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# **KENDRICK JOINT SCHOOL DISTRICT NO. 283**

**Kendrick, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2021**

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**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Kendrick Joint School District No. 283  
Kendrick, Idaho 83537

### **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 Kendrick Joint School District No. 283, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of 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.

### ***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 Kendrick Joint School District No. 283, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

The District has adopted GASB Statement No. 84, Fiduciary Activities, as further described in Note 14. 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 6-10, budgetary comparison information on pages 45-46, the net pension liability related schedules on page 47, the other post-employment benefits liability schedule on page 48, and the net OPEB asset – sick leave plan related schedules on page 49 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 Kendrick Joint School District No. 283'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 combining and 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 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 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 October 26, 2021 on our consideration of the Kendrick Joint School District No. 283'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 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 Kendrick Joint School District No. 283's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 26, 2021



**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  
Kendrick Joint School District No. 283  
Kendrick, Idaho 83537

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 Kendrick Joint School District No. 283, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Kendrick Joint School District No. 283’s basic financial statements, and have issued our report thereon dated October 26, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kendrick Joint School District No. 283’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 Kendrick Joint School District No. 283’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Kendrick Joint School District No. 283’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, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting (Finding 2021-001, 2021-002, 2021-003, and 2021-004).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Kendrick Joint School District No. 283'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  
October 26, 2021



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2021**

The discussion and analysis of the Kendrick Joint School District No. 283's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021.

**Financial Highlights**

- Kendrick Joint School District carried a fund balance of \$2,226,012 thru June 30, 2021. Patrons funded a one-year Supplemental Levy in 2020-2021 totaling \$810,000 per year. For the 2020-2021 academic year, the Career Ladder was funded, including the addition of the Advanced Professional rung. This, along with the passing of a two-year supplemental levy in the amount of \$810,000, has allowed the district to maintain a stable fund balance. Beginning in the fall of 2021, the district intends to start construction of a fieldhouse at the football complex. This building will replace aging buildings and will cost in the area of \$600,000. The current fund balance of the district will allow this construction project to proceed without additional use of public funds in the form of a bond project. The district has also seen an influx of federal funds which will help offset an anticipated holdback in discretionary funds near the end of the fiscal year.
- The School board authorized the sale of General Obligation Refunding Bonds Series 2018 to refinance the General Obligation School Bond series 2007 in fiscal year 2019. We are continuing to pay on this bond thru August 15, 2031.
- Plant Facility Levy improvements to the Kendrick Jr./Sr. High School included replacing flooring in multiple classrooms, the library and main offices. The gym floor was also completely redone with sanding, repainting and refinishing and building signage was added to the outside of the high school. Building improvements at Juliaetta Elementary included replacing flooring in multiple classrooms as well as replacing lighting and painting in the gym. Carpet was also replaced at both schools. The gym floor was resurfaced at the high school.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise 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 Statements.** 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 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 government-wide financial statements, the District's activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation and food service. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**Fund Financial Statements.** Funds are accounting devices the District uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund Financial statements generally report operation in more detail than the government-wide statements. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on those which are considered most significant.

*Governmental Funds.* Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported on the "modified accrual" basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

*Proprietary Fund.* This internal service fund records transactions for the medical risk pool. It uses the same basis of accounting as business-type activities, and is consolidated with the governmental activities in the statements for the District as a whole.

**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.

### **Government-Wide Financial Analysis**

Net position may serve as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,487,448.

### Statement of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
<b>Assets</b>			
Current Assets	4,044,411	3,777,141	267,270
Capital Assets	4,102,978	4,072,716	30,262
Noncurrent Assets	<u>147,323</u>	<u>107,703</u>	<u>39,620</u>
<b>Total Assets</b>	<u><b>8,294,712</b></u>	<u><b>7,957,560</b></u>	<u><b>337,152</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>495,172</b></u>	<u><b>349,739</b></u>	<u><b>145,433</b></u>
<b>Liabilities</b>			
Current Liabilities	464,447	438,584	25,863
Noncurrent Liabilities	<u>2,706,605</u>	<u>2,233,795</u>	<u>472,810</u>
<b>Total Liabilities</b>	<u><b>3,171,052</b></u>	<u><b>2,672,379</b></u>	<u><b>498,673</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>1,131,384</b></u>	<u><b>1,323,899</b></u>	<u><b>(192,515)</b></u>
<b>Net Position</b>			
Net investment in capital assets	2,772,978	2,642,716	130,262
Restricted	1,041,401	912,371	129,030
Unrestricted	<u>673,069</u>	<u>755,934</u>	<u>(82,865)</u>
<b>Total Net Position</b>	<u><b>\$ 4,487,448</b></u>	<u><b>\$ 4,311,021</b></u>	<u><b>\$ 176,427</b></u>

The largest portions of the District's net position are (61.79%) reflect investments in capital assets (i.e. land, building, and improvements, furniture, and equipment) net of related debt (general obligation bonds) used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District's net position (23.21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (15.00%) may be used to meet the District's ongoing obligations to students, employee, and creditors.

