

Salmon River Joint School District No. 243

Year Ended June 30, 2020

Audited Financial Statements



SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

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Independent Auditor's Report

Board of Trustees
Salmon River Joint School District No. 243

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 Salmon River Joint School District No. 243 (the School) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School'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 of material misstatement.

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

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

Basis for Qualified Opinion on Governmental Activities

Management has elected not to adopt the provisions of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recognition and measurement of an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses related to the other postemployment benefits as well as certain note disclosures and required supplementary information. The amount by which the departure would affect net position, assets, liabilities, deferred outflows of resources, deferred inflows of resources, expenses, note disclosures, and required supplementary information has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2020, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer’s share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and 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.

Management has not included the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
July 27, 2020

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Statement of Net Position

June 30, 2020

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$2,001,752
Receivables:	
Local Sources	184,334
State Sources	52,973
Federal Sources	52,186
Total Current Assets	<u>2,291,245</u>
Noncurrent Assets	
Nondepreciable Capital Assets	25,126
Depreciable Net Capital Assets	339,007
Total Noncurrent Assets	<u>364,133</u>
Total Assets	<u>2,655,378</u>
 Deferred Outflows of Resources	
Pension Deferred Outflows	207,069
Total Deferred Outflows of Resources	<u>207,069</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$2,862,447</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	\$21,808
Salaries & Benefits Payable	252,277
Unspent Grant Allocation	11,225
Total Current Liabilities	<u>285,310</u>
Noncurrent Liabilities	
Net Pension Liability	389,815
Total Noncurrent Liabilities	<u>389,815</u>
Total Liabilities	<u>675,125</u>
 Deferred Inflows of Resources	
Pension Deferred Inflows	178,741
Total Deferred Inflows of Resources	<u>178,741</u>
Total Liabilities and Deferred Inflows of Resources	<u>853,866</u>
 Net Position	
Net Investment in Capital Assets	364,133
Restricted:	
Special Programs	933,040
Capital Projects	111,729
Unrestricted	599,679
Total Net Position	<u>2,008,581</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$2,862,447</u></u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For	Operating	Capital	Revenue And
		Services	Grants And	Grants And	Changes in
			Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$402,101		\$52,706		(\$349,395)
Secondary School	434,294		3,476		(430,818)
Vocational-Technical	23,702		23,702		0
Special Education	184,541		32,096		(152,445)
Special Education Preschool	2,598		2,598		0
Gifted & Talented	32,954				(32,954)
Interscholastic					0
Summer School Program					0
Support Service Programs					
Attendance - Guidance - Health	107,568				(107,568)
Special Education Support Services	25,698				(25,698)
Instruction Improvement	32,007		9,039		(22,968)
Educational Media	27,719				(27,719)
Instruction-Related Technology	90,874		55,281		(35,593)
Board of Education	14,324				(14,324)
District Administration	152,655				(152,655)
School Administration	179,155				(179,155)
Business Operations	77,785				(77,785)
Administrative Technology Service	5,827				(5,827)
Buildings - Care	141,462				(141,462)
Maintenance - Non-Student Occupied	2,253				(2,253)
Maintenance - Student Occupied	129,179				(129,179)
Maintenance - Grounds	3,226				(3,226)
Security Program					0
Pupil-To-School Transportation	105,320				(105,320)
Pupil-Activity Transportation	64				(64)
General Transportation	1,171				(1,171)
Other Support Services					0
Non-Instructional Programs					
Child Nutrition	85,288	\$11,842	50,915		(22,531)
Capital Assets - Student Occupied	20,519				(20,519)
Capital Assets - Non-Student Occupied					0
Total Governmental Activities	\$2,282,284	\$11,842	\$229,813	\$0	(2,040,629)
Changes in Net Position					Total
Net (Expense) Revenue					(2,040,629)
General Revenues					
Local Taxes					548,880
Other Local Revenues					40,877
State Revenues					1,654,994
Federal Revenues					100,481
Pension Revenue (Expense)					(128,765)
Total					2,216,467
Change in Net Position					175,838
Net Position - Beginning					1,832,743
Net Position - Ending					\$2,008,581

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Balance Sheet - Governmental Funds

