

# **ST. MARIES JOINT SCHOOL DISTRICT No. 41**

**St. Maries, Idaho**

**Audited Financial Statements**

**For the Year Ended June 30, 2020**

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

### **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 the St. Maries Joint School District No. 41, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 of America 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 from 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 St. Maries Joint School District No. 41 as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the District recorded a prior period adjustment to account for the change in the estimate of the other post-employment benefit liability as of June 30, 2019. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, budgetary comparisons on pages 44-45, the net pension liability related schedules on page 46, the other post-employment benefit liability schedule on page 47, the net OPEB asset – sick leave plan related schedules on page 48 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Maries Joint School District No. 41's basic financial statements. The combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020 on our consideration of the St. Maries Joint School District No. 41's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on the 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 St. Maries Joint School District No. 41's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
September 21, 2020

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2020**

As management of the St. Maries Joint School District No. 41 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2020.

**Financial Highlights**

- St. Maries Joint School District No. 41's financial status, as reflected in the General Fund balance, increased \$56,828 from the previous fiscal year to an ending balance of \$924,009. This increase in ending fund balance is due to a combination of unanticipated revenues and expenditures less than budgeted due to a revised school schedule the last couple months of the school year as a result of a national health care crisis.
- Supplemental levies have supported essential school programs for over 30 years in St. Maries. Voters approved the \$2,073,385 two year supplemental levy held on May 21, 2019 which provides support for the 2019-2020 and 2020-2021 school years. Supplemental levies continue to be a necessary part of the school district's budget to help close the gap between State revenues received for education and the expenditures necessary to provide a quality education for our students. The supplemental levy for 2019-2020 represents 23.61% of general fund revenues.
- Overall district enrollment for the 2019-2020 school year decreased from the 2018-2019 school year. The School District began the 2019-2020 school year with 974 students and ended with 914 students in June.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements, and
- 3) Notes to the Financial Statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statement.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District's finances. They contain useful long-term information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In the statements, the District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The District has two types of funds: Governmental and Fiduciary.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the district's own programs.



**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.** The budgetary comparison schedules, the net pension liability schedules provide additional information required by GASB 68. The other post-employment schedules provides additional information required by GASB 75.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis  
Statement of Net Position  
June 30,**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Assets</b>			
Current assets	5,177,228	4,976,661	200,567
Capital assets	3,660,947	3,241,659	419,288
Other noncurrent assets	<u>342,062</u>	<u>299,880</u>	<u>42,182</u>
<b>Total Assets</b>	<b><u>9,180,237</u></b>	<b><u>8,518,200</u></b>	<b><u>662,037</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>1,042,687</u></b>	<b><u>1,141,283</u></b>	<b><u>(98,596)</u></b>
<b>Liabilities</b>			
Current liabilities	1,348,378	1,129,054	219,324
Noncurrent liabilities	<u>2,303,764</u>	<u>2,931,121</u>	<u>(627,357)</u>
<b>Total Liabilities</b>	<b><u>3,652,142</u></b>	<b><u>4,060,175</u></b>	<b><u>(408,033)</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>2,983,445</u></b>	<b><u>2,593,344</u></b>	<b><u>390,101</u></b>
<b>Net Position</b>			
Net investment in capital assets	3,180,951	3,110,652	70,299
Restricted	801,370	801,386	(16)
Unrestricted	<u>(394,984)</u>	<u>(906,074)</u>	<u>511,090</u>
<b>Total Net Position</b>	<b><u>\$3,587,337</u></b>	<b><u>\$3,005,964</u></b>	<b><u>\$ 581,373</u></b>

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,587,337 at the close of the most recent fiscal year.

The largest portion of the District’s net position (88.67%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (mortgage obligations and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District’s net position (22.33%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-11.00%) may be used to meet the District’s ongoing obligations to students, employees, and creditors.

The unrestricted net position amount is typically earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency. The District is reporting a deficit in unrestricted net position.

**Changes in Net Position  
For Fiscal Year Ending June 30,**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	115,504	150,527	(35,023)
Operating grants and contributions	2,075,570	2,006,197	69,373
General revenues:			
Property taxes -general purposes	2,128,688	2,128,199	489
Property taxes -liability insurance	15,305	12,787	2,518
Federal and state revenues	5,660,322	5,563,291	97,031
Other	154,028	171,450	(17,422)
Gain on sale of capital asset	4,441	2,797	1,644
Interest and investment earnings	55,391	55,000	391
<b>Total revenues</b>	<u>10,209,249</u>	<u>10,090,248</u>	<u>119,001</u>

**Changes in Net Position (Continued)**  
**For Fiscal Year Ending June 30,**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<b>Expenses</b>			
Preschool - 12 instruction	5,581,191	5,258,456	322,735
Support services:			
Pupil support	534,597	490,960	43,637
Staff support	286,057	237,073	48,984
General administration	351,793	357,106	(5,313)
School administration	917,241	893,938	23,303
Maintenance/custodial	779,009	788,172	(9,163)
Transportation	778,424	828,909	(50,485)
Other support	15,843	10,928	4,915
Child Nutrition	483,542	462,944	20,598
Capital outlay	8,850	9,306	(456)
Debt service	5,599	8,585	(2,986)
Depreciation, unallocated	284,782	476,151	(191,369)
<b>Total Expenses</b>	<u>10,026,928</u>	<u>9,822,528</u>	<u>204,400</u>
 <b>Change in Net Position</b>	 182,321	 267,720	 (85,399)
 <b>Net Position – Beginning</b>	 3,005,964	 2,411,303	 594,661
 <b>Prior Period Adjustment</b>	 <u>399,052</u>	 <u>326,941</u>	 <u>72,111</u>
 <b>Net Position – Ending</b>	 <u>\$3,587,337</u>	 <u>\$3,005,964</u>	 <u>\$ 581,373</u>

**District Funds**

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year the total balance of \$924,009 was unreserved and undesignated. The unreserved and undesignated fund balance increased by \$56,828 during the current fiscal year.

Expenditures for general District purposes totaled \$8,732,504, an increase of 2.75% during the current fiscal year from the prior year, which was \$8,498,795.

**Capital Asset and Debt Administration**

**Capital Assets.** The Plant Facility Fund is the District fund used to pay for capital construction, building repair and remodeling, and furniture, fixtures, and equipment. Capital asset acquisitions for the fiscal year totaled \$704,070.

**Capital Assets  
Governmental Activities  
Net of Accumulated Depreciation  
June 30,**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Land	92,884	92,884	-
Site improvements	1,597,135	1,576,896	20,239
Building	7,965,990	7,735,551	230,439
Equipment	1,958,857	1,948,887	9,970
Transportation	2,157,930	1,867,096	290,834
Less: Accumulated Depreciation	<u>(10,111,849)</u>	<u>(9,979,655)</u>	<u>(132,194)</u>
Total Net Capital Assets	<u>\$ 3,660,947</u>	<u>\$ 3,241,659</u>	<u>\$ 419,288</u>

**Long Term Debt.** At year end the District had \$479,996 of outstanding debt as follows:

	<u>Long-Term Obligations June 30, 2019</u>	<u>Long-Term Obligations Incurred</u>	<u>Long-Term Obligations Paid</u>	<u>Long-Term Obligations June 30, 2020</u>	<u>Due Within One Year</u>	<u>Remaining Balance</u>
Bus capital lease obligations	-	402,634	-	402,634	76,780	325,854
PAC capital lease obligations	131,007	-	(53,645)	77,362	56,530	20,832
Total	<u>\$ 131,007</u>	<u>\$ 402,634</u>	<u>\$ (53,645)</u>	<u>\$ 479,996</u>	<u>\$133,310</u>	<u>\$ 346,686</u>

Total long-term debt increased from the prior year due to the District leases four new buses.

**Factors Bearing on the District's Future**

Circumstances that may impact the District's financial status in the future are:

- The economy in Benewah County and other factors which impact student enrollment and attendance.
- Idaho State's economy which directly affects the school district's state funding resources that accounts for the majority of general fund revenues.
- The uncertainty of existing levels of Federal Program funds.
- The lack of funding resources for aging equipment and facilities.

## **Requests for Information**

This financial report is designed to provide a general overview of the St. Maries Joint School District No. 41's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Alica Holthaus, Superintendent, St. Maries School District No. 41, P.O. Box 384 St. Maries, Idaho 83861.

## FINANCIAL STATEMENTS



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**STATEMENT OF NET POSITION**

June 30, 2020

**ASSETS**

Current assets:

Cash	130,684
Investments	1,573,230
Taxes receivable	171,375
Unbilled taxes receivable	2,093,530
Other receivables:	
Due from other governments	1,050,182
Other receivables	133,048
Inventory	<u>25,179</u>
Total current assets	<u>5,177,228</u>

Noncurrent assets:

Nondepreciated capital assets	92,884
Depreciated capital assets	13,679,912
Less: accumulated depreciation	(10,111,849)
Net OPEB asset - sick leave	<u>342,062</u>
Total noncurrent assets	<u>4,003,009</u>

Total assets 9,180,237

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items	946,844
Net OPEB - sick leave related items	64,675
OPEB related items	<u>31,168</u>

Total deferred outflows of resources 1,042,687

**LIABILITIES**

Current liabilities:

Accounts payable and other current liabilities	1,215,068
Current portion of long-term debt	56,530
Current portion of capital lease	<u>76,780</u>
Total current liabilities	<u>1,348,378</u>

Noncurrent liabilities:

Noncurrent portion of long-term debt	20,832
Noncurrent portion of capital lease	325,854
Other post employment benefit liability	259,862
Net pension liability	<u>1,697,216</u>
Total noncurrent liabilities	<u>2,303,764</u>

Total liabilities 3,652,142

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	2,093,530
Pension related items	836,515
Net OPEB - sick leave related items	23,900
OPEB related items	<u>29,500</u>

