of these statements.

# Idaho Falls School District #91

Statement of Activities  
Fiscal Year Ended June 30, 2021

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	56,403,668	1,515,419	8,243,749		(46,644,500)
Support services	10,197,980	79,496	3,487,032		(6,631,452)
Administrative	6,745,866		158,537		(6,587,329)
Business admin services	1,305,288		143,108		(1,162,180)
Operations	5,693,123	28,420	803,262		(4,861,441)
Transportation	3,447,750	207,434	2,126,963		(1,113,353)
Noninstructional	4,325,071	48,752	2,934,199		(1,342,120)
Interest on long-term debt	42,982		370,371		327,389
Capital improvements	1,018,852		0		(1,018,852)
Total governmental activities	89,180,580	1,879,521	18,267,221	0	(69,033,838)
General revenues					
Taxes					
Property taxes					16,345,768
Property tax replacement					311,127
Investment earnings					76,691
State apportionment					
Base					44,851,929
Benefits					6,563,023
Federal grants					3,391,551
Other state revenues					378,540
Other local					972,734
Gain on disposition of assets					129,811
Extraordinary item					250,270
Total general revenues					73,271,444
Change in net position					4,237,606
Net position - beginning, as originally stated					62,188,709
Prior period adjustment					993,442
Net position - beginning, as restated					63,182,151
Net position - ending					67,419,757

The accompanying notes are an integral part of these statements.

# Idaho Falls School District #91

Combined Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	16,223,465	6,242,142	5,548,475	3,118,014	31,132,096
Receivables					
Taxes - current	2,157,115	2,190,129	774,911		5,122,155
Taxes - delinquent	280,300	297,762	100,692		678,754
State apportionment	1,394,908				1,394,908
Federal grants				1,983,743	1,983,743
State agencies	4,085	4,771			8,856
Other	428,201			705,573	1,133,774
Prepaid expenses	303,734				303,734
Interfund receivable	1,563,824				1,563,824
Supplies inventory	280,046			122,531	402,577
<b>Total assets</b>	<b>22,635,678</b>	<b>8,734,804</b>	<b>6,424,078</b>	<b>5,929,861</b>	<b>43,724,421</b>
<b>LIABILITIES</b>					
Accounts payable	534,230		188,626	323,906	1,046,762
Accrued wages	5,736,750			833,459	6,570,209
Accrued employee benefits	1,990,552			255,361	2,245,913
Other payables	2,500				2,500
Interfund payable				1,563,824	1,563,824
<b>Total liabilities</b>	<b>8,264,032</b>	<b>0</b>	<b>188,626</b>	<b>2,976,550</b>	<b>11,429,208</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	280,300	297,762	100,692		678,754
<b>FUND BALANCES</b>					
Nonspendable					
Inventory	280,046			122,531	402,577
Prepaid expenses	303,734				
Restricted for					
Debt service		8,437,042			8,437,042
Capital projects			6,134,760		6,134,760
Child nutrition				793,506	793,506
Other fund activities	968,039			2,037,274	3,005,313
Assigned	5,574,379				5,574,379
Unassigned	6,965,148				6,965,148
<b>Total fund balances</b>	<b>14,091,346</b>	<b>8,437,042</b>	<b>6,134,760</b>	<b>2,953,311</b>	<b>31,616,459</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>22,635,678</b>	<b>8,734,804</b>	<b>6,424,078</b>	<b>5,929,861</b>	<b>43,724,421</b>

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, 2021

Total fund balances - governmental funds	31,616,459
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.	74,313,737
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.	678,754
The net pension liability and the deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position: Net pension liability is \$29,198,776, deferred inflows of resources related to pensions is \$1,001,294 and deferred outflows of resources related to pensions is \$11,904,070.	(18,296,000)
The net PERSI sick leave (asset) and the deferred outflows of resources and deferred inflows of resources related to PERSI SL are only reported in the Statement of Net Position: Net PERSI SL (asset) is \$(3,891,493), deferred inflows of resources related to PERSI SL is \$995,486 and deferred outflows of resources related to PERSI SL is \$541,105.	3,437,112
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.	(798,630)
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.	(558,098)
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	(19,625,000)
Accrued interest on the bonds	(169,360)
Compensated absences	(219,524)
OPEB obligation	(2,959,693)
	(22,973,577)
Total net position - governmental activities	67,419,757

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, 2021

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	6,885,998	6,940,889	2,446,122		16,273,009
Penalties & interest on delinquent taxes	42,218	45,464	15,167		102,849
Earnings (loss) on investments	88,659	(12,295)		327	76,691
Transportation fees	207,434				207,434
Rental	28,420				28,420
Food service				48,752	48,752
Tuition	89,247				89,247
Contributions	75,622				75,622
Other local	70,902			818,832	889,734
State apportionment					
Base	44,851,929				44,851,929
Transportation	2,126,963				2,126,963
Exceptional child	161,484				161,484
Benefits	6,563,023				6,563,023
Other school support	748,911				748,911
Property tax replacement	136,463	174,664			311,127
Other state revenue	2,937,400	370,370		1,349,782	4,657,552
Vocational education	241,255				241,255
Federal contracts and grants	3,385,458			12,228,734	15,614,192
Total revenues	<u>68,641,386</u>	<u>7,519,092</u>	<u>2,461,289</u>	<u>14,446,427</u>	<u>93,068,194</u>
<b>EXPENDITURES</b>					
Current					
Instruction	44,176,417			7,273,794	51,450,211
Support services	6,350,516			3,008,375	9,358,891
Administration	5,868,852			216,726	6,085,578
Business administrative services	1,162,180			143,108	1,305,288
Operations	5,938,316			54,351	5,992,667
Transportation	2,970,292				2,970,292
Noninstructional	160,112			3,979,698	4,139,810