The unrestricted net position amount has been earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency.

*Changes in Net Position* - The table below shows the changes in net position. The District had total revenues of \$4,212,965 and total expenses of \$4,117,549, which generated an increase in net position of \$95,386.

#### Changes in Net Position

	<u>2020 - 2021</u>	<u>2019 - 2020</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for services	7,635	33,673	(26,038)
Operating grants and contributions	542,983	609,460	(66,477)
General Revenues:			
Property taxes	1,076,938	1,047,651	29,287
Federal and state revenues	2,408,282	2,190,019	218,263
Local revenues	174,627	68,783	105,844
Gain on sale of capital assets	2,500	1,500	1,000
<b>Total Revenues</b>	<b><u>4,212,965</u></b>	<b><u>3,951,086</u></b>	<b><u>261,879</u></b>
<b>Expenses</b>			
Program Expenses:			
Instruction	2,077,158	1,712,509	364,649
Support services	1,558,333	1,393,913	164,420
Child nutrition	140,590	136,611	3,979
Student activities	106,413	-	106,413
Debt service	54,923	58,327	(3,404)
Depreciation, unallocated	180,162	166,212	13,950
<b>Total Expenses</b>	<b><u>4,117,579</u></b>	<b><u>3,467,572</u></b>	<b><u>650,007</u></b>
<b>Change in Net Position</b>	<b>95,386</b>	<b>483,514</b>	<b>(388,128)</b>
<b>Net Position - Beginning</b>	<b>4,392,062</b>	<b>3,897,909</b>	<b>494,153</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(70,402)</b>	<b>70,402</b>
<b>Net Position - Ending</b>	<b><u>\$ 4,487,448</u></b>	<b><u>\$ 4,311,021</u></b>	<b><u>\$ 176,427</u></b>

Due to the implementation of new accounting standards (see Note 14), the student activity fund is included in fiscal year 2021 but were not included in fiscal year 2020.

#### District's Fund Financial Analysis

**General Fund.** The General fund is the maintenance and operation fund and the most significant budgeted fund. At the end of the current fiscal year, the General Fund balance is \$1,622,061, which is up 8.25% from the ending balance in the prior fiscal year of \$1,498,431. The reason for the increase was because there was a decrease in transfers out of the General Fund. A minimum fund balance of two month's expenses is recommended by the Government Finance Officers Association. Revenues in the General fund totaled \$3,144,685, a 1.08% decrease from the prior

year of \$3,178,977. Expenditures in the General Fund totaled \$2,961,697, a 5.73% increase from the prior year of \$2,801,122.

**Internal Service Fund.** The District has an internal service fund which accounts for the activities of the Self-Insured Employee Medical Pool. To mitigate the effects of increasing health insurance premiums and position the District for partially self-insuring medical deductibles in the future, the Board contributed \$30,000 of the 2001 “Gainsharing” distribution into this fund. This fund has a net position totaling \$417,149 at June 30, 2021.

**Capital Assets.** The Capital Project Funds are used for capital construction, building and site improvement, remodeling, and equipment; to purchase school buses; for lease and lease purchase agreements for any of the above purposes. A levy in the amount of \$50,000 was approved by the voters in 2009. At the end of the current fiscal year, the balance in the Capital Projects Funds is \$120,527. This is a \$24,306 decrease from the prior balance of \$144,833.

<b>Capital Assets</b>			
<b>Governmental Activities</b>			
<b>Net of Accumulated Depreciation</b>			
	<b>2021</b>	<b>2020</b>	<b>Change</b>
Sites	310,506	313,341	(2,835)
Buildings	3,521,154	3,573,335	(52,181)
Equipment	42,877	18,796	24,081
Transportation	228,441	167,244	61,197
Total Net Assets	\$ 4,102,978	\$ 4,072,716	\$ 30,262

**Long-term debt.** *General Obligation Bonds* - The Debt Service Fund has a total fund balance of \$259,222, all of which is restricted for the payment of debt service on a general obligation bond. The debt of the District is secured by an annual debt service tax levy authorized by the patrons of the District in 2009.

At year end the District had \$1,330,000 in outstanding general obligation bonds.

**Contacting the District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances. Any questions or requests for additional information should be directed to the District’s Business Manager, Kim Taylor at the District’s Administrative Office, P.O. Box 283, Kendrick, ID 83537, by phone at (208) 289-4211.