Total deferred inflows of resources 2,983,445

**NET POSITION**

Net investment in capital assets	3,180,951
Restricted for:	
Capital projects	552,792
Grant programs	248,578
Unrestricted	<u>(394,984)</u>

**TOTAL NET POSITION** \$ 3,587,337

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Preschool - 12 instruction	5,581,191	53,431	882,875	-	(4,644,885)
Support services					
Pupil support	534,597	-	247,486	-	(287,111)
Staff support	286,057	-	-	-	(286,057)
General administration	351,793	-	-	-	(351,793)
School/business administration	917,241	-	-	-	(917,241)
Maintenance/custodial	779,009	-	-	-	(779,009)
Transportation	778,424	-	549,142	-	(229,282)
Other support	15,843	-	-	-	(15,843)
Child nutrition	483,542	62,073	396,067	-	(25,402)
Capital outlay	8,850	-	-	-	(8,850)
Debt services	5,599	-	-	-	(5,599)
Depreciation, unallocated	284,782	-	-	-	(284,782)
	<u>\$ 10,026,928</u>	<u>\$ 115,504</u>	<u>\$ 2,075,570</u>	<u>\$ -</u>	<u>(7,835,854)</u>
General revenues					
Taxes:					
Property taxes levied for general purposes					2,128,688
Property taxes levied for liability insurance					15,305
Federal and State aid not restricted to specific purposes					5,660,322
Other					154,028
Gain on sale of capital assets					4,441
Interest and investment earnings					55,391
					<u>8,018,175</u>
Total general revenues					<u>8,018,175</u>
Change in net position					182,321
Net position - beginning					3,005,964
Prior period adjustment (Note 15)					399,052
					<u>399,052</u>
Net position - ending					<u>\$ 3,587,337</u>



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2020**

	<u>General</u>	<u>Plant Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash	52,257	-	78,427	130,684
Investments	1,571,563	813	854	1,573,230
Due from other funds	-	501,857	218,703	720,560
Taxes receivable	171,375	-	-	171,375
Unbilled taxes receivable	2,093,530	-	-	2,093,530
Other receivables:				
Due from other governments	210,676	-	181,640	392,316
Taxes due from county	657,866	-	-	657,866
Interest receivable	1,809	1	20,102	21,912
Other receivables	111,136	-	-	111,136
Inventories	-	-	25,179	25,179
Total assets	<u>4,870,212</u>	<u>502,671</u>	<u>524,905</u>	<u>5,897,788</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 4,870,212</u>	<u>\$ 502,671</u>	<u>\$ 524,905</u>	<u>\$ 5,897,788</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
Liabilities:				
Due to other funds	720,560	-	-	720,560
Accounts payable	24,149	117,908	6,369	148,426
Accrued payroll and benefits	964,713	-	101,929	1,066,642
Total liabilities	<u>1,709,422</u>	<u>117,908</u>	<u>108,298</u>	<u>1,935,628</u>
Deferred inflows of resources:				
Deferred revenue	143,251	-	-	143,251
Unavailable property tax revenue	2,093,530	-	-	2,093,530
Total deferred inflows of resources	<u>2,236,781</u>	<u>-</u>	<u>-</u>	<u>2,236,781</u>
Fund balance:				
Nonspendable	-	-	25,179	25,179
Restricted	-	384,763	391,428	776,191
Unassigned	924,009	-	-	924,009
Total fund balance	<u>924,009</u>	<u>384,763</u>	<u>416,607</u>	<u>1,725,379</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 4,870,212</u>	<u>\$ 502,671</u>	<u>\$ 524,905</u>	<u>\$ 5,897,788</u>

ST. MARIES JOINT SCHOOL DISTRICT NO. 41

St. Maries, Idaho

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RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
June 30, 2020

Total fund balances - governmental funds	1,725,379
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in government funds:	
Cost of capital assets	13,772,796
Accumulated depreciation	(10,111,849)
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 deferred in the funds.	143,251
Total Net OPEB asset for PERSI sick leave is a long-term asset and is not available to pay current year expenditures, therefore is not reported as an asset in governmental funds	342,062
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	946,844
Deferred inflow of resources	(836,515)
Certain OPEB related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	31,168
Deferred inflow of resources	(29,500)
Certain OPEB Sick Leave related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflow of resources	64,675
Deferred inflow of resources	(23,900)
Long-term liabilities 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 consist of the following:	
Long-term debt	(77,362)
Capital lease	(402,634)
Other post employment benefit liability	(259,862)
Net pension liability	<u>(1,697,216)</u>
Total net position - governmental activities	<u>\$ 3,587,337</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2020**

	<u>General</u>	<u>Plant Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local	2,391,418	15	78,904	2,470,337
State	6,529,963	-	238,460	6,768,423
Federal	-	-	967,469	967,469
Total revenues	<u>8,921,381</u>	<u>15</u>	<u>1,284,833</u>	<u>10,206,229</u>
<b>EXPENDITURES</b>				
Instruction	5,163,005	-	457,935	5,620,940
Support	3,459,955	-	247,486	3,707,441
Non-instruction	-	-	515,555	515,555
Capital asset program	50,300	117,908	485,104	653,312
Debt service	59,244	-	-	59,244
Total expenditures	<u>8,732,504</u>	<u>117,908</u>	<u>1,706,080</u>	<u>10,556,492</u>
Excess (deficiency) of revenue over (under) expenditures	<u>188,877</u>	<u>(117,893)</u>	<u>(421,247)</u>	<u>(350,263)</u>
Other financing sources (uses)				
Proceeds from capital lease financing	-	-	402,634	402,634
Proceeds from sale of capital asset	986	-	3,455	4,441
Transfer in	-	56,000	77,035	133,035
Transfer out	<u>(133,035)</u>	<u>-</u>	<u>-</u>	<u>(133,035)</u>
Total other financing sources (uses)	<u>(132,049)</u>	<u>56,000</u>	<u>483,124</u>	<u>407,075</u>
Net change in fund balances	56,828	(61,893)	61,877	56,812
Fund balance - beginning of year	<u>867,181</u>	<u>446,656</u>	<u>354,730</u>	<u>1,668,567</u>
Fund balance - end of year	<u>\$ 924,009</u>	<u>\$ 384,763</u>	<u>\$ 416,607</u>	<u>\$ 1,725,379</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020**

Net change in fund balances - total governmental funds		56,812
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlays	704,070	
Depreciation expense	<u>(284,782)</u>	419,288
Net Pension Liability Adjustments:		
Fiscal year 2019 employer PERSI contributions recognized as pension expense in the current year	(575,997)	
Fiscal year 2020 employer PERSI contributions deferred to subsequent year	634,284	
Pension related amortization expense	<u>(1,897)</u>	56,390
Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		
		(1,421)
Net OPEB asset - sick leave adjustment:		
Fiscal year 2019 employer PERSI Sick Leave contributions recognized as pension expense in the current year	(58,580)	
Fiscal year 2020 employer PERSI Sick Leave contributions deferred to subsequent year	27,194	
OPEB related amortization expense	<u>43,678</u>	12,292
Net OPEB liability adjustment:		
Current year change in liability		(12,051)
Proceeds from the issuance of long-term debt are recorded as revenues for governmental funds, but the issuance increases long-term debt in the Statement of Net Position		
		(402,634)
Repayment of long-term debt obligations is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.		
		<u>53,645</u>
Net change in net position - total governmental activities:		<u>\$ 182,321</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2020**

	<u>Scholarship Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Assets:		
Cash	16,883	98,990
Investments	29,151	28,200
Interest receivable	-	25
Total assets	<u>46,034</u>	<u>127,215</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>46,034</u>	<u>127,215</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Liabilities:		
Due to student groups	-	127,215
Deferred inflows of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>127,215</u>
<b>NET POSITION</b>		
Restricted for scholarships	<u>46,034</u>	<u>-</u>
Total net position	<u><u>\$ 46,034</u></u>	<u><u>\$ -</u></u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**SCHOLARSHIP TRUST FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2020**

**ADDITIONS**

Earnings on investments	1,745	
Net decrease in fair value of investments	<u>(10,870)</u>	
Total additions		(9,125)

**DEDUCTIONS**

Purchased services		<u>7,006</u>
Change in net position		(16,131)
Net position - beginning		<u>62,165</u>
Net position - ending		<u><u>\$ 46,034</u></u>

**ST. MARIES SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 1      Summary of Significant Accounting Policies**

The financial statements of the St. Maries Joint School District No. 41 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**Reporting Entity** - The St. Maries Joint School District No. 41 is the basic level of government, which has financial accountability and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, 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 have primary financial accountability for fiscal matters.

**Basis of Presentation, Fund Accounting** - District-Wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Only governmental-type activities are shown, since there are no "business-type activities" within the school district. The District eliminates internal activity on the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented.

## **NOTE 1      Summary of Accounting Policies (Continued)**

The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- General Fund – This is the District’s primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- Plant Facilities Fund – This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property.

The District reports the following fiduciary fund types:

- Agency funds – These funds account for assets held by the District as an agent for various student groups and clubs.
- Scholarship trust fund – These funds report a trust arrangement under which contributions to endowments are maintained to support programs identified specifically by the donors.

**Basis of Accounting** - The district-wide and fiduciary fund (except agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support for grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.



## **NOTE 1      Summary of Accounting Policies (Continued)**

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

**Restricted Resources** - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Budgets** - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers comments.
3. Prior to July 1, the final budget is adopted by resolution of the Board at the regular June meeting of the Board of Directors.
4. Prior to July 15, the final budget is filed with the State Department of Education.

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

**Cash and Investments** - The District's cash includes amounts in demand deposits and checking accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow school districts within the state of Idaho to pool their funds for investment purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

**Short-Term Interfund Loans Receivables/Payables** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

## **NOTE 1      Summary of Accounting Policies (Continued)**

**Inventory** - The Districts inventory is valued at the lower of cost, using the first-in, first-out (FIFO) method, or net realizable value, or, if donated, at fair value when received. The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased.