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, 2021

	General	Debt Service	Capital Projects	All Nonmajor Funds	Total Governmental Funds
<b>EXPENDITURES</b> , continued					
Debt service					
Principal		3,905,000			3,905,000
Interest		631,522			631,522
Fees		58,049			58,049
Facility acquisition	941,635		2,775,634	1,626	3,718,895
Total expenditures	<u>67,568,320</u>	<u>4,594,571</u>	<u>2,775,634</u>	<u>14,677,678</u>	<u>89,616,203</u>
Revenues over (under) expenditures	<u>1,073,066</u>	<u>2,924,521</u>	<u>(314,345)</u>	<u>(231,251)</u>	<u>3,451,991</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	2,277		147,097		149,374
Operating transfers, net	(2,113,843)		2,241,546	(127,703)	0
Refunding bonds issued		5,430,000			5,430,000
Payment to refunded bond escrow agent		(8,771,297)			(8,771,297)
Total other financing sources (uses)	<u>(2,111,566)</u>	<u>(3,341,297)</u>	<u>2,388,643</u>	<u>(127,703)</u>	<u>(3,191,923)</u>
<b>EXTRAORDINARY ITEM</b>					
Payment from closeout of Pancheri Urban Renewal District	96,000	119,783	34,487		250,270
Net change in fund balances	(942,500)	(296,993)	2,108,785	(358,954)	510,338
Fund balance - July 1, 2020, as restated	<u>15,033,846</u>	<u>8,734,035</u>	<u>4,025,975</u>	<u>3,312,265</u>	<u>31,106,121</u>
Fund balance - June 30, 2021	<u><u>14,091,346</u></u>	<u><u>8,437,042</u></u>	<u><u>6,134,760</u></u>	<u><u>2,953,311</u></u>	<u><u>31,616,459</u></u>

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, 2021

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Total net change in fund balances - governmental funds:	510,338
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and assets disposed.	635,078
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 \$30,089 this year.	(30,089)
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.	6,295,000
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 \$141,061.	
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.	1,597,888
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>(4,770,609)</u>
Change in net position of governmental activities	<u><u>4,237,606</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, 2021

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## 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 fiduciary. The emphasis of fund financial statements is on major governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Additionally, the District reports the following fund types:

Special Revenue Fund - The purpose of the Special Revenue Fund is to account for federal, state, and locally funded grants 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, 2021

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## 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 2021.

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

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

6. **Cash and Investments.** Cash includes amounts in demand as well as short-term investments with a maturity date within three months of the date acquired by the District. The District pools cash of all funds into common bank accounts 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, 2021

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## 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 fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Buildings, improvements, and equipment assets are depreciated using the straight-line depreciation method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment	3-15
Vehicles	3-5



# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Compensated Absences. Employees are entitled to certain compensated absences based on their length of employment. The entire compensated absences owed are reported in the government-wide financial statements.
11. 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.

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

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

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

*Committed fund balance:* These amounts can used only be 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.

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

*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.

18. **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.

19. **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.
20. **Recently Adopted Accounting Pronouncement.** As of July 1, 2020, the District implemented GASB Statement No. 84, Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities that are reported in the fiduciary funds. This Statement also revised the definition and terminology used for activities that were previously classified as agency funds. The District has reclassified its school activities funds as a special revenue fund using the GASB Statement No. 84 definitions. Note R prior period restatement outlines this restatement.
21. **New Accounting Pronouncements.** GASB Statement No. 87, Leases: Issued June 2017, the objective of this statement is to improve accounting and financial reporting for leases and enhance the relevance and consistency of information about governments’ leasing activities. This statement is effective for the fiscal year ending June 30, 2022. The District is evaluating what impact this new standard will have on its financial statements.

## NOTE B CASH AND INVESTMENTS

At June 30, 2021, the carrying amount of the District’s deposits was \$6,846,617 and the bank balance was as follows:

	<u>Bank Balance</u>
Insured by Federal Depository Insurance	840,646
Uninsured and uncollateralized	<u>6,231,228</u>
Total	<u><u>7,071,875</u></u>

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE B CASH AND INVESTMENTS, continued

At June 30, 2021, the cost and fair market value of the District's investments were as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Average Maturity</u>
Local Government Investment Pool at NAV	18,424,899	18,485,702	177 days
Diversified Bond Fund at NAV	5,709,248	5,799,777	3.07 years
Total investments	<u>24,134,147</u>	<u>24,285,478</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, 2021, \$6,231,228 of the District's deposits and certificates of deposit was exposed to custodial credit risk because it was uninsured and uncollateralized. Of the investments, \$18,485,702 was held in two accounts in the State Treasurer's Investment Pool, and \$5,799,777 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 Comprehensive Annual Financial Report, a copy of which can be downloaded from [www.sco.idaho.gov](http://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, 2021

## 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, 2021, balances of interfund amounts receivable or payable have been recorded as follows:

	Receivable	Payable
General Fund	1,563,824	
Nonmajor Funds		1,563,824
Total	1,563,824	1,563,824

The General Fund transferred \$92,303 to Child Nutrition as required by state law, and \$241,546 was transferred to Capital Projects for bus depreciation. The General Fund transferred \$2 million to fund the Tiger Athletic Complex to be paid out of the Capital Projects funds. The federal programs transferred \$220,006 to the General Fund as budgeted for payment of indirect costs.