June 30, 2020

	General Fund	Forest Reserve Fund	Child Nutrition Fund
Assets			
Cash & Investments	\$937,955	\$846,391	\$5,584
Receivables:			
Local Sources	184,334		
State Sources	52,973		
Federal Sources			
Due From Other Funds	30,788		
Total Assets	<u>\$1,206,050</u>	<u>\$846,391</u>	<u>\$5,584</u>
Liabilities			
Accounts Payable	\$8,296	\$1,358	
Due To Other Funds			
Salaries & Benefits Payable	236,588		\$5,516
Unspent Grant Allocation			
Total Liabilities	<u>244,884</u>	<u>1,358</u>	<u>5,516</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues	59,010		
Total Deferred Inflows of Resources	<u>59,010</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted:			
Special Programs		845,033	68
Capital Projects			
Unassigned	902,156		
Total Fund Balances	<u>902,156</u>	<u>845,033</u>	<u>68</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$1,206,050</u>	<u>\$846,391</u>	<u>\$5,584</u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Balance Sheet - Governmental Funds

June 30, 2020

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
Assets		
Cash & Investments	\$211,822	\$2,001,752
Receivables:		
Local Sources	0	184,334
State Sources	0	52,973
Federal Sources	52,186	52,186
Due From Other Funds	0	30,788
Total Assets	<u>\$264,008</u>	<u>\$2,322,033</u>
 Liabilities		
Accounts Payable	\$12,154	\$21,808
Due To Other Funds	30,788	30,788
Salaries & Benefits Payable	10,173	252,277
Unspent Grant Allocation	11,225	11,225
Total Liabilities	<u>64,340</u>	<u>316,098</u>
 Deferred Inflows of Resources		
Unavailable Tax Revenues	0	59,010
Total Deferred Inflows of Resources	<u>0</u>	<u>59,010</u>
 Fund Balances		
Restricted:		
Special Programs	87,939	933,040
Capital Projects	111,729	111,729
Unassigned	0	902,156
Total Fund Balances	<u>199,668</u>	<u>1,946,925</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$264,008</u>	<u>\$2,322,033</u>

Balance Sheet - Governmental Funds

June 30, 2020

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	\$1,946,925
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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 in the funds.	364,133
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	59,010
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(361,487)
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Net Position of Governmental Activities	<u><u>\$2,008,581</u></u>
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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2020

	<u>General Fund</u>	<u>Forest Reserve Fund</u>	<u>Child Nutrition Fund</u>
Revenues			
Local Taxes	\$568,146		
Other Local Revenue	24,024	\$16,183	\$11,729
State Revenue	1,654,994		
Federal Revenue		99,220	50,915
Total Revenues	<u>2,247,164</u>	<u>115,403</u>	<u>62,644</u>
Expenditures			
Instructional Programs			
Elementary School	427,567		
Secondary School	510,662		
Vocational-Technical			
Special Education	152,445		
Special Education Preschool			
Interscholastic	32,954		
Gifted & Talented			
Summer School Program			
Support Service Programs			
Attendance - Guidance - Health	107,568		
Special Education Support Services	23,090		
Instruction Improvement	22,968		
Educational Media	27,719		
Instruction-Related Technology	53,933		
Board of Education	14,324		
District Administration	134,447	18,208	
School Administration	179,155		
Business Operations	77,785		
Administrative Technology Service	5,827		
Buildings - Care	141,462		
Maintenance - Non-Student Occupied	2,253		
Maintenance - Student Occupied	73,666	90,985	
Maintenance - Grounds	3,226		
Security Program			
Pupil-To-School Transportation	81,038		
Pupil-Activity Transportation	64		
General Transportation	1,171		
Other Support Services			
Non-Instructional Programs			
Child Nutrition	1,480		83,808
Capital Assets - Student Occupied		39,887	
Capital Assets - Non-Student Occupied			
Total Expenditures	<u>2,074,804</u>	<u>149,080</u>	<u>83,808</u>
Excess (Deficiency) of Revenues Over Expenditures	172,360	(33,677)	(21,164)
Other Financing Sources (Uses)			
Transfers In	22,000		21,232
Transfers Out	(47,481)	(22,000)	
Total Other Financing Sources (Uses)	<u>(25,481)</u>	<u>(22,000)</u>	<u>21,232</u>
Net Change in Fund Balances	146,879	(55,677)	68
Fund Balances - Beginning	755,277	900,710	0
Fund Balances - Ending	<u>\$902,156</u>	<u>\$845,033</u>	<u>\$68</u>