**General Capital Assets** - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$2,500. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–40 years. Lives for equipment range from 5–10 years. Vehicles and school buses have estimated lives of 5-10 years.

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

**Accumulated Unpaid Vacation and Sick Pay** - Under the terms of the "St. Maries School District Board Policies" District employees are granted vacation and sick leave in varying amounts. Unused sick leave can be accumulated from year to year. Unused vacation leave cannot be accumulated.

In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for non-vesting an accumulating right to receive sick pay benefits.

**Long Term Obligations** - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

**Deferred Compensation** - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day for membership.

The Bank is administered by an in-district four-member committee as provided in the School District Board Policies.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, 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.

## **NOTE 1      Summary of Accounting Policies (Continued)**

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fund Balance** - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications.

**Deferred Revenue** - Deferred revenue in the General Fund represents property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund represents the property taxes levied for 2020 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

**Subsequent Events** - The District has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. The District has concluded that no material subsequent events have occurred.

## **NOTE 2      Property Tax**

The District's property tax is levied each September on the value listed as of the prior January 1 for all real property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2019 upon which the 2019 levy was based was \$578,837,401.

## NOTE 2 Property Tax (Continued)

The District's actual levy was 0.26346% per \$100 of market valuation for tort liability insurance and claims. The combined tax rate to finance educational services for the year ended June 30, 2020 was 35.81982% per \$100, which means that the District was required to pass an override levy in the amount of 36.08328% per \$100. The total tax levy for the year ended June 30, 2020 was \$2,127,685 with total tax collections being \$2,023,716.

Taxes are due in two equal installments on December 20th and June 20th following the levy date. Current tax collections for the year ended June 30, 2020 were 95.11% of the tax levy. Property taxes levied for 2019 are recorded as receivables to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2020 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2020 of \$2,093,530 is recorded as uncollected but are not considered available at June 30, 2020. The entire receivable is considered deferred revenue.

Total taxes receivable at June 30, 2020	171,375
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2020	<u>(28,124)</u>
Deferred Revenue	<u>\$143,251</u>

## NOTE 3 Cash and Investments

<u>Cash</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking Accounts	<u>\$246,557</u>	<u>\$464,745</u>

Deposits with US Bank of which \$250,000 of interest bearing accounts and non-interest bearing accounts were covered by Federal Deposit Insurance and \$35,196 was not covered.

### Investments

Details of investments at June 30, 2020 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Child Nutrition</u>	<u>Capital Projects</u>	<u>Fiduciary</u>	<u>Total</u>
General Motors Stock		-	-	-	19,794	19,794
Investment in State Treasurer's Pool	Variable	<u>1,571,563</u>	<u>854</u>	<u>813</u>	<u>37,557</u>	<u>1,610,787</u>
Total		<u>\$1,571,563</u>	<u>\$854</u>	<u>\$813</u>	<u>\$57,351</u>	<u>\$1,630,581</u>

<u>Investment Maturities External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$1,610,787</u>	<u>\$1,610,787</u>	<u>\$1,610,787</u>	<u>\$ -</u>

### **NOTE 3      Cash and Investments (Continued)**

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

The State Treasurer's investment policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

*Interest rate risk* is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

*Concentration of credit risk* is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer.

### NOTE 3 Cash and Investments (Continued)

Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has no policy limiting the amount it may invest in any one issuer.

The State Treasurer's Local Government Investment Pool issues its own financial statement which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

The District acts as a trustee for the Scholarship Trust Fund. This fund is composed of General Motors stock. This stock is registered and held in the District's name. The market price as of June 30, 2020 was \$19,794.

### NOTE 4 Changes in Capital Assets

A summary of changes in general capital assets is as follows:

	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance June 30, 2020</b>
<b>Non-depreciated assets</b>					
Land	92,884	-	-	-	92,884
<b>Depreciated assets</b>					
Site improvement	1,576,896	20,239	-	-	1,597,135
Building	7,735,551	230,439	-	-	7,965,990
Equipment	1,948,887	31,258	(21,288)	-	1,958,857
Transportation	1,867,096	422,134	(131,300)	-	2,157,930
Total depreciated assets	13,128,430	704,070	(152,588)	-	13,679,912
Total assets	13,221,314	704,070	(152,588)	-	13,772,796
<b>Accumulated Depreciation</b>					
<b>Function</b>					
Elementary	(1,456,327)	(97,958)	-	-	(1,554,285)
Secondary	(6,500,811)	(89,358)	4,097	-	(6,586,072)
Administration	(259,441)	(17,566)	-	-	(277,007)
Maintenance	(22,420)	(159)	-	-	(22,579)
Transportation	(1,579,511)	(75,390)	131,300	-	(1,523,601)
Child nutrition	(161,145)	(4,351)	17,191	-	(148,305)
Total accumulated depreciation	(9,979,655)	(284,782)	152,588	-	(10,111,849)
<b>Governmental Activities</b>					
<b>Assets (Net)</b>	<b><u>\$ 3,241,659</u></b>	<b><u>\$ 419,288</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,660,947</u></b>

## NOTE 5 Long-term Debt

### Capital Lease Obligations

In November 2008, the District entered into a lease agreement with the Panhandle Area Council, In. (PAC), a non-profit organization whose purpose is to promote economic development in North Idaho. The purpose of the lease was to help the District acquire real estate for current and future expansion and to help the District finance a “Woody Bio-Mass Heating System,” which provides the heating to one of the District’s school buildings.

The total lease was for \$605,000 and, at June 30, 2009, \$375,615 of lease proceeds were used to acquire real estate. The remaining \$229,385 was utilized when the Bio-Mass Project was completed in the fiscal year ended June 30, 2010.

The terms of the lease provide for monthly payments of \$5,025, which includes PAC’s administrative fee of \$88 and the balance to service a bank loan negotiated by PAC with imputed interest of 5.25%.

The lease is for a one-year term, commencing December 31, 2011 with the option to renew the lease for twelve additional one-year terms. If the District elects to not renew the lease, or other uncontrollable events occur, the real estate and equipment revert back to PAC.

On May 15, 2020 the Districted entered into a lease agreement with Mercedes-Benz Financial Services USA, LLC. The District leased four 2021 Freightliner Buses for a total of \$402,634 with an interest rate of 2.382%. The terms of the lease provide annual payments of \$86,372.24 for five years.

The following is a summary of changes in long-term debt obligations of the District for the year ended June 30, 2020:

	<b>Long-Term Obligations June 30, 2019</b>	<b>Long-Term Obligations Incurred</b>	<b>Long-Term Obligations Paid</b>	<b>Long-Term Obligations June 30, 2020</b>	<b>Due Within One Year</b>	<b>Remaining Balance</b>
Bus Leases	\$ -	\$ 402,634	\$ -	\$ 402,634	\$ 76,780	\$ 325,854
PAC Capital Lease	<u>\$ 131,007</u>	<u>\$ -</u>	<u>\$ (53,645)</u>	<u>\$ 77,362</u>	<u>\$ 56,530</u>	<u>\$ 20,832</u>
Total Lease	<u>\$ 131,007</u>	<u>\$ 402,634</u>	<u>\$ (53,645)</u>	<u>\$ 479,996</u>	<u>\$ 133,310</u>	<u>\$ 346,686</u>

The annual requirements to amortize all outstanding debt as of June 30, 2020, including interest, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	133,310	12,306	145,616
2022	99,441	8,000	107,441
2023	80,482	5,890	86,372
2024	82,400	3,972	86,372
2025	84,363	2,010	86,373
Total	<u>\$ 479,996</u>	<u>\$ 32,178</u>	<u>\$ 512,174</u>

## **NOTE 6      Pension Plan**

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2019. All amounts are as of June 30, 2019 unless otherwise noted.

### *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 of 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. Amounts in parenthesis represent police/firefighters.

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



## NOTE 6 Pension Plan (Continued)

law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2019 it was 7.16% (8.81%). The employer contribution rate is set by the Retirement Board and was 11.94% (12.28%) of covered compensation. The District's employer contributions required and paid were \$634,284 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the District's proportion was 0.1486866 percent.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2020 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2019 was calculated at \$575,947.

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	157,730	200,025
Changes in assumptions or other inputs	94,409	-
Net difference between projected and actual earning on pension plan investments	-	578,192
Change in proportionate share	60,421	58,298
Employer contributions subsequent to the measurement date	<u>634,284</u>	<u>-</u>
Total	<u>\$946,844</u>	<u>\$836,515</u>

## NOTE 6 Pension Plan (Continued)

\$634,284 reported as deferred outflow 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 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:

<b>For the Year Ending June 30:</b>	<b>Amount to be Recognized</b>
2020	(61,115)
2021	(261,834)
2022	(127,543)
2023	(75,586)

### *Actuarial Assumptions*

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases*	3.75%
Salary inflation	3.75%
Investment rate of return	7.05% net of investment expenses
Cost-of-living adjustments	1.00%

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

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are

## NOTE 6 Pension Plan (Continued)

shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

Asset Class		Target Allocation	Long - Term Expected Nominal Rate of Return (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
<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 Geometric Rate of Return, Net of Investment Expenses				<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 periods 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.