## NOTE E LEASE OBLIGATIONS

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

Lessor	Description of Leased Property	Date of Expiration	Term of Lease	Future Annual Lease Amount	Minimum Lease Payments
Yost	Copiers	8/31/26	60 Months	38,947	162,279
			Total minimum lease payments		162,279

Total rental expense under the equipment and other operating leases for the year ended June 30, 2021, was \$116,001. Minimum future lease payments under these operating leases as of June 30, 2021, for the succeeding years are:

Fiscal Year Ended June 30,	Total
2022	38,947
2023	38,947
2024	38,947
2025	38,947
2026	6,491
Total	162,279

## NOTE F CONSTRUCTION COMMITMENTS

During the year ended June 30, 2021, 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 49<sup>th</sup> Street Complex, but the project was not started until after year end. The following construction contracts were in progress at June 30, 2021:

Project	Original bid plus changes	Average percent complete	Expenditures Recorded Currently	Remaining construction obligation
East Stadium Remodel	974,105	58.81%	572,878	401,227
49 <sup>th</sup> Street State Complex	1,999,993	0.00%	-	1,999,993
Total	2,974,098		572,878	2,401,220

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

## NOTE G CAPITAL ASSETS

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

	Balance July 1, 2020	Additions	Deductions	Transfers	Balance June 30, 2021
Capital assets, not being depreciated					
Land					
Elementary	1,216,258				1,216,258
Secondary	298,315			1,657,582	1,955,897
Administration	1,746,964			(1,657,582)	89,382
Construction in progress	1,984,268	513,356		(1,924,745)	572,879
Total capital assets, not being depreciated	5,245,805	513,356	0	(1,924,745)	3,834,416
Capital assets, being depreciated					
Buildings					
Elementary	65,239,352	1,008,311	(81,335)	1,777,581	67,943,909
Secondary	40,507,032	1,371,392		147,164	42,025,588
Administration	6,119,619	29,562			6,149,181
Total buildings	111,866,003	2,409,265	(81,335)	1,924,745	116,118,678
Equipment					
Elementary	757,061				757,061
Secondary	1,653,060	30,347			1,683,407
Administration	1,588,049				1,588,049
Total equipment	3,998,170	30,437	0	0	4,028,517
Vehicles	5,979,896	335,453			6,315,349
Total capital assets, being depreciated	121,844,069	2,775,065	(81,335)	1,924,745	126,462,544
Less accumulated depreciation for:					
Buildings	(45,786,402)	(2,172,332)	61,772		(47,896,963)
Equipment	(2,996,887)	(140,814)			(3,137,700)
Vehicles	(4,627,926)	(320,634)			(4,948,560)
Total accumulated depreciation	(53,411,215)	(2,633,780)	61,772	0	(55,983,223)
Total capital assets being depreciated, net	68,432,854	141,285	(19,563)	1,924,745	70,479,321
Governmental activities capital assets, net	73,678,659	654,641	(19,563)	0	74,313,737

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE G CAPITAL ASSETS, continued

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

Governmental activities	
Instruction	1,679,742
Support services	303,703
Administration	200,897
Transportation	320,634
Noninstructional	<u>128,804</u>
Total depreciation expense – governmental activities	<u><u>2,633,780</u></u>

## NOTE H PAYROLL EXPENDITURES AND RELATED LIABILITIES

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

## NOTE I OTHER POST-EMPLOYMENT BENEFITS (OPEB)

*Plan Description.* Idaho Falls School District #91's Employee Group Benefits Plan is a single-employer defined benefit healthcare plan administered by Blue Cross of Idaho. Blue Cross provides medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. Delta Dental and Willamette Dental provide dental insurance benefits to eligible retirees and their eligible dependents. A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the District's health insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum of reaching age 55 with at least 5 years of membership with a PERSI employer. The retiree is on the same medical plan as the District's active employees.

*Funding Policy.* The contribution requirement of plan members is established by the District's insurance committee in conjunction with our insurance provider. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, the District contributed approximately \$276,608 of the annual required contribution of \$265,440. 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, 2021, and updated for the year ended June 30, 2021, and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2020.

*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, 2021, 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, 2021.
Actuarial Cost Method	Entry Age Normal
Inflation	2.00%
Salary Increases	3.75% general wage growth plus merit increases.

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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

Discount Rate	2.25%
Health Cost Trend Rates	Medical Care trend is 7.5% decreasing by 0.50% per year down to 6.50% then by .1% per year down to 5%, and level as shown in the June 30, 2021 valuation report.
Retirement	Based on PERSI with 19% of males and 10% of females eligible at age 55, 30% of males and 26% of females first year eligible at age 60, and 36% of males and 0% of females eligible at age 65.
Turnover	50% of future retirees are assumed to elect medical coverage and 15% of the future retirees who elect medical coverage and are married are assumed to elect spousal coverage as well.
Mortality	RP-2000 Combined Table for Healthy Individuals set back 3 years for Teachers and 1 year for General employees
Retiree Contributions	The retiree contributions are a weighted average of all retiree contributions for the period July 1, 2020, to June 30, 2021.

<b><u>Total OPEB Liability</u></b>	<b><u>June 30, 2021</u></b>
Total OPEB liability	2,959,693
Covered employee payroll	40,366,648
Total OPEB liability as a % of covered employee payroll	7.33%

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

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

**Other Key Actuarial Assumptions**

The total OPEB liability as of June 30, 2021, was based on the 2018 PERSI Experience study from 2011-17 for demographic assumptions.