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2020

	Other Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$568,146
Other Local Revenue	783	52,719
State Revenue	88,775	1,743,769
Federal Revenue	91,384	241,519
Total Revenues	180,942	2,606,153
Expenditures		
Instructional Programs		
Elementary School	46,130	473,697
Secondary School	1,194	511,856
Vocational-Technical	23,702	23,702
Special Education	32,096	184,541
Special Education Preschool	2,598	2,598
Gifted & Talented	0	32,954
Interscholastic	0	0
Summer School Program	0	0
Support Service Programs		
Attendance - Guidance - Health	0	107,568
Special Education Support Services	2,608	25,698
Instruction Improvement	9,039	32,007
Educational Media	0	27,719
Instruction-Related Technology	36,941	90,874
Board of Education	0	14,324
District Administration	0	152,655
School Administration	0	179,155
Business Operations	0	77,785
Administrative Technology Service	0	5,827
Buildings - Care	0	141,462
Maintenance - Non-Student Occupied	0	2,253
Maintenance - Student Occupied	0	164,651
Maintenance - Grounds	0	3,226
Security Program	0	0
Pupil-To-School Transportation	0	81,038
Pupil-Activity Transportation	0	64
General Transportation	0	1,171
Other Support Services	0	0
Non-Instructional Programs		
Child Nutrition	0	85,288
Capital Assets - Student Occupied	50,000	89,887
Capital Assets - Non-Student Occupied	0	0
Total Expenditures	204,308	2,512,000
Excess (Deficiency) of Revenues Over Expenditures	(23,366)	94,153
Other Financing Sources (Uses)		
Transfers In	26,249	69,481
Transfers Out	0	(69,481)
Total Other Financing Sources (Uses)	26,249	0
Net Change in Fund Balances	2,883	94,153
Fund Balances - Beginning	196,785	1,852,772
Fund Balances - Ending	\$199,668	\$1,946,925

Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Governmental Funds
 Year Ended June 30, 2020

**Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Governmental Funds to the Statement of
 Activities**

Net Change in Fund Balances - Total Governmental Funds \$94,153

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period. 80,558

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (19,266)

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. 20,393

Change in Net Position of Governmental Activities \$175,838

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Statement of Fiduciary Net Position

June 30, 2020

	Private Purpose Trust Funds	Agency Funds Student Activity	Total
Assets			
Cash & Investments	\$3,865	\$36,268	\$40,133
Total Assets	<u>\$3,865</u>	<u>\$36,268</u>	<u>\$40,133</u>
Liabilities			
Due to Student Groups		\$36,268	\$36,268
Total Liabilities	<u>\$0</u>	<u>36,268</u>	<u>36,268</u>
Net Position			
Restricted:			
Scholarships	3,865		3,865
Total Net Position	<u>3,865</u>	<u>0</u>	<u>3,865</u>
Total Liabilities and Net Position	<u>\$3,865</u>	<u>\$36,268</u>	<u>\$40,133</u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2020

	Private Purpose Trust Funds
Additions	
Contributions & Donations	\$500
Investment Income (Loss)	79
Total Additions	<u>579</u>
Deductions	
Scholarships Awarded	1,500
Total Deductions	<u>1,500</u>
Change in Net Position	(921)
Net Position - Beginning	4,786
Net Position - Ending	<u><u>\$3,865</u></u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Salmon River Joint School District No. 243 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Adams and Idaho Counties.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Notes to Financial Statements

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the forest reserve fund, used primarily for capital outlay and maintenance and the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the School include:

Private Purpose Trust Funds – Private purpose trust funds are used to account for the assets, and related income producing and disbursement activities, for which the School acts as a scholarship trustee.