## NOTE 6 Pension Plan (Continued)

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

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

	<b>1% Decrease (6.05%)</b>	<b>Current Discount Rate (7.05%)</b>	<b>1% Increase (8.05%)</b>
Employer's proportionate share of the net pension liability (asset)	\$5,126,247	\$1,697,216	\$(1,138,483)

### *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, 2020, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

## NOTE 7 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

## NOTE 8 Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2020:

<u>Fund</u>	<u>Excess</u>
State Driver Education	12,548
Plant Facilities – Bus Acquisition	315,342
School-Based Medicaid	29,619
Child Nutrition	52,127
Title IV-A, ESSA – Student Support and Academic Enrichment	2

These over-expenditures arose due to an increase in Local, State and Federal funding. To meet the student’s education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

## NOTE 9 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as “Transfers In/(Out)” and are classified with “Other financing sources or uses.” Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	133,035	-
School-Based Medicaid	-	11,785
Child Nutrition	-	11,576
Plant Facilities	-	56,000
Plant Facilities - Bus Acquisition	-	53,674
Total	<u>\$133,035</u>	<u>\$133,035</u>

## NOTE 9 Interfund Receivables, Payables and Transfers (Continued)

The composition of interfund receivables and payables as of June 30, 2020 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	47,228	767,788
Special Revenue Funds:		
Federal Forest Reserve	32,624	-
KIC Heyburn Playground	6,999	-
Student Utility Building	2,778	-
State Driver Education	-	12,038
State Professional Technical	1,123	-
State Technology Grant	164,141	-
State Substance Abuse	10,367	-
Title I-A, ESEA – Improving Basic Programs	-	40,827
Cares Act - ESSERF	-	5,273
IDEA Part B – School Age	-	45,311
IDEA Part B – Pre-School	-	2,082
School-Based Medicaid	-	4,429
Title II-A, ESEA – Student Support and Academic Enrichment	-	4,257
Perkins III – Professional Technical Act	-	1,272
Summer Recreation	920	-
Title II-A, ESEA - Supporting Effective Instruction	-	5,561
Child Nutrition	-	47,228
Capital Project Funds:		
Plant Facilities	501,857	-
Plant Facilities – Bus Acquisition	57,129	-
Plant Facilities – Lottery	110,900	-
Total	<u>\$ 936,066</u>	<u>\$ 936,066</u>

## NOTE 10 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past year.

## NOTE 11 Other Post-Employment Benefits

### Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the St. Maries School District Employee Group Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-

## **NOTE 11    Other Post-Employment Benefits (Continued)**

Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method.

### **General Information about the OPEB Plan**

The St. Maries Joint School District Employee Group Benefit Plan is a single-employer defined benefit OPEB plan that provides benefits to current and future retirees.

### ***Retirement and Dependent Medical Benefit Eligibility***

Upon separation from public school employment by retirement in accordance with Chapter 13, Title 59, Idaho Code, a retiree may continue to pay premiums for the retiree and the retiree's dependents at the rate for the active employee's group health, long-term care, vision, prescription drug and dental insurance programs as maintained by the employer for the active employees until the retiree and/or the retiree's spouse becomes eligible for Medicare at which time the district shall make available a supplemental program to Medicare for the eligible individual (Medicare Retirees).

### ***Eligibility for Retirement***

Normal retirement eligibility is age 65 with five years of service, including six months of membership service. Early retirement eligibility is age 55 with five years of service, including six months of membership coverage.

### ***Medicare Retirees***

Medicare retirees are defined as retirees who are 65 years of age or older, are not included in the District's plan, and Medicare will be considered their primary plan. Medicare Retirees and eligible dependents who enroll in Medicare (both Part A and Part B) are eligible to participate in the Statewide School Retiree Program that supplements Medicare.

### ***Funding***

The District's OPEB plan is funded under a pay-as-you-go funding method. Under this method, the District has not set aside any assets (nor accumulated any assets in a trust) that meet the definition of plan assets under GASB 74 or 75 to offset the OPEB liability. Therefore, the Net OPEB liability is equal to the Total OPEB liability.

### **OPEB Benefits**

The health care benefits are contracted by the District through group medical and dental plans. The medical and dental plans includes an annual deductible, coinsurance payment requirements, and an annual out-of-pocket maximum for the member/family. The prescription drug benefit is provided through a tiered system comprising of the type of prescription (generic, preferred brand, and non-preferred brand).

## NOTE 11 Other Post-Employment Benefits (Continued)

### Census Data

As of June 30, 2020, the valuation date, the District had 150 active (future retirees) participants and 11 inactive (current retirees) participants.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Employer reported a liability of \$259,862 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

For the year ended June 30, 2020, the Employer recognized OPEB expense of \$9,589. At June 30, 2020, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	-	22,602
Changes in assumptions or other inputs	<u>31,168</u>	<u>6,898</u>
Total	<u><u>\$31,168</u></u>	<u><u>\$29,500</u></u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB's will be recognized in OPEB expense as follows

<b>Year ended June 30:</b>	
2021	\$824
2022	\$824
2023	\$824
2024	\$824
Thereafter	\$1,950



## **NOTE 11 Other Post-Employment Benefits (Continued)**

### **Actuarial assumptions**

<b>Valuation Date</b>	June 30, 2020
<b>Measurement Date</b>	June 30, 2020
<b>Interest/Discount Rate</b>	2.53% as of the measurement date
<b>Projected Payroll Increases</b>	3.75%
<b>Health Care Cost Trend Rate</b>	Medical: between 3.8% and 7.3% Dental: between 2.0% and 3.9% Prescription Drugs: between 3.8% and 7.3%
<b>Retiree Contributions</b>	Retiree contributions are assumed to increase to match the health care cost trends.

### **Participation**

For future retirees, participation rates were assumed to be 40% for medical coverage. Future retired members who elect to participate in the plan are assumed to be married. 70.0% of the future retirees who elect medical or dental coverage and married are assumed to elect spousal coverage. Males are assumed to be three years older than females. Actual spouse information is used for current retirees.

### **Mortality**

For active members, inactive members and healthy retirees, mortality rates were based on the RP2000 Healthy Combined Mortality Table adjusted with generational mortality adjustments using Scale AA, set back three years for both males and females. For disabled retirees, mortality rates were based on the RP2000 Disabled Mortality Table adjusted with generational mortality adjustments using Scale AA, set back one year for males and set forward two years for females.

### **Interest/Discount rate**

The interest rate is based on the average of multiple June 30, 2020 municipal bond rate sources.

## NOTE 11 Other Post-Employment Benefits (Continued)

### Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of June 30, 2020, calculated using the discount rate of 2.53%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.53%) or 1-percentage-point higher (3.53%) than the current rate:

	<u>1% Decrease (1.53%)</u>	<u>Current Discount Rate (2.53%)</u>	<u>1% Increase (3.53%)</u>
Net OPEB liability	\$277,359	\$259,862	\$243,510

The following presents the net OPEB liability of the Plan as of June 30, 2020, calculated using the assumed health care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$234,385	\$259,862	\$289,548

### Summary of the Change in OPEB Liability

<i>Total OPEB Liability – Beginning of Year</i>	\$226,167
Service Cost	23,167
Interest	8,318
Plan Design Changes	-
Difference Between Expected and Actual Experience	(9,164)
Changes of Assumptions or Other Inputs	30,808
Benefit Payments (Estimated)	(19,434)
<i>Total OPEB Liability – End of Year</i>	<u>\$259,862</u>

## NOTE 12 Other Post-Employment Benefit Plan – Sick Leave Plan

In accordance with GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which became effective for the year ended June 30, 2018, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June, 30, 2019. All amounts are as of June 30, 2019 unless otherwise noted.

### Plan Description

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

## **NOTE 12    Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

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 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.

### *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 employees 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. Beginning January 1, 2020 PERSI approved an 18-month rate holiday. During the rate holiday, all sick leave contribution rates are 0%. The District's contributions required and paid were \$27,194 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported an asset for its proportionate share of the net OPEB asset as of June 30, 2019. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2019, the District's proportion was 0.3571315 percent.

The District's OPEB expense (expense offset) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2020 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ending June 30, 2019 was calculated at \$12,557.

**NOTE 12 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	36,214	-
Changes in assumptions or other inputs	1,267	-
Net difference between projected and actual earning on pension plan investments	-	19,771
Change in proportionate share	-	4,129
Employer contributions subsequent to the measurement date	<u>27,194</u>	<u>-</u>
Total	<u>\$64,675</u>	<u>\$23,900</u>

The \$27,194 reported as deferred outflows of resources resulted from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year June 30, 2021.

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

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2020	421
2021	421
2022	421
2023	4,820
2024	6,463
Thereafter	5,164

*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.

## NOTE 12 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

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% percent, net of OPEB plan investment expense
Health care trend rate	N/A*

\* Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement and is calculated as a fixed dollar amount that can be applied to premiums.

The long-term expected rate of return on OPEB Fund 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.

Even though history provides a valuable perspective for setting the investment return assumption, the approach used builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the 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.

## NOTE 12 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

### Capital Market Assumptions

Asset Class		Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	Barclays Aggregate	30.00%	3.05%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15.00%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	2.25%
Assumed Inflation - Standard Deviation			1.50%	1.50%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
<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 Geometric Rate of Return, Net of Investment Expenses				<b>7.05%</b>

### 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 Fund'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 Fund 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 District's proportionate share of net OPEB asset calculated using the discount rate of 7.05 percent, as well as what the District'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)	\$(301,204)	\$(342,062)	\$(380,921)

## **NOTE 12 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

### *OPEB plan fiduciary net position*

Detailed information about the OPEB plan’s fiduciary net position is available in a 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).

### *Payable to the OPEB plan*

At June 30, 2020, the District reported payables to the defined benefit OPEB plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

## **NOTE 13 Deficit Fund Balance**

The District had the following deficit fund balances at June 30, 2020:

State Driver Education	8,788
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It is the District’s intent to eliminate the deficit over the next five years in the State Driver Education Fund.

## **NOTE 14 COVID-19 Pandemic**

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from governing authorities requiring forced closures of schools, businesses, and other facilities and organizations. While the disruption is expected to be temporary, the current circumstances are evolving and dynamic. The full extent and duration of the impact of COVID-19 on the District’s operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable. Because of this, it may have a material adverse impact on the District’s business, results of operations, financial position, and cash flows.

## **NOTE 15 Prior Period Adjustment**

The District made a prior period adjustment to account for the change in the estimate of the other post-employment benefit liability as of June 30, 2019. The change in estimate increased beginning net position by \$399,052 and decreased other post-employment benefit liability by \$399,052.