	<b>Increase (Decrease)</b>
	<b>Total OPEB</b>
<b><u>Changes in total OPEB liability</u></b>	<b><u>Liability</u></b>
Balance as of June 30, 2020	2,905,610
Changes for the year:	
Service cost	265,440
Interest on total OPEB liability	65,251
Differences between expected and actual experience	0
Effect of assumptions, changes, or inputs	0
Expected benefit payments	(276,608)
	<hr/>
Balance as of June 30, 2021	<u><u>2,959,693</u></u>



# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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

**Sensitivity Analysis**

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

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total June 30, 2021, OPEB liability	3,066,392	2,959,693	2,851,020

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

	1% Decrease	Current Trend Rate	1% Increase
Total June 30, 2021, OPEB liability	2,655,154	2,959,693	3,315,511

<b>OPEB Expense</b>	<b>July 1, 2020, to June 30, 2021</b>
Service cost	265,440
Interest on total OPEB liability	65,251
Recognition of Deferred Inflows/Outflows of Resources	
Difference between expected and actual experience	(100,005)
Recognition of assumption changes or inputs	17,771
OPEB expense	248,457

*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		(110,671)
Changes of assumptions or other inputs	96,445	June 30, 2018	14.34	(6,726)	76,267	
Changes of assumptions or other inputs	91,322	June 30, 2019	13.56	(6,735)	77,852	
Difference between expected & actual experience	(812,206)	June 30, 2020	9.00	90,245		(631,716)
Changes of assumptions or other inputs	38,790	June 30, 2020	9.00	(4,310)	30,170	
Total	(725,600)			82,234	184,289	(742,387)

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:	
2022	(82,234)
2023	(82,234)
2024	(82,234)
2025	(82,234)
2026	(82,234)
Thereafter	(146,928)

\*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, 2021

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## **NOTE J      PERSI SICK LEAVE INSURANCE RESERVE FUND**

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://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, 2021 and does not anticipate any contributions for the year ended June 30, 2022.

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

At June 30, 2021, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, 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, 2020, the District's proportion was 3.1604601 percent.

For the year ended June 30, 2021, the District did not have an OPEB expense. There were no deferred outflows of resources related to OPEB at the measurement date. There will not be any recognized as an increase of the net OPEB asset in the year ending June 30, 2022.

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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

At June 30, 2021, 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	409,156	
Changes in assumptions or other inputs	9,133	995,486
Net difference between projected and actual earnings on OPEB plan investments	122,816	
District contributions subsequent to the measurement date		
Total	541,105	995,486

*Actuarial Assumptions*

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

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%

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

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

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

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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

**Capital Market Assumptions**

Asset Class	Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad U.S. Equity	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation – Mean		2.25%	2.25%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.6%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%
Portfolio Long-term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%

**Long-Term Expected Nominal Rate of Return, Net of Investment Expenses 7.05%**

*Discount Rate*

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

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB liability (asset)	(3,383,382)	(3,891,493)	(4,361,700)

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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

### *OPEB Plan Fiduciary Net Position*

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

### *Payables to the OPEB plan*

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

## **NOTE K      PENSION PLAN**

### *Plan Description*

The District contributes to the Base Plan which is a cost sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://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, 2021

**NOTE K 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 8.81% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The District's contributions were \$5,782,203 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2020, the District's proportion was 1.2574123 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$4,649,379. 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	2,281,321	953,405
Changes in assumptions or other inputs	493,805	
Net difference between projected and actual earnings on pension plan investments	3,346,741	
Changes in the employer's proportion and differences between the employer's contribution and the employer's proportionate contributions		47,889
District contributions subsequent to the measurement date	5,782,203	
Total	11,904,070	1,001,294

\$5,782,203 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 4.7 years and 4.7 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	59,593
2023	1,238,465
2024	1,657,238
2025	2,165,277

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

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## NOTE K PENSION PLAN, continued

### *Actuarial Assumptions*

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

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

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

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

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

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

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

**NOTE K PENSION PLAN, continued**

**Capital Market Assumptions**

Asset Class	Target Allocation	LT Expected Nominal Rate of Return (Arithmetic)	LT Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad U.S. Equity	55.00%	8.50%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation – Mean		2.25%	2.25%
Assumed Inflation – Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.5%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%
Portfolio Long-term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
<b>Long-Term Expected Nominal Rate of Return, Net of Investment Expenses</b>			<b>7.05%</b>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	59,878,691	29,198,776	3,831,487



# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

## NOTE K PENSION PLAN, continued

### *Pension Plan Fiduciary Net Position*

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

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

### *Payables to the pension plan*

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

## NOTE L 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% and remained there for the 2020-2021 school year and is anticipated to remain at 0% for the 2022 fiscal year. At the time of retirement, a sum equal to one-half of the monetary value of unused sick leave, calculated at the rate of pay at that time, is transferred from the sick leave account to the employee's retirement account. This money shall then be used to pay premiums for health, accident, dental, and life insurance.

## NOTE M LONG-TERM DEBT

Following is a summary of the changes the general long-term debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Refunding	Balance June 30, 2021	Current Portion
Bonds payable	25,920,000	5,430,000	3,905,000	7,820,000	19,625,000	6,195,000
Premium	2,339,769		386,597	1,264,280	688,892	185,298
Total bonds/premium	28,259,769	5,430,000	4,291,597	9,084,280	20,313,892	6,380,298
Employee benefits	218,544	980			219,524	219,524
OPEB	2,905,610	54,083			2,959,693	
Total	31,383,923	5,485,063	4,291,597	9,084,280	23,493,109	6,599,822

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 and made additional payments of \$3,341,297 to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of paying all future debt service payments on \$7,820,000 of general obligation bonds of the 2012A series. The District completed the advanced refunding to reduce its total debt service payments over the next 9 years by \$5,439,887 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$1,519,675. The advanced refunding 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. The remaining debt of \$7,820,000 will be called in September of 2022.