Agency Funds – Agency funds are used to account for assets held by the School on behalf of students.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide and fiduciary fund financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Notes to Financial Statements

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method, except for certain transportation vehicles which use the declining balance method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an “implicit subsidy” since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that an asset or liability, deferred outflows of resources, deferred inflows of resources, and expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

Pensions – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the 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.

Deferred Outflows/Inflows of Resources – The School’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Notes to Financial Statements

for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity's governing body. Assigned portions represent amounts that are constrained by the government's intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Use of 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.

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

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Notes to Financial Statements

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$563,191	\$36,269	\$599,460
Investments - Local Gov't Investment Pool	1,438,561	3,864	1,442,425
Total	\$2,001,752	\$40,133	\$2,041,885

Deposits – At year end, the carrying amounts of the School's deposits were \$599,460 and the bank balances were \$584,650. Of the bank balances, \$287,076 was insured, and the balance was uninsured and uncollateralized.

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

	Investment Maturity Schedule (In Years)	
Investment Type	Less Than 1	Total
Local Gov't Invest Pool	\$1,442,425	\$1,442,425
Total	\$1,442,425	\$1,442,425

Credit rate risk:

	Investment Rating Schedule	
Investment Type	Not Rated	Total
Local Gov't Invest Pool	\$1,442,425	\$1,442,425
Total	\$1,442,425	\$1,442,425

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. The local government investment pool is not registered with the SEC and is a short-term investment pool. The state treasurer's office investment policy for the local government investment pool includes the following three primary objectives in order of priority: 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. More information on the local governmental investment pool including regulatory information, ratings, and risk information can be found at www.sto.idaho.gov.

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Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Local Sources			
Local Taxes	\$184,334		\$184,334
Total	<u>\$184,334</u>		<u>\$184,334</u>
State Sources			
Foundation Program	\$52,973		\$52,973
Total	<u>\$52,973</u>		<u>\$52,973</u>
Federal Sources			
Special Programs		\$52,186	\$52,186
Total		<u>\$52,186</u>	<u>\$52,186</u>

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Notes to Financial Statements

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$25,126			\$25,126
Construction In Progress	0			0
Total	<u>25,126</u>	<u>\$0</u>	<u>\$0</u>	<u>25,126</u>
Depreciable Capital Assets				
Buildings	1,240,373			1,240,373
Equipment	222,812	35,472		258,284
Transportation	364,454	89,887		454,341
Subtotal	<u>1,827,639</u>	<u>125,359</u>	<u>0</u>	<u>1,952,998</u>
Accumulated Depreciation				
Buildings	1,082,310	6,648		1,088,958
Equipment	163,218	13,871		177,089
Transportation	323,662	24,282		347,944
Subtotal	<u>1,569,190</u>	<u>44,801</u>	<u>0</u>	<u>1,613,991</u>
Total	<u>258,449</u>	<u>80,558</u>	<u>0</u>	<u>339,007</u>
Net Capital Assets	<u>\$283,575</u>	<u>\$80,558</u>	<u>\$0</u>	<u>\$364,133</u>

Depreciation expense was charged to the following program:

Capital Assets - Student Occupied	\$20,519
Pupil-To-School Transportation	24,282
Total	<u>\$44,801</u>

E. PENSION PLAN

Plan Description

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

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Notes to Financial Statements

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.

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. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2019 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The School's contributions were \$149,158 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 School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School'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 School's proportion was 0.0341502 percent.

For the year ended June 30, 2020, the School recognized pension revenue (expense) of (\$128,765). At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$36,227	\$45,942
Changes in assumptions or other inputs	21,684	
Net difference between projected and actual earnings on pension plan investments		132,799
Employer contributions subsequent to the measurement date	<u>149,158</u>	
Total	<u>\$207,069</u>	<u>\$178,741</u>

\$149,158 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018 the beginning of the measurement period ended June 30, 2018 is 4.8 and 4.8 for the measurement period June 30, 2019.

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

<u>Year Ended</u>	
6/30/21	(\$14,037)
6/30/22	(60,138)
6/30/23	(29,294)
6/30/24	<u>(17,361)</u>
Total	<u>(\$120,830)</u>

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

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

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of investment expenses

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Notes to Financial Statements

Cost-of-living adjustments 1%

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

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The total pension liability as of June 30, 2019 is based on the results of an actuarial valuation date of July 1, 2019.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate 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. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

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Notes to Financial Statements

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	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*		5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return*			4.19%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return*			4.05%
Assumed Inflation			3.00%
Long-Term Expected Nominal Rate of Return*			7.05%
*Net of Investment Expenses			

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.