## REQUIRED SUPPLEMENTARY INFORMATION





**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	2,110,013	2,110,635	2,145,414	35,401	34,779
Earnings on investments	50,000	56,300	55,376	5,376	(924)
Tuition from individuals	29,000	33,000	36,600	7,600	3,600
Other	115,000	123,000	154,028	39,028	31,028
Total local	<u>2,304,013</u>	<u>2,322,935</u>	<u>2,391,418</u>	<u>87,405</u>	<u>68,483</u>
State:					
Base support	4,897,892	4,959,156	4,936,220	38,328	(22,936)
Transportation	558,700	543,362	549,142	(9,558)	5,780
Tuition equivalency	-	-	1,255	1,255	1,255
Benefit apportionment	669,806	676,019	676,236	6,430	217
Other state support	310,952	328,721	320,777	9,825	(7,944)
Revenue in lieu of taxes	46,332	46,332	46,333	1	1
Total state	<u>6,483,682</u>	<u>6,553,590</u>	<u>6,529,963</u>	<u>46,281</u>	<u>(23,627)</u>
Total revenues	<u>8,787,695</u>	<u>8,876,525</u>	<u>8,921,381</u>	<u>133,686</u>	<u>44,856</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	3,322,185	3,430,875	3,346,915	(24,730)	83,960
Benefits	1,594,298	1,613,663	1,532,887	61,411	80,776
Purchased services	36,018	35,218	31,175	4,843	4,043
Supplies/materials	243,366	219,507	249,307	(5,941)	(29,800)
Capital objects	-	2,721	2,721	(2,721)	-
Total instruction	<u>5,195,867</u>	<u>5,301,984</u>	<u>5,163,005</u>	<u>32,862</u>	<u>138,979</u>
Support:					
Salaries	1,706,561	1,706,054	1,701,998	4,563	4,056
Benefits	855,392	847,259	830,773	24,619	16,486
Purchased services	571,010	595,778	552,336	18,674	43,442
Supplies/materials	264,384	274,384	291,633	(27,249)	(17,249)
Capital objects	75,000	81,990	6,990	68,010	75,000
Insurance	76,225	76,225	76,225	-	-
Total support	<u>3,548,572</u>	<u>3,581,690</u>	<u>3,459,955</u>	<u>88,617</u>	<u>121,735</u>
Capital asset program:					
Capital objects	-	-	50,300	(50,300)	(50,300)
Debt service:					
Debt services - principal	42,000	42,000	53,645	(11,645)	(11,645)
Debt services - interest	18,300	18,300	5,599	12,701	12,701
Total debt services	<u>60,300</u>	<u>60,300</u>	<u>59,244</u>	<u>1,056</u>	<u>1,056</u>
Total expenditures	<u>8,804,739</u>	<u>8,943,974</u>	<u>8,732,504</u>	<u>72,235</u>	<u>211,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,044)</u>	<u>(67,449)</u>	<u>188,877</u>	<u>205,921</u>	<u>256,326</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	985	986	986	1
Transfers out	(120,474)	(150,638)	(133,035)	(12,561)	17,603
Total other financing sources (uses)	<u>(120,474)</u>	<u>(149,653)</u>	<u>(132,049)</u>	<u>(11,575)</u>	<u>17,604</u>
Net change in fund balance	<u>\$ (137,518)</u>	<u>\$ (217,102)</u>	<u>56,828</u>	<u>\$ 194,346</u>	<u>\$ 273,930</u>
Fund balance-beginning of year			<u>867,181</u>		
Fund balance-end of year			<u>\$ 924,009</u>		

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**PLANT FACILITIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Final to Actual</u>
<b>REVENUES</b>					
Local:					
Earnings on investments	-	-	15	15	15
Total revenues	-	-	15	15	15
<b>EXPENDITURES</b>					
Capital asset programs:					
Capital objects	306,000	502,656	117,908	188,092	384,748
Total expenditures	306,000	502,656	117,908	188,092	384,748
Excess (deficiency) of revenues over (under) expenditures	(306,000)	(502,656)	(117,893)	188,107	384,763
Other financing sources (uses)					
Transfer in	56,000	56,000	56,000	-	-
Net change in fund balance	<u>\$ (250,000)</u>	<u>\$ (446,656)</u>	(61,893)	<u>\$ 188,107</u>	<u>\$ 384,763</u>
Fund balance - beginning of year			446,656		
Fund balance - end of year			<u>\$ 384,763</u>		

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

**NET PENSION LIABILITY RELATED SCHEDULES**

**Schedule of the District's Share of Net Pension Liability\***  
**PERSI - Base Plan**  
**As of June 30,**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Employer's portion of the net pension liability	Unavailable	0.1486866%	0.1510857%	0.1445448%	0.1492027%	0.1466438%	0.1512820%
Employer's proportionate share of the net pension liability	Unavailable	1,697,216	2,228,540	2,271,996	3,024,568	1,931,060	1,113,672
Employer's covered payroll	5,312,261	5,050,000	4,860,972	4,489,461	4,364,067	4,107,451	4,098,428
Employer's proportional share of the net pension liability as a percentage of its covered payroll	Unavailable	33.61%	45.85%	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	Unavailable	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

**Schedule of the District's Contributions\***  
**PERSI - Base Plan**  
**As of June 30,**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily required contribution	634,284	571,660	550,262	508,207	493,974	464,963	463,942
Contributions in relation to the statutorily required contribution	(634,284)	(571,660)	(550,262)	(508,207)	(493,974)	(464,963)	(463,942)
Contribution (deficiency) excess	-	-	-	-	-	-	-
Employer's covered payroll	5,312,261	5,050,000	4,860,972	4,489,461	4,364,067	4,107,451	4,098,428
Contributions as a percentage of covered payroll	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

\*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 use fo which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**As of June 30, 2019 (most recently issued PERSI information)**

Change of Assumptions. There were no change of assumptions as of June 30, 2019.

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE**

As of June 30,

	<u>2020</u>	2019	<u>2018</u>	<u>2017</u>
Service Cost	23,167	Unavailable	54,074	51,066
Interest	8,318	Unavailable	22,484	22,468
Changes of benefit terms	-	Unavailable	-	-
Differences between expected and actual experience	(9,164)	Unavailable	-	(18,397)
Changes of assumptions or other inputs	30,808	Unavailable	438	(9,445)
Benefit payments	<u>(19,434)</u>	Unavailable	<u>(36,666)</u>	<u>(46,756)</u>
Net change in total OPEB Liability	33,695	-	40,330	(1,064)
Total OPEB liability - beginning	<u>226,167</u>	594,544	<u>554,214</u>	<u>555,278</u>
Total OPEB liability-ending	<u>\$ 259,862</u>	<u>\$ 226,167</u>	<u>\$ 594,544</u>	<u>\$ 554,214</u>
Covered-employee payroll	5,006,325	Unavailable	4,529,922	4,366,190
Total OPEB liability as a percentage of covered-employee payroll	5.19%	Unavailable	13.12%	12.69%

\*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 use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

As of June 30, 2020

Change of Assumptions. Actuarial assumptions were adjusted for the year ended June 30, 2020 as follows:

- \* Retiree healthcare participation rate changed to 40% from 45%
- \* Interest/discount rate changed to 2.53% from 3.87%
- \* Decrements reflect October 2019 Annual Report assumptions for PERSI

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**NET OPEB ASSET - SICK LEAVE PLAN RELATED SCHEDULES**

**Schedule of the District's Share of Net OPEB Asset - Sick Leave Plan**

**PERSI - OPEB Plan**

**As of June 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of the net OPEB asset	Unavailable	0.3571315%	0.3615406%	0.3524528%
Employer's proportionate share of the net OPEB asset	Unavailable	342,062	299,880	270,553
Employer's covered payroll	5,312,261	5,050,000	4,860,972	4,489,461
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	6.77%	6.17%	6.03%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	138.51%	135.69%	136.78%

**Schedule of the District's Contributions\***

**PERSI - OPEB Plan**

**As of June 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	27,194	58,581	56,387	52,078
Contributions in relation to the statutorily required contribution	(27,194)	(58,581)	(56,387)	(52,078)
Contribution (deficiency) excess	-	-	-	-
Employer's covered payroll	5,312,261	5,050,000	4,860,972	4,489,461
Contributions as a percentage of covered payroll	0.51%	1.16%	1.16%	1.16%

\*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 use for which information is available.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**As of June 30, 2019 (most recently issued PERSI information)**

Change of Assumptions. There were no change of assumptions as of June 30, 2019.