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

**NOTE M LONG-TERM DEBT**, continued

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

The District had two general obligation bond issues (2012B Series, and 2020 refunding Series) outstanding at the end of the year with interest rates ranging from .84 to 4 percent. The 2012B Series, and 2020 Series bonds are scheduled to mature September 2028, and September 2023. Payments on the general obligation bonds are made by the debt service fund from property taxes and state bond levy equalization support.

**NOTE N GENERAL OBLIGATION BOND ISSUES**

Future debt service requirements are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>
2021	6,714,962	519,962	6,195,000
2022	3,400,680	410,680	2,990,000
2023	3,092,974	317,974	2,775,000
2024	2,380,850	230,850	2,150,000
2025	1,246,250	166,250	1,080,000
2026-2029	4,656,125	221,125	4,435,000
Total	<u>21,491,841</u>	<u>1,866,841</u>	<u>19,625,000</u>

Outstanding bond obligations and related premiums include the following:

\$5,430,000 2020 general refunding bonds due in principal payments of \$4,000,000 to \$720,000 through September 15, 2023; interest at .84%.	5,430,000
\$29,670,000 2012B general obligation bonds due in annual installments of \$1,000,000 to \$2,065,000 through September 15, 2028; interest from 3.0% to 4.0%, including unamortized bond premium of \$688,891.	<u>14,883,892</u>
Total	<u>20,313,892</u>

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

<u>Principal</u>	<u>Total</u>
Balances at July 1, 2020	25,920,000
Bonds issued	5,430,000
Bonds retired during fiscal year	(3,905,000)
Bonds refunded	(7,820,000)
Balances at June 30, 2021	<u>19,625,000</u>
<u>Interest to be provided</u>	<u>Total</u>
Balances at July 1, 2020	5,548,650
Interest paid on bonds during fiscal year	(631,922)
Change in interest due to refunding	(3,049,887)
Balances at June 30, 2021	<u>1,866,841</u>

# Idaho Falls School District #91

Notes to Financial Statements  
June 30, 2021

## 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 \$6,742,264,793 x 5%, or \$337,113,240. The Debt Service fund had \$8,437,042 available and the general obligation debt was \$19,625,000 leaving a legal debt margin of \$325,925,282.

## NOTE P NON-MONETARY TRANSACTIONS

The District received \$227,326 in USDA Commodities during the 2020-2021 fiscal year. The commodities received are valued at the average wholesale price as determined by the distributing agency. All commodities received by the District were treated as revenue and expense of the fund receiving the commodities.

## NOTE Q COMMITMENTS AND CONTINGENCIES

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

Due to continuing effects of the novel coronavirus (COVID-19) pandemic, the District's budget for fiscal year 2021 has been negatively impacted. Additional costs have been incurred for transitioning to new learning methodologies and adapting current facilities resulting in a negative impact to the District. In response, the federal and state government approved additional funding through the CARES act to counteract the additional costs and losses suffered by the District during this time. The District cannot reasonably estimate the future impact of the economic changes as a result of the pandemic.

## NOTE R PRIOR PERIOD RESTATEMENT

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

	Net Position	All Nonmajor Funds
Beginning balance as originally stated	62,188,709	2,318,823
School Activity funds	993,442	993,442
Beginning balance, as restated	<u>63,182,151</u>	<u>3,312,265</u>

## NOTE S SUBSEQUENT EVENTS

Management of the District evaluated subsequent events through October 26, 2021, 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.