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

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the School'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:

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Notes to Financial Statements

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
School's proportionate share of the net pension liability (asset)	\$1,177,392	\$389,815	(\$261,486)

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.

Impacts on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan whenever deemed necessary), such deficits are not deemed to be of substantial concern.

F. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
	Governmental	Total
Due To Fund		
General	\$30,788	\$30,788
Total	\$30,788	\$30,788

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

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Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$22,000	\$47,481	Reimbursement, Support, Depreciation
Forest Reserve		22,000	Reimbursement
Child Nutrition	21,232		Support
Nonmajor Governmental	26,249		Support, Depreciation
Total	<u>\$69,481</u>	<u>\$69,481</u>	

G. TAX ABATEMENTS

Idaho counties are authorized by state statute to transact certain property tax activity with property owners in their respective taxing districts. The counties collect the property taxes, then allocate and remit those collections among the taxing districts within the counties. The counties are authorized to cancel or reduce property taxes due to various reasons, including the circuit breaker program, agricultural and other exemptions, and section 63-602NN exemptions under Idaho code for real property improvements.

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2020

General Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			
	Original	Final		Positive
				(Negative)
Revenues				
Local Taxes	\$534,416	\$534,416	\$568,146	\$33,730
Other Local Revenue	0	0	24,024	24,024
State Revenue	1,629,015	1,629,015	1,654,994	25,979
Federal Revenue	5,900	5,900	0	(5,900)
Total Revenues	2,169,331	2,169,331	2,247,164	77,833
Expenditures				
Instructional Programs				
Elementary School	441,800	441,800	427,567	14,233
Secondary School	523,385	523,385	510,662	12,723
Vocational-Technical	0	0	0	0
Special Education	155,595	155,595	152,445	3,150
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	49,355	49,355	0	49,355
Summer School Program	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	103,220	103,220	107,568	(4,348)
Special Education Support Services	18,000	18,000	23,090	(5,090)
Instruction Improvement	30,345	30,345	22,968	7,377
Educational Media	25,280	25,280	27,719	(2,439)
Instruction-Related Technology	47,190	47,190	14,324	32,866
Board of Education	8,800	8,800	14,324	(5,524)
District Administration	123,370	123,370	134,447	(11,077)
School Administration	184,670	184,670	179,155	5,515
Business Operations	81,525	81,525	77,785	3,740
Administrative Technology Service	0	0	5,827	(5,827)
Buildings - Care	167,595	167,595	141,462	26,133
Maintenance - Non-Student Occupied	2,000	2,000	2,253	(253)
Maintenance - Student Occupied	91,161	91,161	73,666	17,495
Maintenance - Grounds	7,000	7,000	3,226	3,774
Security Program	0	0	0	0
Pupil-To-School Transportation	85,380	85,380	81,038	4,342
Pupil-Activity Transportation	0	0	64	(64)
General Transportation	1,500	1,500	1,171	329
Other Support Services	500	500	0	500
Non-Instructional Programs				
Child Nutrition	3,660	3,660	1,480	2,180
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Total Expenditures	2,151,331	2,151,331	2,002,241	149,090 *
Excess (Deficiency) of Revenues				
Over Expenditures	18,000	18,000	244,923	226,923
Other Financing Sources (Uses)				
Transfers In	0	0	22,000	22,000
Transfers Out	(18,000)	(18,000)	(47,481)	(29,481) *
Total Other Financing Sources (Uses)	(18,000)	(18,000)	(25,481)	(7,481)
Net Change in Fund Balances	0	0	219,442	219,442
Fund Balances - Beginning	0	0	755,277	755,277
Fund Balances - Ending	\$0	\$0	\$974,719	\$974,719