## **SUPPLEMENTARY INFORMATION**



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION</b>			
Elementary school program:			
Salaries	1,364,009	1,373,830	9,821
Benefits	641,138	644,398	3,260
Purchased services	9,554	10,350	796
Supplies/materials	126,154	129,681	3,527
Total elementary school program	<u>2,140,855</u>	<u>2,158,259</u>	<u>17,404</u>
Secondary school program:			
Salaries	1,263,828	1,299,200	35,372
Benefits	550,565	580,415	29,850
Purchased services	10,474	13,600	3,126
Supplies/materials	85,697	51,837	(33,860)
Total secondary school program	<u>1,910,564</u>	<u>1,945,052</u>	<u>34,488</u>
Alternative school program:			
Salaries	59,273	57,845	(1,428)
Benefits	26,194	26,165	(29)
Purchased services	431	580	149
Supplies/materials	1,038	2,989	1,951
Capital objects	2,721	2,721	-
Total alternative school program	<u>89,657</u>	<u>90,300</u>	<u>643</u>
Special education program:			
Salaries	470,516	506,400	35,884
Benefits	266,453	312,100	45,647
Supplies/materials	8,583	3,000	(5,583)
Total special education program	<u>745,552</u>	<u>821,500</u>	<u>75,948</u>

ST. MARIES JOINT SCHOOL DISTRICT NO. 41

St. Maries, Idaho

GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2020

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION (Continued)</b>			
Special education preschool program:			
Salaries	71,479	73,800	2,321
Benefits	28,369	29,210	841
Supplies/materials	835	5,000	4,165
Total special education preschool program	<u>100,683</u>	<u>108,010</u>	<u>7,327</u>
School activity program:			
Salaries	117,810	119,800	1,990
Benefits	20,168	21,375	1,207
Purchased services	10,716	10,688	(28)
Supplies/materials	27,000	27,000	-
Total school activity program	<u>175,694</u>	<u>178,863</u>	<u>3,169</u>
<b>TOTAL INSTRUCTION</b>			
Salaries	3,346,915	3,430,875	83,960
Benefits	1,532,887	1,613,663	80,776
Purchased services	31,175	35,218	4,043
Supplies/materials	249,307	219,507	(29,800)
Capital objects	2,721	2,721	-
Total instruction	<u>\$ 5,163,005</u>	<u>\$ 5,301,984</u>	<u>\$ 138,979</u>



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT</b>			
Attendance-guidance-health program:			
Salaries	166,957	167,000	43
Benefits	72,463	74,955	2,492
Purchased services	474	1,246	772
Supplies/materials	2,583	2,350	(233)
Total attendance-guidance-health program	<u>242,477</u>	<u>245,551</u>	<u>3,074</u>
Special education support services program:			
Salaries	183,352	183,604	252
Benefits	74,730	76,850	2,120
Purchased services	3,118	3,865	747
Supplies/materials	2,453	2,000	(453)
Total special education support services program	<u>263,653</u>	<u>266,319</u>	<u>2,666</u>
Instruction improvement program:			
Salaries	40,810	34,940	(5,870)
Benefits	16,144	14,825	(1,319)
Purchased services	19,774	57,353	37,579
Supplies/materials	17,350	-	(17,350)
Total instruction improvement program	<u>94,078</u>	<u>107,118</u>	<u>13,040</u>
Educational media program:			
Salaries	43,072	44,200	1,128
Benefits	35,115	35,310	195
Supplies/materials	3,336	3,300	(36)
Total educational media program	<u>81,523</u>	<u>82,810</u>	<u>1,287</u>
Instruction-related technology program:			
Salaries	3,000	3,000	-
Benefits	588	645	57
Purchased services	2,881	2,000	(881)
Total instruction-related technology program	<u>6,469</u>	<u>5,645</u>	<u>(824)</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Board of education program:			
Salaries	52,483	51,600	(883)
Benefits	22,071	23,700	1,629
Purchased services	40,558	36,676	(3,882)
Supplies/materials	2,108	3,379	1,271
Insurance	21,852	21,852	-
Total board of education program	<u>139,072</u>	<u>137,207</u>	<u>(1,865)</u>
District administration program:			
Salaries	137,378	137,580	202
Benefits	51,460	53,395	1,935
Purchased services	12,271	18,813	6,542
Supplies/materials	13,566	10,923	(2,643)
Capital objects	6,990	6,990	-
Total district administration program	<u>221,665</u>	<u>227,701</u>	<u>6,036</u>
School administration program:			
Salaries	406,003	398,330	(7,673)
Benefits	178,576	182,310	3,734
Purchased services	23,749	22,511	(1,238)
Supplies/materials	2,688	7,500	4,812
Total school administration program	<u>611,016</u>	<u>610,651</u>	<u>(365)</u>
Business operation program:			
Salaries	62,858	62,000	(858)
Benefits	23,236	23,660	424
Purchased services	9,194	5,101	(4,093)
Supplies/materials	1,624	810	(814)
Total business operation program	<u>96,912</u>	<u>91,571</u>	<u>(5,341)</u>
Administrative technology service:			
Purchased services	91,800	92,300	500
Supplies/materials	42,049	34,900	(7,149)
Total administrative technology service	<u>133,849</u>	<u>127,200</u>	<u>(6,649)</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Final Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>SUPPORT (Continued)</b>			
Buildings - care program (custodial):			
Salaries	77,694	80,000	2,306
Benefits	51,315	53,555	2,240
Purchased services	255,593	271,000	15,407
Supplies/materials	31,091	30,660	(431)
Insurance	31,931	31,931	-
Total building - care program (custodial)	<u>447,624</u>	<u>467,146</u>	<u>19,522</u>
Maintenance - non-student occupied:			
Purchased services	66	1,000	934
Supplies/materials	2,134	3,350	1,216
Total maintenance - non-student occupied	<u>2,200</u>	<u>4,350</u>	<u>2,150</u>
Maintenance - student occupied buildings :			
Salaries	148,105	155,000	6,895
Benefits	63,469	63,135	(334)
Purchased services	28,207	13,223	(14,984)
Supplies/materials	66,518	48,730	(17,788)
Capital objects	-	60,000	60,000
Total maintenance - student occupied buildings	<u>306,299</u>	<u>340,088</u>	<u>33,789</u>
Maintenance - grounds:			
Purchased services	3,329	4,647	1,318
Supplies/materials	7,441	4,000	(3,441)
Total maintenance - grounds	<u>10,770</u>	<u>8,647</u>	<u>(2,123)</u>
Security program:			
Purchased services	3,977	3,806	(171)
Supplies/materials	191	1,500	1,309
Total security program	<u>4,168</u>	<u>5,306</u>	<u>1,138</u>
Pupil-to-school transportation program:			
Salaries	360,029	365,800	5,771
Benefits	232,457	239,249	6,792
Purchased services	43,392	49,927	6,535
Supplies/materials	91,602	113,882	22,280
Insurance	15,214	15,214	-
Total pupil-to-school transportation program	<u>742,694</u>	<u>784,072</u>	<u>41,378</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Final Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>SUPPORT (Continued)</b>			
Pupil-activity transportation program:			
Salaries	19,415	21,000	1,585
Benefits	4,348	5,155	807
Purchased services	798	-	(798)
Total pupil-activity transportation program	<u>24,561</u>	<u>26,155</u>	<u>1,594</u>
General transportation program:			
Salaries	842	2,000	1,158
Benefits	268	515	247
Purchased services	1,845	1,000	(845)
Supplies/materials	4,899	7,100	2,201
Capital outlay	-	15,000	15,000
Insurance	7,228	7,228	-
Total general transportation program	<u>15,082</u>	<u>32,843</u>	<u>17,761</u>
Other support services program:			
Benefits	4,533	-	(4,533)
Purchased services	11,310	11,310	-
Total other support services program	<u>15,843</u>	<u>11,310</u>	<u>(4,533)</u>
<b>TOTAL SUPPORT</b>			
Salaries	1,701,998	1,706,054	4,056
Benefits	830,773	847,259	16,486
Purchased services	552,336	595,778	43,442
Supplies/materials	291,633	274,384	(17,249)
Capital objects	6,990	81,990	75,000
Insurance	76,225	76,225	-
Total Support	<u>\$ 3,459,955</u>	<u>\$ 3,581,690</u>	<u>\$ 121,735</u>
<b>CAPITAL ASSET PROGRAM</b>			
Capital asset program			
Capital objects	<u>50,300</u>	<u>-</u>	<u>(50,300)</u>
<b>TOTAL CAPITAL ASSET PROGRAM</b>	<u>\$ 50,300</u>	<u>\$ -</u>	<u>\$ (50,300)</u>
<b>DEBT SERVICES PROGRAM</b>			
Debt services program			
Principal	53,645	42,000	(11,645)
Interest	5,599	18,300	12,701
<b>TOTAL DEBT SERVICES PROGRAM</b>	<u>\$ 59,244</u>	<u>\$ 60,300</u>	<u>\$ 1,056</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**NONMAJOR GOVERNMENTAL FUNDS**

**BALANCE SHEET**

June 30, 2020

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash	78,427	-	78,427
Investments	854	-	854
Due from other funds	50,674	168,029	218,703
Other receivables:			
Due from other governmental units	181,640	-	181,640
Interest receivable	20,102	-	20,102
Inventories	25,179	-	25,179
Total assets	<u>356,876</u>	<u>168,029</u>	<u>524,905</u>
 Deferred outflows of resources	 -	 -	 -
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>\$ 356,876</u>	 <u>\$ 168,029</u>	 <u>\$ 524,905</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	6,369	-	6,369
Accrued payroll and benefits	101,929	-	101,929
Total liabilities	<u>108,298</u>	<u>-</u>	<u>108,298</u>
 Deferred inflows of resources:	 -	 -	 -
 Fund balance:			
Nonspendable	25,179	-	25,179
Restricted	223,399	168,029	391,428
Total fund balance	<u>248,578</u>	<u>168,029</u>	<u>416,607</u>
 <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	 <u>\$ 356,876</u>	 <u>\$ 168,029</u>	 <u>\$ 524,905</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**NONMAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2020**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local	78,904	-	78,904
State	162,892	75,568	238,460
Federal	967,469	-	967,469
Total revenues	<u>1,209,265</u>	<u>75,568</u>	<u>1,284,833</u>
<b>EXPENDITURES</b>			
Instruction	457,935	-	457,935
Support	247,486	-	247,486
Non-instruction	515,555	-	515,555
Capital asset program	-	485,104	485,104
Total expenditures	<u>1,220,976</u>	<u>485,104</u>	<u>1,706,080</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(11,711)</u>	<u>(409,536)</u>	<u>(421,247)</u>
Other financing sources (uses)			
Proceeds from capital lease financing	-	402,634	402,634
Proceeds from sale of capital asset	-	3,455	3,455
Transfer in	23,361	53,674	77,035
Total other financing sources (uses)	<u>23,361</u>	<u>459,763</u>	<u>483,124</u>
Net change in fund balances	11,650	50,227	61,877
Fund balance - beginning of year	<u>236,928</u>	<u>117,802</u>	<u>354,730</u>
Fund balance - end of year	<u>\$ 248,578</u>	<u>\$ 168,029</u>	<u>\$ 416,607</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS**

**Federal Forest Reserve Fund** - To account for unrestricted Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

**KIC Heyburn Playground Fund** - To account for local project revenue related to the Heyburn playground.

**Student Utility Building Fund** - To account for local project revenue related to the student utility building.

**State Driver Education Fund** - To account for costs of providing a driver education program. Financing for the program is provided through the Idaho State Department of Education.