**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, 2021

REVENUES	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
Property taxes	6,800,000	6,800,000	6,885,998	85,998
Penalties and interest on delinquent taxes	50,000	45,000	42,218	(2,782)
Earnings on investments	300,000	131,050	88,659	(42,391)
Transportation fees	120,000	120,000	207,434	87,434
Tuition	61,875	60,000	89,247	29,247
Rental	45,000	5,000	28,420	23,420
Contributions	22,500	25,000	75,622	50,622
Other local		63,950	70,902	6,952
State apportionment				
Base	44,726,156	44,726,156	44,851,929	125,773
Transportation	2,081,000	2,081,000	2,126,963	45,963
Exceptional child	150,000	150,000	161,484	11,484
Benefits	6,170,708	6,170,708	6,563,023	392,315
Other school support	620,000	620,000	748,911	128,911
Property tax replacement	143,655	143,655	136,463	(7,192)
Other state revenue	2,241,026	2,826,945	2,937,400	110,455
Vocational education	133,323	133,323	241,255	107,932
Federal Grants and assistance		3,370,867	3,385,458	14,591
Total revenues	<u>63,665,243</u>	<u>67,472,654</u>	<u>68,641,386</u>	<u>1,168,732</u>
<b>EXPENDITURES</b>				
Instruction				
Elementary	17,429,302	18,645,380	19,648,436	(1,003,056)
Secondary	16,644,819	17,481,130	17,249,465	231,665
Alternative school	806,669	842,151	790,300	51,851
Professional technical education	780,865	903,258	917,230	(13,972)
Exceptional child	4,305,807	4,337,774	4,073,607	264,167
Special education preschool program	418,715	422,701	414,611	8,090
Gifted and talented	243,054	257,106	236,891	20,215
Interscholastic program	643,556	643,551	614,912	28,639
School activity	102,716	102,716	97,500	5,216
Summer school	1,826	1,826	79	1,747
Detention center	140,617	147,487	133,386	14,101
Total instruction	<u>41,517,946</u>	<u>43,785,080</u>	<u>44,176,417</u>	<u>(391,337)</u>
Support services				
Attendance, guidance, and health	3,344,305	3,363,869	3,115,555	248,314
Special education support services	779,935	779,929	748,645	31,284
Instructional improvement	1,542,666	908,684	665,169	243,515
Educational media	426,944	453,625	434,025	19,600
Instruction related technology	1,339,956	1,453,400	1,387,122	66,278
Total support services	<u>7,433,806</u>	<u>6,959,507</u>	<u>6,350,516</u>	<u>608,991</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, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
<b>EXPENDITURES, continued</b>				
Administration				
Board of Education	356,774	334,392	344,071	(9,679)
District administration	1,027,407	1,056,462	1,014,588	41,874
School administration	4,188,220	4,531,585	4,510,193	21,392
Total administration	<u>5,572,401</u>	<u>5,922,439</u>	<u>5,868,852</u>	<u>53,587</u>
Business administrative services				
Business operations	601,336	627,733	627,241	492
Central services	119,987	121,883	123,509	(1,626)
Administrative technology services	558,701	471,095	411,430	59,665
Total business administrative services	<u>1,280,024</u>	<u>1,220,711</u>	<u>1,162,180</u>	<u>58,531</u>
Operations				
Building care (custodial)	3,211,716	2,479,263	2,437,875	41,388
Maintenance	2,938,925	3,190,138	3,417,926	(227,788)
Security	160,000	160,000	82,515	77,485
Total operations	<u>6,310,641</u>	<u>5,829,401</u>	<u>5,938,316</u>	<u>(108,915)</u>
Transportation	<u>3,054,180</u>	<u>3,112,319</u>	<u>2,970,292</u>	<u>142,027</u>
Noninstructional		<u>43,372</u>	<u>160,112</u>	<u>(116,740)</u>
Contingency reserve	<u>3,271,478</u>	<u>3,271,478</u>		<u>3,271,478</u>
Facility acquisition services		<u>105,707</u>	<u>941,635</u>	<u>(835,928)</u>
Total expenditures	<u>68,440,476</u>	<u>70,250,014</u>	<u>67,568,320</u>	<u>2,681,694</u>
Revenues over (under) expenditures	(4,775,233)	(2,777,360)	1,073,066	3,850,426
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of property			2,277	2,277
Operating transfers, net	(119,800)	(2,266,847)	(2,113,843)	153,004
<b>EXTRAORDINARY ITEM</b>				
Closeout of Pancheri UR District			96,000	96,000
Revenues and other financing sources over (under) expenditures	<u>(4,895,033)</u>	<u>(5,044,207)</u>	<u>(942,500)</u>	<u>4,101,707</u>
Fund balance - July 1, 2020			<u>15,033,846</u>	
Fund balance - June 30, 2021		See Independent Auditor's Report.	<u>14,091,346</u>	

# Idaho Falls School District #91

Required Supplementary Information

Fiscal Year Ended June 30, 2021

## Schedule of Changes in Total OPEB Liability and Related Ratios

As of the measurement date of June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	265,440	293,486	293,108	272,179
Interest on total OPEB liability	65,251	123,575	120,091	128,384
Changes of benefit terms				
Differences between expected and actual experience	-	(812,206)		(139,951)
Effect of assumption changes or inputs	-	38,790	91,322	96,445
Expected benefit payments	<u>(276,608)</u>	<u>(243,990)</u>	<u>(284,458)</u>	<u>(253,787)</u>
Net change in total OPEB liability	54,083	(600,345)	220,063	103,270
Total OPEB liability, beginning	<u>2,905,610</u>	<u>3,505,955</u>	<u>3,285,892</u>	<u>3,182,622</u>
Total OPEB liability, ending	<u><u>2,959,693</u></u>	<u><u>2,905,610</u></u>	<u><u>3,505,955</u></u>	<u><u>3,285,892</u></u>
Covered valuation payroll	40,366,648	40,366,648	33,378,450	32,172,000
Total OPEB liability as a % of covered valuation payroll	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, 2021

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of net OPEB asset	3.1604601%	3.2767099%	3.2956631%	3.33184485%
Employer proportionate share of the net OPEB asset	3,891,493	3,138,446	2,733,586	2,547,338
Employer's covered-employee valuation payroll	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	8.706%	7.349%	6.699%	6.540%
Plan fiduciary net position as a percentage of the total OPEB asset	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, 2020.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	0	(281,604)	(538,124)	(514,005)
Contributions in relation to the statutorily required contribution	0	283,929	538,124	514,005
Contribution (deficiency) excess	0	2,325	0	0
Employer's covered-employee payroll	48,427,157	44,699,028	42,708,247	40,806,676
Contributions as a percentage of covered-employee payroll	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, 2021.

See Independent Auditor's Report.



## Idaho Falls School District #91

Required Supplementary Information  
Fiscal Year Ended June 30, 2021

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's portion of net pension liability	1.2574123%	1.2617045%	1.2610880%	1.2540293%	1.2689501%	1.2747356%	1.3247276%
Employers proportionate share of the net pension liability	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	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	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	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, 2020 (measurement date).

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	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 Contribution (deficiency) excess required contribution	5,782,203	5,337,064	4,834,574	4,619,316	4,409,059	4,175,240	4,010,577
	0	0	0	0	0	0	0
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
Contributions as a percentage of covered payroll	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, 2021 (reporting date).

See Independent Auditor's Report.

# Idaho Falls School District #91

Notes to Required Supplementary Information

*Fiscal Year Ended June 30, 2021*

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## **NOTE A BUDGET ADOPTION**

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

## **NOTE B EXCESS OF ACTUAL EXPENDITURES OVER BUDGET**

Actual expenditures exceeded budget for the Debt Service Fund.

## **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.

See Independent Auditor's Report.