*Total expenditures (over) under appropriations are: \$119,609

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2020

Forest Reserve Fund	Budgeted Amounts		Actual	Final Budget
	(GAAP Basis)			
	Original	Final		Positive
				(Negative)
Revenues				
Local Taxes	\$0	\$0	\$0	\$0
Other Local Revenue	0	0	16,183	16,183
State Revenue	0	0	0	0
Federal Revenue	90,000	90,000	99,220	9,220
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>115,403</u>	<u>25,403</u>
Expenditures				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
Vocational-Technical	0	0	0	0
Special Education	0	0	0	0
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
Summer School Program	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Instruction-Related Technology	0	0	0	0
Board of Education	20,000	20,000	0	20,000
District Administration	25,000	25,000	18,208	6,792
School Administration	0	0	0	0
Business Operations	0	0	0	0
Administrative Technology Service	0	0	0	0
Buildings - Care	0	0	0	0
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	70,000	70,000	90,985	(20,985)
Maintenance - Grounds	0	0	0	0
Security Program	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
General Transportation	0	0	0	0
Other Support Services	0	0	0	0
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Capital Assets - Student Occupied	65,000	65,000	39,887	25,113
Capital Assets - Non-Student Occupied	0	0	0	0
Total Expenditures	<u>180,000</u>	<u>180,000</u>	<u>149,080</u>	<u>30,920</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	(90,000)	(90,000)	(33,677)	56,323
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(38,543)	(38,543)	(22,000)	16,543
Total Other Financing Sources (Uses)	<u>(38,543)</u>	<u>(38,543)</u>	<u>(22,000)</u>	<u>16,543</u>
Net Change in Fund Balances	<u>(128,543)</u>	<u>(128,543)</u>	<u>(55,677)</u>	<u>72,866</u>
Fund Balances - Beginning	<u>553,203</u>	<u>553,203</u>	<u>900,710</u>	<u>347,507</u>
Fund Balances - Ending	<u>\$424,660</u>	<u>\$424,660</u>	<u>\$845,033</u>	<u>\$420,373</u>

*Total expenditures (over) under appropriations are: \$47,463

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2020

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Other Local Revenue	\$11,800	\$11,800	\$11,729	(\$71)
Federal Revenue	33,500	33,500	50,915	17,415
Total Revenues	<u>45,300</u>	<u>45,300</u>	<u>62,644</u>	<u>17,344</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	83,285	83,285	83,808	(523)
Total Expenditures	<u>83,285</u>	<u>83,285</u>	<u>83,808</u>	<u>(523) *</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(37,985)	(37,985)	(21,164)	16,821
Other Financing Sources (Uses)				
Transfers In	37,985	37,985	21,232	(16,753)
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>37,985</u>	<u>37,985</u>	<u>21,232</u>	<u>(16,753)</u>
Net Change in Fund Balances	0	0	68	68
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$68</u>	<u>\$68</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u><u>(\$523)</u></u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	2019
School's portion of the net pension liability	0.0341502%
School's proportionate share of the net pension liability	\$389,815
School's covered payroll	\$1,159,876
School's proportional share of the net pension liability as a percentage of its covered payroll	33.61%
Plan fiduciary net position as a percentage of the total pension liability	93.79%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's portion of the net pension liability	0.0343859%	0.0320770%	0.0299191%	0.0326444%	0.0351139%
School's proportionate share of the net pension liability	\$507,198	\$504,195	\$606,506	\$429,874	\$258,493
School's covered payroll	\$1,106,319	\$996,290	\$875,040	\$914,359	\$951,391
School's proportional share of the net pension liability as a percentage of its covered payroll	45.85%	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.68%	87.26%	91.38%	94.95%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	2020
Statutorily required contribution	<u>\$149,158</u>
Contributions in relation to the statutorily required contribution	\$149,158
Contribution deficiency (excess)	<u><u>\$0</u></u>
School's covered payroll	<u>\$1,249,229</u>
Contributions as a percentage of covered payroll	11.94%