**State Professional Technical Fund** - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

**State Technology Fund** - To account for restricted State revenue to be spent on the technology program.

**State Substance Abuse Fund** - To account for restricted State revenue to be spent on drug education in-service training for teachers and parents and materials for classroom.

**Title I-A, ESSA – Improving Basic Programs Fund** - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

**CARES Act - ESSERF Fund** - To account for restricted Federal revenue to be spent on COVID-19 related expenditures.

**IDEA Part B (611 School Age 3-21) Fund** - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aides, equipment and materials, etc. in special education.

**IDEA Part B (619 Pre-School 3-5) Fund** - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in the Title VI-B program.

**School-Based Medicaid Fund** - To account for Federal revenue reimbursement of qualified Medicaid expenditures.

**Title IV-A ESSA – Student Support and Academic Enrichment Fund** - To account for Federal revenue for student support and academic enrichment.

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**

**Perkins III – Professional Technical Act Fund** - To account for restricted Federal revenue to be spent on equipment for the vocational program.

**Title II-A, ESEA – Supporting Effective Instruction Fund** - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

**Summer Recreation Program Fund** - To account for restricted Federal revenue to be spent on summer activities for children.

**Child Nutrition Fund** - To account for restricted Federal revenue to be spent on child nutrition.



**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2020

	Federal Forest Reserve	KIC Heyburn Playground	Student Utility Building	State Driver Education	State Professional Technical	State Technology	State Substance Abuse	Title I-A, ESSA - Improving Basic Programs	CARES Act - ESSERF
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Investments	-	-	-	-	-	-	-	-	-
Due from other funds	32,624	6,999	2,778	-	1,123	164,141	10,367	-	-
Other receivables:									
State receivable	-	-	-	3,250	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-
Federal receivable	-	-	-	-	-	-	-	67,144	5,273
Inventories	-	-	-	-	-	-	-	-	-
Total assets	32,624	6,999	2,778	3,250	1,123	164,141	10,367	67,144	5,273
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 32,624</b>	<b>\$ 6,999</b>	<b>\$ 2,778</b>	<b>\$ 3,250</b>	<b>\$ 1,123</b>	<b>\$ 164,141</b>	<b>\$ 10,367</b>	<b>\$ 67,144</b>	<b>\$ 5,273</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	-	-	-	12,038	-	-	-	40,827	5,273
Accounts payable	-	-	-	-	1,053	-	-	-	-
Accrued payroll and benefits	-	-	-	-	70	-	299	26,317	-
Total liabilities	-	-	-	12,038	1,123	-	299	67,144	5,273
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	32,624	6,999	2,778	(8,788)	-	164,141	10,068	-	-
Total fund balance	32,624	6,999	2,778	(8,788)	-	164,141	10,068	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 32,624</b>	<b>\$ 6,999</b>	<b>\$ 2,778</b>	<b>\$ 3,250</b>	<b>\$ 1,123</b>	<b>\$ 164,141</b>	<b>\$ 10,367</b>	<b>\$ 67,144</b>	<b>\$ 5,273</b>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
June 30, 2020

	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3- 5)	School-Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins III - Professional Technical Act	Title II-A, ESEA - Supporting Effective Instruction	Summer Recreation Program	Child Nutrition	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	-	78,427	78,427
Investments	-	-	-	-	-	-	-	854	854
Due from other funds	-	-	-	-	-	-	920	-	218,952
Other receivables:									
State receivable	-	-	-	-	-	-	-	-	3,250
Interest receivable	-	-	-	-	-	-	-	20,102	20,102
Federal receivable	74,655	3,699	6,249	6,673	3,780	10,917	-	-	178,390
Inventories	-	-	-	-	-	-	-	25,179	25,179
Total assets	74,655	3,699	6,249	6,673	3,780	10,917	920	124,562	525,154
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 74,655</b>	<b>\$ 3,699</b>	<b>\$ 6,249</b>	<b>\$ 6,673</b>	<b>\$ 3,780</b>	<b>\$ 10,917</b>	<b>\$ 920</b>	<b>\$ 124,562</b>	<b>\$ 525,154</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>									
Liabilities:									
Due to other funds	45,311	2,082	4,429	4,257	1,272	5,561	-	47,228	168,278
Accounts payable	-	-	1,820	2,416	1,080	-	-	-	6,369
Accrued payroll and benefits	29,344	1,617	-	-	1,428	5,356	-	37,498	101,929
Total liabilities	74,655	3,699	6,249	6,673	3,780	10,917	-	84,726	276,576
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance:									
Nonspendable	-	-	-	-	-	-	-	25,179	25,179
Restricted	-	-	-	-	-	-	920	14,657	223,399
Total fund balance	-	-	-	-	-	-	920	39,836	248,578
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 74,655</b>	<b>\$ 3,699</b>	<b>\$ 6,249</b>	<b>\$ 6,673</b>	<b>\$ 3,780</b>	<b>\$ 10,917</b>	<b>\$ 920</b>	<b>\$ 124,562</b>	<b>\$ 525,154</b>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2020

	Federal Forest Reserve	KIC Heyburn Playground	Student Utility Building	State Driver Education	State Professional Technical	State Technology Grant	State Substance Abuse	Title I-A, ESSA - Improving Basic Programs	CARES Act - ESSERF
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	-	-	-
Other	-	-	-	9,058	-	-	-	-	-
Total local	-	-	-	9,058	-	-	-	-	-
State:									
Other state support	-	-	-	-	-	123,628	13,612	-	-
Driver education program	-	-	-	7,875	-	-	-	-	-
Professional technical program	-	-	-	-	17,777	-	-	-	-
Total state	-	-	-	7,875	17,777	123,628	13,612	-	-
Federal:									
Restricted	22,406	-	-	-	-	-	-	161,937	5,273
Total revenues	22,406	-	-	16,933	17,777	123,628	13,612	161,937	5,273
<b>EXPENDITURES</b>									
Instruction:									
Salaries	-	-	-	7,063	1,336	-	-	115,860	-
Benefits	-	-	-	1,454	253	-	-	43,134	-
Purchased services	10,000	-	-	2,515	1,658	-	-	775	-
Supplies/materials	-	-	-	1,266	14,530	-	-	2,168	1,155
Total instruction	10,000	-	-	12,298	17,777	-	-	161,937	1,155
Support:									
Salaries	-	-	-	-	-	11,448	1,724	-	1,785
Benefits	-	-	-	-	-	2,354	329	-	335
Purchased services	-	-	-	-	-	67,560	211	-	-
Supplies/materials	-	-	-	-	-	74,182	11,166	-	1,998
Capital objects	-	-	-	19,500	-	-	-	-	-
Total support	-	-	-	19,500	-	155,544	13,430	-	4,118
Non-instruction:									
Salaries	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-	-	-
Supplies/materials	-	-	-	-	-	-	-	-	-
Capital objects	-	-	-	-	-	-	-	-	-
Total non-instruction	-	-	-	-	-	-	-	-	-
Total expenditures	10,000	-	-	31,798	17,777	155,544	13,430	161,937	5,273
Excess (deficiency) revenues over (under) expenditures	12,406	-	-	(14,865)	-	(31,916)	182	-	-
Other financing sources (uses)									
Transfer in	-	-	-	-	-	-	-	-	-
Net change in fund balance	12,406	-	-	(14,865)	-	(31,916)	182	-	-
Fund balance - beginning of year	20,218	6,999	2,778	6,077	-	196,057	9,886	-	-
Fund balance - end of year	\$ 32,624	\$ 6,999	\$ 2,778	\$ (8,788)	\$ -	\$ 164,141	\$ 10,068	\$ -	\$ -

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
St. Maries, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
For the Year Ended June 30, 2020

	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	School-Based Medicaid	Title IV-A ESSA - Student Support and Academic Enrichment	Perkins III - Professional Technical Act	Title II-A, ESEA - Supporting Effective Instruction	Summer Recreation Program	Child Nutrition	Total
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	-	62,073	62,073
Other	-	-	-	-	-	-	-	7,773	16,831
Total local	-	-	-	-	-	-	-	69,846	78,904
State:									
Other state support	-	-	-	-	-	-	-	-	137,240
Driver education program	-	-	-	-	-	-	-	-	7,875
Professional technical program	-	-	-	-	-	-	-	-	17,777
Total state	-	-	-	-	-	-	-	-	162,892
Federal:									
Restricted	193,403	9,514	37,834	15,241	11,924	29,961	-	479,976	967,469
Total revenues	193,403	9,514	37,834	15,241	11,924	29,961	-	549,822	1,209,265
<b>EXPENDITURES</b>									
Instruction:									
Salaries	104,135	5,105	9,387	-	6,347	-	-	-	249,233
Benefits	82,451	4,409	6,891	-	3,874	-	-	-	142,466
Purchased services	-	-	30,466	-	-	-	-	-	45,414
Supplies/materials	-	-	-	-	1,703	-	-	-	20,822
Total instruction	186,586	9,514	46,744	-	11,924	-	-	-	457,935
Support:									
Salaries	-	-	-	9,647	-	21,092	-	-	45,696
Benefits	-	-	-	5,594	-	8,844	-	-	17,456
Purchased services	2,875	-	2,875	-	-	25	-	-	73,546
Supplies/materials	3,942	-	-	-	-	-	-	-	91,288
Total support	6,817	-	2,875	15,241	-	29,961	-	-	247,486
Non-instruction:									
Salaries	-	-	-	-	-	-	-	156,641	156,641
Benefits	-	-	-	-	-	-	-	106,590	106,590
Purchased services	-	-	-	-	-	-	-	3,025	3,025
Supplies/materials	-	-	-	-	-	-	-	218,902	218,902
Capital objects	-	-	-	-	-	-	-	30,397	30,397
Total non-instruction	-	-	-	-	-	-	-	515,555	515,555
Total expenditures	193,403	9,514	49,619	15,241	11,924	29,961	-	515,555	1,220,976
Excess (deficiency) revenues over (under) expenditures	-	-	(11,785)	-	-	-	-	34,267	(11,711)
Other financing sources (uses) Transfer in	-	-	11,785	-	-	-	-	11,576	23,361
Net change in fund balance	-	-	-	-	-	-	-	45,843	11,650
Fund balance - beginning of year	-	-	-	-	-	-	920	(6,007)	236,928
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920	\$ 39,836	\$ 248,578