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**OTHER FINANCIAL INFORMATION**

**Idaho Falls School District #91**

All Nonmajor Funds  
Combining Balance Sheet  
June 30, 2021

	Federal Forest	E-Rate	School Activities	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	ESSER I	ESSER II	Covid Relief Funds	Migrant Education	Title I Delinquent	IDEA School Age	IDEA Preschool	Medicaid	Title IV-A	Perkins Professional Technical	Title III	Supporting Effective Instruction	21st Century Schools	Child Nutrition	Expendable Fdn.	All Nonmajor Funds	
<b>ASSETS</b>																								
Cash and investments	160,559	40,311	854,109	625,967	196,336	178,436		4,550		27,005									31,925			976,043	22,773	3,118,014
Receivables																								
Federal grants receivable							352,980		400,521	211,906	17,396	14,360	549,999	40,353		24,819	92,877	30,654	110,945	84,652	52,281			1,983,743
Other receivables															705,388								185	705,573
Supplies inventory																						122,531		122,531
<b>Total assets</b>	<b>160,559</b>	<b>40,311</b>	<b>854,109</b>	<b>625,967</b>	<b>196,336</b>	<b>178,436</b>	<b>352,980</b>	<b>4,550</b>	<b>400,521</b>	<b>238,911</b>	<b>17,396</b>	<b>14,360</b>	<b>549,999</b>	<b>40,353</b>	<b>705,388</b>	<b>24,819</b>	<b>92,877</b>	<b>62,579</b>	<b>110,945</b>	<b>84,652</b>	<b>1,150,855</b>	<b>22,958</b>	<b>5,929,861</b>	
<b>LIABILITIES AND FUND BALANCE</b>																								
<b>LIABILITIES</b>																								
Accounts payable			1,012	13	6,140	46,152	30,639			392	1,776	20	17,495	20	200,843	2,426	3,289		(64)	881	12,872			323,906
Accrued wages				34,127	1,170		128,325	4,011	436	206,584	5,931	5,581	166,561	11,541	47,636	6,857	3,100	8,991	28,417	12,165	161,928	98		833,459
Accrued employee benefits			-	9,481	768		38,262	539	85	31,935	3,897	3,824	64,862	2,320	18,738	3,323	238	3,145	11,030	2,882	60,018	14		255,361
Interfund payable							155,754		400,000		5,792	4,935	301,081	26,472	438,171	12,213	79,120		71,562	68,724				1,563,824
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>1,012</b>	<b>43,621</b>	<b>8,078</b>	<b>46,152</b>	<b>352,980</b>	<b>4,550</b>	<b>400,521</b>	<b>238,911</b>	<b>17,396</b>	<b>14,360</b>	<b>549,999</b>	<b>40,353</b>	<b>705,388</b>	<b>24,819</b>	<b>85,747</b>	<b>12,136</b>	<b>110,945</b>	<b>84,652</b>	<b>234,818</b>	<b>112</b>	<b>2,976,550</b>	
<b>FUND BALANCE</b>																								
Nonspendable																							122,531	122,531
Restricted	160,559	40,311	853,097	582,346	188,258	132,284											7,130	50,443				793,506	22,846	2,830,780
<b>Total fund balance</b>	<b>160,559</b>	<b>40,311</b>	<b>853,097</b>	<b>582,346</b>	<b>188,258</b>	<b>132,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,130</b>	<b>50,443</b>	<b>0</b>	<b>0</b>	<b>916,037</b>	<b>22,846</b>	<b>2,953,311</b>	
<b>Total liabilities and fund balance</b>	<b>160,559</b>	<b>40,311</b>	<b>854,109</b>	<b>625,967</b>	<b>196,336</b>	<b>178,436</b>	<b>352,980</b>	<b>4,550</b>	<b>400,521</b>	<b>238,911</b>	<b>17,396</b>	<b>14,360</b>	<b>549,999</b>	<b>40,353</b>	<b>705,388</b>	<b>24,819</b>	<b>92,877</b>	<b>62,579</b>	<b>110,945</b>	<b>84,652</b>	<b>1,150,855</b>	<b>22,958</b>	<b>5,929,861</b>	