	2019	2018	2017	2016	2015
Statutorily required contribution	<u>\$131,298</u>	<u>\$125,235</u>	<u>\$112,780</u>	<u>\$99,055</u>	<u>\$103,505</u>
Contributions in relation to the statutorily required contribution	\$131,298	\$125,235	\$112,780	\$99,055	\$103,505
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School's covered payroll	<u>\$1,159,876</u>	<u>\$1,106,319</u>	<u>\$996,290</u>	<u>\$875,040</u>	<u>\$914,359</u>
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds			
	Sources of Strength	Driver Education	Professional Technical	Technology
Assets				
Cash & Investments	\$6,742		\$12,154	\$63,985
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$6,742	\$0	\$12,154	\$63,985
Liabilities				
Accounts Payable			\$12,154	
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	12,154	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	6,742			63,985
Capital Projects				
Unassigned				
Total Fund Balances	6,742	0	0	63,985
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$6,742	\$0	\$12,154	\$63,985

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds			
	Substance Abuse	Substance Abuse Block Grant	Title I-A ESSA IBP	IDEA Part B 611 School Age 3-21
Assets				
Cash & Investments	\$10,892	\$6,320		
Receivables:				
Local Sources				
State Sources				
Federal Sources			\$21,459	\$18,218
Due From Other Funds				
Total Assets	\$10,892	\$6,320	\$21,459	\$18,218
Liabilities				
Accounts Payable				
Due To Other Funds			\$13,317	\$12,156
Salaries & Benefits Payable			4,871	5,302
Unspent Grant Allocation			3,271	760
Total Liabilities	\$0	\$0	21,459	18,218
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	10,892	6,320		
Capital Projects				
Unassigned				
Total Fund Balances	10,892	6,320	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$10,892	\$6,320	\$21,459	\$18,218

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds			
	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title V-B ESSA REI	Title II-A ESSA SEI
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$1,166		\$6,061	\$4,048
Due From Other Funds				
Total Assets	\$1,166	\$0	\$6,061	\$4,048
Liabilities				
Accounts Payable				
Due To Other Funds			\$3,534	\$547
Salaries & Benefits Payable				
Unspent Grant Allocation	\$1,166		2,527	3,501
Total Liabilities	1,166	\$0	6,061	4,048
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Unassigned				
Total Fund Balances	0	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,166	\$0	\$6,061	\$4,048

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2020

	Special Revenue	Capital Projects Funds		Total
	Title IV-A	Plant	Bus	
	ESSA SS & AE	Facilities Fund	Depreciation Fund	
Assets				
Cash & Investments		\$39,190	\$72,539	\$211,822
Receivables:				
Local Sources				0
State Sources				0
Federal Sources	\$1,234			52,186
Due From Other Funds				0
Total Assets	\$1,234	\$39,190	\$72,539	\$264,008
Liabilities				
Accounts Payable				\$12,154
Due To Other Funds	\$1,234			30,788
Salaries & Benefits Payable				10,173
Unspent Grant Allocation				11,225
Total Liabilities	1,234	\$0	\$0	64,340
Deferred Inflows of Resources				
Unavailable Tax Revenues				0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				87,939
Capital Projects		39,190	72,539	111,729
Unassigned				0
Total Fund Balances	0	39,190	72,539	199,668
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$1,234	\$39,190	\$72,539	\$264,008

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			
	<u>Sources of Strength</u>	<u>Driver Education</u>	<u>Professional Technical</u>	<u>Technology</u>
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$6,316		\$23,702	\$49,782
Federal Revenue				
Total Revenues	<u>6,316</u>	<u>\$0</u>	<u>23,702</u>	<u>49,782</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School		620		
Vocational-Technical			23,702	
Special Education				
Special Education Preschool				
Gifted & Talented				
Interscholastic				
Summer School Program				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology	515			27,178
Board of Education				
District Administration				
School Administration				
Business Operations				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security Program				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>515</u>	<u>620</u>	<u>23,702</u>	<u>27,178</u>
Excess (Deficiency) of Revenues				
Over Expenditures	5,801	(620)	0	22,604
Other Financing Sources (Uses)				
Transfers In		620		
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>620</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	5,801	0	0	22,604
Fund Balances - Beginning	941	0	0	41,381
Fund Balances - Ending	<u>\$6,742</u>	<u>\$0</u>	<u>\$0</u>	<u>\$63,985</u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2020