ST. MARIES JOINT SCHOOL DISTRICT NO. 41

St. Maries, Idaho

NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2020

	<u>Plant Facilities - Bus Acquisition</u>	<u>Plant Facilities - Lottery</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Due from other funds	57,129	110,900	168,029
Total assets	<u>57,129</u>	<u>110,900</u>	<u>168,029</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 57,129</u>	<u>\$ 110,900</u>	<u>\$ 168,029</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:			
Restricted	57,129	110,900	168,029
Total fund balance	<u>57,129</u>	<u>110,900</u>	<u>168,029</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCE</b>			
	<u>\$ 57,129</u>	<u>\$ 110,900</u>	<u>\$ 168,029</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

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**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2020**

	<u>Plant Facilities - Bus Acquisition</u>	<u>Plant Facilities - Lottery</u>	<u>Total</u>
<b>REVENUES</b>			
State:			
Lottery/additional state maintenance	<u>-</u>	<u>75,568</u>	<u>75,568</u>
Total revenues	<u>-</u>	<u>75,568</u>	<u>75,568</u>
<b>EXPENDITURES</b>			
Capital asset program:			
Capital objects	<u>402,634</u>	<u>82,470</u>	<u>485,104</u>
Total expenditures	<u>402,634</u>	<u>82,470</u>	<u>485,104</u>
Excess (deficiency) of revenues over (under) expenditures	(402,634)	(6,902)	(409,536)
Other financing sources (uses)			
Transfer in	53,674	-	53,674
Proceeds from capital lease financing	402,634	-	402,634
Proceeds from sale of capital assets	<u>3,455</u>	<u>-</u>	<u>3,455</u>
Total other financing sources (uses)	<u>459,763</u>	<u>-</u>	<u>459,763</u>
Net change in fund balance	57,129	(6,902)	50,227
Fund balance-beginning of year	<u>-</u>	<u>117,802</u>	<u>117,802</u>
Fund balance-end of year	<u>\$ 57,129</u>	<u>\$ 110,900</u>	<u>\$ 168,029</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**NONMAJOR FUNDS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	<b>Final Budgeted Revenue</b>	<b>Actual Revenue</b>	<b>Final Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Beginning Fund Balance</b>	<b>Ending Fund Balance</b>
Non-major special revenue funds:						
Federal Forest Reserve	22,000	22,406	30,000	10,000	20,218	32,624
KIC Heyburn Playground	-	-	-	-	6,999	6,999
Student Utility Building	-	-	-	-	2,778	2,778
State Driver Education	19,250	16,933	19,250	31,798	6,077	(8,788)
State Professional Technical	17,777	17,777	17,777	17,777	-	-
State Technology Grant	151,014	123,628	162,620	155,544	196,057	164,141
State Substance Abuse	12,872	13,612	15,835	13,430	9,886	10,068
Title I-A, ESSA - Improving Basic Programs	178,316	161,937	178,316	161,937	-	-
CARES Act - ESSERF	-	5,273	-	5,273	-	-
IDEA Part B (611 School Age 3-21)	213,488	193,403	213,488	193,403	-	-
IDEA Part B (619 Pre-School Age 3-5)	9,514	9,514	9,514	9,514	-	-
School-Based Medicaid	20,000	49,619	20,000	49,619	-	-
Title IV-A ESSA - Student Support and Academic Enrichment	15,239	15,241	15,239	15,241	-	-
Perkins III - Professional Technical Act	12,798	11,924	12,798	11,924	-	-
Title II-A, ESEA - Supporting Effective Instruction	30,768	29,961	30,768	29,961	-	-
Summer Recreation Program	-	-	920	-	920	920
Child Nutrition	475,800	561,398	459,263	515,555	(6,007)	39,836
Non-major capital projects funds:						
Plant Facilities - Bus Acquisition	87,292	459,763	87,292	402,634	-	57,129
Plant Facilities - Lottery	79,312	75,568	197,114	82,470	117,802	110,900
<b>Total</b>	<b><u>\$ 1,345,440</u></b>	<b><u>\$ 1,767,957</u></b>	<b><u>\$ 1,470,194</u></b>	<b><u>\$ 1,706,080</u></b>	<b><u>\$ 354,730</u></b>	<b><u>\$ 416,607</u></b>

**SINGLE AUDIT SECTION**





**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**

St. Maries, Idaho

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Grant Number</u>	<u>Expenditures</u>
<b>U. S. Department of Agriculture</b>				
Passed through State Department of Education				
Child Nutrition Cluster:				
National School Lunch Program (NSLP)	10.555	41	202020N109947	146,613
National School Lunch Program (NSLP)	10.555	41	202020N850347	101,032
School Breakfast Program (SBP)	10.553	41	202020N109947	86,030
School Breakfast Program (SBP)	10.553	41	202020N850347	62,393
NSLP Donated Foods (non-cash)	10.555	41	202020N109947	50,170
Total Child Nutrition Cluster				<u>446,238</u>
Other Programs				
Child Nutrition Discretionary Grants				
Limited Availability	10.579	41	201919N810347	13,638
Child Nutrition-Technology Innovation Grant	10.541	41	201918N760330	8,209
Total Other Programs				<u>21,847</u>
Total Passed Through State Department of Education				<u>468,085</u>
Direct through U.S. Department of Agriculture				
Federal Forest	10.665	41	Not Available	10,000
Total Direct through U.S. Department of Agriculture				<u>10,000</u>
<b>Total U.S. Department of Agriculture</b>				<u>478,085</u>
<b>U. S. Department of Treasury</b>				
Passed through State Department of Education				
Coronavirus Relief Fund	21.019	41	20-1892-0-1-806	11,892
<b>U.S. Department of Education</b>				
Passed through State Department of Education				
Special Education Cluster				
Grants to States (IDEA, Part B)	84.027	41	H027A190088	193,403
Preschool Grants (IDEA Preschool)	84.173	41	H173A190030	9,514
Total Special Education Cluster				<u>202,917</u>
Passed through Plummer-Worley Joint				
School District #44				
Career and Technical Education	84.048	41	V048A190012	11,924
Other Programs				
Title I, Part A of the ESEA	84.010	41	S010A190012	161,937
Supporting Effective Instruction State Grant	84.367	41	S367A190011	29,961
Elementary and Secondary School Emergency				
Relief Fund	84.425D	41	S425D200043	5,273
Student Support and Academic Enrichment Program	84.424	41	S424A190013	15,241
Total Other Programs				<u>212,412</u>
<b>Total U.S. Department of Education</b>				<u>427,253</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 917,230</u>

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2020**

**NOTE 1      Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the St. Maries Joint School District No. 41 under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the St. Maries Joint School District No. 41, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the St. Maries Joint School District No. 41.

**NOTE 2      Summary of Significant Accounting Policies**

- (1) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) St. Maries Joint School District No. 41 has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3      Food Distribution**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The value of the non-cash assistance for the year ended June 30, 2020 was \$50,170.

**NOTE 4      Sub-Recipients**

There were no awards passed through to subrecipients.

**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***

To the Board of Trustees  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of St. Maries Joint School District No. 41, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise St. Maries Joint School District No. 41’s basic financial statements, and have issued our report thereon dated September 21, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Maries Joint School District No. 41’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 St. Maries Joint School District No. 41’s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Maries Joint School District No. 41’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 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 St. Maries Joint School District No. 41's financial statements are free from 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hayden Ross, PLLC*

Moscow, Idaho  
September 21, 2020

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

To the Board of Trustees  
St. Maries Joint School District No. 41  
St. Maries, Idaho 83861

**Report on Compliance for Each Major Federal Program**

We have audited the St. Maries Joint School District No. 41's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the St. Maries Joint School District No. 41's major federal programs for the year ended June 30, 2020. St. Maries Joint School District No. 41's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the St. Maries Joint School District No. 41's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Maries Joint School District No. 41's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the St. Maries Joint School District No. 41's compliance.

## Opinion on Each Major Federal Program

In our opinion, the St. Maries Joint School District No. 41 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of the St. Maries Joint School District No. 41 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the St. Maries Joint School District No. 41's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Maries Joint School District No. 41's internal control over compliance.

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

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

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

*Hayden Ross, PLLC*

Moscow, Idaho  
September 21, 2020

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued:

Opinion Unit

Governmental Activities	Unmodified
General Fund	Unmodified
Plant Facilities	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

- material weakness(es) identified?	<u>    </u> yes	<u>  x  </u> no
- significant deficiency(ies) identified?	<u>    </u> yes	<u>  x  </u> none reported

Noncompliance material to financial statements noted?

     yes                        x   no

*Federal Awards*

Internal control over major programs:

- material weakness(es) identified?	<u>    </u> yes	<u>  x  </u> no
- significant deficiency(ies) identified?	<u>    </u> yes	<u>  x  </u> none reported

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

unmodified

Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)

     yes                        x   no

*Identification of major programs:*

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555, 10.556, 10.559

Child Nutrition Cluster

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

\$750,000

Auditee qualified as a low-risk auditee?

  x   yes                           no

**ST. MARIES JOINT SCHOOL DISTRICT NO. 41**  
**St. Maries, Idaho**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**For the Year Ended June 30, 2020**

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.