**Idaho Falls School District #91**

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

	Federal Forest	E-Rate	School Activities	State Professional Technical	Public School Technology	Idaho Substance Abuse	Title I Fund	ESSER I	ESSER II	Covid Relief Funds	Migrant Education	Title I Delinquent	IDEA School Age	IDEA Preschool	Medicaid	Title IV-A	Perkins Professional Technical	Title III	Supporting Effective Instruction	21st Century Schools	Child Nutrition	Expendable Fdn.	All Nonmajor Funds	
<b>REVENUES</b>																								
Earnings on investments																							327	327
Food service																							48,752	48,752
Other local			814,661		2,608																		1,563	818,832
Other state revenue				377,177	851,450	121,155																		1,349,782
Federal contracts and grants	28,810						1,871,123	1,749,696	400,521	594,107	50,839	53,914	2,004,991	105,085	1,505,668	214,116	184,915	73,516	272,649	184,585	2,934,199			12,228,734
<b>Total revenues</b>	<b>28,810</b>	<b>0</b>	<b>814,661</b>	<b>377,177</b>	<b>854,058</b>	<b>121,155</b>	<b>1,871,123</b>	<b>1,749,696</b>	<b>400,521</b>	<b>594,107</b>	<b>50,839</b>	<b>53,914</b>	<b>2,004,991</b>	<b>105,085</b>	<b>1,505,668</b>	<b>214,116</b>	<b>184,915</b>	<b>73,516</b>	<b>272,649</b>	<b>184,585</b>	<b>2,984,841</b>	<b>0</b>	<b>14,446,427</b>	
<b>EXPENDITURES</b>																								
<b>Instruction</b>																								
Elementary	9,450						1,451,537	1,007,696		193,493	3,168					40,094	29,130	243,148	184,585			1,022		3,163,323
Secondary	13,267						173,419	71,287		1,180	11,609					35,088	43,186	18,079				4,463		371,578
Exceptional child								3,845					1,673,449		1,426,172									3,103,466
Special ed preschool program														103,413										103,413
Summer school													4,125											4,125
Vocational				293,065													180,910							473,975
Detention center program												53,914												53,914
<b>Support services</b>																								
Attendance, guidance, and health						4,679							123,847		27,288									155,814
Instructional improvement				125,864		7,412	163,244			301,590			142,184			72,111								812,405
Instructional related technology					1,130,323			345,166	400,000	97,844						66,823								2,040,156
School administration						760	82,923				35,233		28,647		53,389		4,005		6,971			4,798		216,726
Business administration service								142,587	521															143,108
Security						54,351																		54,351
Noninstructional services																					3,024,692			3,024,692
Student Activities			955,006																					955,006
Facility acquisition					1,626																			1,626
<b>Total expenditures</b>	<b>22,717</b>	<b>0</b>	<b>955,006</b>	<b>418,929</b>	<b>1,131,949</b>	<b>67,202</b>	<b>1,871,123</b>	<b>1,570,581</b>	<b>400,521</b>	<b>594,107</b>	<b>50,010</b>	<b>53,914</b>	<b>1,972,252</b>	<b>103,413</b>	<b>1,506,849</b>	<b>214,116</b>	<b>184,915</b>	<b>72,316</b>	<b>268,198</b>	<b>184,585</b>	<b>3,024,692</b>	<b>10,283</b>	<b>14,677,678</b>	
Revenues over (under) expenditures	6,093	0	(140,345)	(41,752)	(277,891)	53,953	0	179,115	0	0	829	0	32,739	1,672	(1,181)	0	0	1,200	4,451	0	(39,851)	(10,283)	(231,251)	
<b>OTHER FINANCING SOURCES (USES)</b>																								
Net transfers								(179,115)			(829)		(32,739)	(1,672)				(1,200)	(4,451)		92,303			(127,703)
<b>Total other financing sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(179,115)</b>	<b>0</b>	<b>0</b>	<b>(829)</b>	<b>0</b>	<b>(32,739)</b>	<b>(1,672)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,200)</b>	<b>(4,451)</b>	<b>0</b>	<b>92,303</b>	<b>0</b>	<b>(127,703)</b>	
Revenues and other financing sources over (under) expenditures and other financing sources (uses)	6,093	0	(140,345)	(41,752)	(277,891)	53,953	0	0	0	0	829	0	0	0	(1,181)	0	0	1,200	4,451	0	(39,851)	(10,283)	(358,954)	
Fund balance - July 1, 2020, as restated	154,466	40,311	993,442	624,098	466,149	78,331	0	0	0	0	0	0	0	0	1,181	0	7,130	50,443	0	0	863,585	33,129	3,312,265	
Fund balance - June 30, 2021	160,559	40,311	853,097	582,346	188,258	132,284	0	0	0	0	0	0	0	0	0	0	7,130	50,443	0	0	916,037	22,846	2,953,311	

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# Idaho Falls School District #91

## Schedule of Taxes Receivable Fiscal Year Ended June 30, 2021

	General Fund		
	Total	2020	2019 and prior
Unearned balance at July 1, 2020	280,728	0	280,728
<b>ADDITIONS</b>			
Roll charges applicable to 2020	6,894,683	6,894,683	
Subsequent additions and cancellations	(8,077)	(6,475)	(1,602)
Total additions	6,886,606	6,888,208	(1,602)
<b>DEDUCTIONS</b>			
Collections received	4,729,919	4,544,247	185,672
Current amount due on taxes collected by the county	2,157,115	2,148,260	8,855
Total deductions	6,887,034	6,692,507	194,527
Unearned balance at June 30, 2021	280,300	195,701	84,599

See Independent Auditor's Report.



# Idaho Falls School District #91

## Schedule of Taxes Receivable Fiscal Year Ended June 30, 2021

Debt Service Fund			Capital Projects Fund		
Total	2020	2019 and prior	Total	2020	2019 and prior
327,272	0	327,272	100,843	0	100,843
6,919,966	6,919,966	216,815	2,448,859	2,448,859	66,700
(8,558)	(6,573)	(1,985)	(2,902)	(2,326)	(576)
6,911,408	6,913,393	(1,985)	2,445,957	2,446,533	(576)
4,750,789	4,533,974	216,815	1,671,197	1,604,497	66,700
2,190,129	2,180,759	9,370	774,911	771,730	3,181
6,940,918	6,714,733	226,185	2,446,108	2,376,227	69,881
297,762	198,660	99,102	100,692	70,306	30,386

See Independent Auditor's Report.

# Idaho Falls School District #91

## Schedule of Liquidity Analysis of the General Fund Balance

June 30, 2021

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Fund balance of the General Fund at June 30, 2021	14,091,346
Less nonspendable-inventories	(280,046)
Less nonspendable-prepaid expenses	(303,734)
Less restricted for other purposes	(968,039)
Less assigned for encumbrances	(654,054)
Less assigned for budget purposes	<u>(4,920,326)</u>
	<u><u>6,965,148</u></u>

See Independent Auditor's Report.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Idaho Falls School District #91 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Idaho Falls School District #91’s basic financial statements, and have issued our report thereon dated October 26, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Wipfli LLP  
CPAs and Consultants

Idaho Falls, Idaho  
October 26, 2021