	Special Revenue Funds			
	Substance Abuse	Substance Abuse Block Grant	Title I-A ESSA IBP	IDEA Part B 611 School Age 3-21
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$3,476	\$5,499		
Federal Revenue			\$35,121	\$32,096
Total Revenues	<u>3,476</u>	<u>5,499</u>	<u>35,121</u>	<u>32,096</u>
Expenditures				
Instructional Programs				
Elementary School			35,121	
Secondary School	314			
Vocational-Technical				
Special Education				32,096
Special Education Preschool				
Gifted & Talented				
Interscholastic				
Summer School Program				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology		9,248		
Board of Education				
District Administration				
School Administration				
Business Operations				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security Program				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>314</u>	<u>9,248</u>	<u>35,121</u>	<u>32,096</u>
Excess (Deficiency) of Revenues				
Over Expenditures	3,162	(3,749)	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	3,162	(3,749)	0	0
Fund Balances - Beginning	7,730	10,069	0	0
Fund Balances - Ending	<u>\$10,892</u>	<u>\$6,320</u>	<u>\$0</u>	<u>\$0</u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2020

	Special Revenue Funds			
	IDEA Part B 619 Pre-School Age 3-5	School Based Medicaid	Title V-B ESSA REI	Title II-A ESSA SEI
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$2,598	\$1,261	\$9,039	\$1,269
Total Revenues	<u>2,598</u>	<u>1,261</u>	<u>9,039</u>	<u>1,269</u>
Expenditures				
Instructional Programs				
Elementary School				1,269
Secondary School				
Vocational-Technical				
Special Education				
Special Education Preschool	2,598			
Gifted & Talented				
Interscholastic				
Summer School Program				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services		2,608		
Instruction Improvement			9,039	
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operations				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security Program				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>2,598</u>	<u>2,608</u>	<u>9,039</u>	<u>1,269</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,347)	0	0
Other Financing Sources (Uses)				
Transfers In		1,347		
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,347</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SALMON RIVER JOINT SCHOOL DISTRICT NO. 243
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Title IV-A</u>	<u>Plant</u>	<u>Bus</u>	
	<u>ESSA</u>	<u>Facilities</u>	<u>Depreciation</u>	
	<u>SS & AE</u>	<u>Fund</u>	<u>Fund</u>	
Revenues				
Local Taxes				\$0
Other Local Revenue		\$783		783
State Revenue				88,775
Federal Revenue	\$10,000			91,384
Total Revenues	<u>10,000</u>	<u>783</u>	<u>\$0</u>	<u>180,942</u>
Expenditures				
Instructional Programs				
Elementary School	9,740			46,130
Secondary School	260			1,194
Vocational-Technical				23,702
Special Education				32,096
Special Education Preschool				2,598
Gifted & Talented				0
Interscholastic				0
Summer School Program				0
Support Service Programs				
Attendance - Guidance - Health				0
Special Education Support Services				2,608
Instruction Improvement				9,039
Educational Media				0
Instruction-Related Technology				36,941
Board of Education				0
District Administration				0
School Administration				0
Business Operations				0
Administrative Technology Service				0
Buildings - Care				0
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied				0
Maintenance - Grounds				0
Security Program				0
Pupil-To-School Transportation				0
Pupil-Activity Transportation				0
General Transportation				0
Other Support Services				0
Non-Instructional Programs				
Child Nutrition				0
Capital Assets - Student Occupied			50,000	50,000
Capital Assets - Non-Student Occupied				0
Total Expenditures	<u>10,000</u>	<u>0</u>	<u>50,000</u>	<u>204,308</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	783	(50,000)	(23,366)
Other Financing Sources (Uses)				
Transfers In			24,282	26,249
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>24,282</u>	<u>26,249</u>
Net Change in Fund Balances	<u>0</u>	<u>783</u>	<u>(25,718)</u>	<u>2,883</u>
Fund Balances - Beginning	<u>0</u>	<u>38,407</u>	<u>98,257</u>	<u>196,785</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$39,190</u>	<u>\$72,539</u>	<u>\$199,668</u>



**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Salmon River Joint School District No. 243

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 the governmental activities, each major fund, and the aggregate remaining fund information of the Salmon River Joint School District No. 243 (the School), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated July 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’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 over financial reporting 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 the School’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
July 27, 2020