## **FINANCIAL STATEMENTS**



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

**STATEMENT OF NET POSITION**  
June 30, 2021

**ASSETS**

Current assets:

Cash	329,373	
Investments	2,178,630	
Taxes receivable	68,294	
Unbilled taxes receivable	1,001,419	
Other receivables:		
Due from other governments	399,725	
Other receivables	62,572	
Prepaid expenses	4,398	
Total current assets	<u>4,044,411</u>	

Noncurrent assets:

Non-depreciated capital assets	296,770	
Depreciated capital assets	7,450,244	
Less: accumulated depreciation	(3,644,036)	
Net OPEB asset - sick leave	147,323	
Total noncurrent assets	<u>4,250,301</u>	

Total assets	<u>8,294,712</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items	471,868	
Net OPEB - sick leave related items	<u>23,304</u>	

Total deferred outflows of resources	<u>495,172</u>
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**LIABILITIES**

Current liabilities:

Accounts payable and other current liabilities	364,447	
Current portion of long-term debt	<u>100,000</u>	
Total current liabilities	<u>464,447</u>	

Noncurrent liabilities:

Noncurrent portion of long-term debt	1,230,000	
Other post-employment benefits liability	343,883	
Net pension liability	1,124,711	
Accrued compensated absences	8,011	
Total noncurrent liabilities	<u>2,706,605</u>	

Total liabilities	<u>3,171,052</u>
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**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	1,001,419	
Net OPEB - sick leave related items	44,125	
Pension related items	<u>85,840</u>	

Total deferred inflows of resources	<u>1,131,384</u>
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**NET POSITION**

Net investment in capital assets	2,772,978	
Restricted for:		
Debt service	269,393	
Capital projects	130,657	
Specific programs	224,202	
Medical benefits	417,149	
Unrestricted	<u>673,069</u>	

Total net position	<u>\$ 4,487,448</u>
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**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense)
					Revenue and
					Changes in Net
					Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Instruction	2,077,158	-	307,433	-	(1,769,725)
Support Services					
Pupil support	180,765	-	-	-	(180,765)
Staff support	73,142	-	-	-	(73,142)
General administration	121,301	-	-	-	(121,301)
School/business administration	488,349	-	-	-	(488,349)
Operation and maintenance	344,873	-	-	-	(344,873)
Transportation	234,268	-	-	-	(234,268)
Community services	115,635	-	106,952	-	(8,683)
Child nutrition	140,590	7,635	128,598	-	(4,357)
Student activities	106,413	-	-	-	(106,413)
Debt services	54,923	-	-	-	(54,923)
Depreciation, unallocated	180,162	-	-	-	(180,162)
Total School District	<u>\$ 4,117,579</u>	<u>\$ 7,635</u>	<u>\$ 542,983</u>	<u>\$ -</u>	<u>(3,566,961)</u>
<b>General revenues</b>					
Taxes					
Property taxes levied for general purposes					852,131
Property taxes levied for debt service					160,303
Property taxes levied for capital projects					64,504
Federal and State aid not restricted to specific purposes					2,408,282
Gain on sale of capital assets					2,500
Other					162,864
Interest and investment earnings					11,763
Total general revenues					<u>3,662,347</u>
Change in net position					95,386
<b>Net position - beginning, as restated (Note 14)</b>					<u>4,392,062</u>
<b>Net position - ending</b>					<u>\$ 4,487,448</u>



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash	213,519	-	115,854	329,373
Investments	1,624,697	98,485	38,350	1,761,532
Due from other funds	-	109,225	179,226	288,451
Taxes receivable	45,798	11,830	10,666	68,294
Unbilled taxes receivable	800,219	151,200	50,000	1,001,419
Other receivables:				
Due from other governments	257,358	49,841	92,526	399,725
Other receivables	62,509	12	-	62,521
Prepaid expenses	-	-	4,398	4,398
Total assets	<u>3,004,100</u>	<u>420,593</u>	<u>491,020</u>	<u>3,915,713</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 3,004,100</u></u>	<u><u>\$ 420,593</u></u>	<u><u>\$ 491,020</u></u>	<u><u>\$ 3,915,713</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds	238,073	-	50,378	288,451
Accrued payroll and benefits	306,454	-	35,783	342,237
Other liabilities	55	-	-	55
Total liabilities	<u>544,582</u>	<u>-</u>	<u>86,161</u>	<u>630,743</u>
Deferred inflows of resources:				
Deferred revenue	37,238	10,171	10,130	57,539
Unavailable property tax revenue	800,219	151,200	50,000	1,001,419
Total deferred inflows of resources	<u>837,457</u>	<u>161,371</u>	<u>60,130</u>	<u>1,058,958</u>
Fund balances:				
Nonspendable	-	-	4,398	4,398
Restricted	-	259,222	340,331	599,553
Unassigned	1,622,061	-	-	1,622,061
Total fund balances	<u>1,622,061</u>	<u>259,222</u>	<u>344,729</u>	<u>2,226,012</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 3,004,100</u></u>	<u><u>\$ 420,593</u></u>	<u><u>\$ 491,020</u></u>	<u><u>\$ 3,915,713</u></u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

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RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
June 30, 2021

Total fund balances - governmental funds	2,226,012
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 governmental funds:	
Cost of capital assets	7,747,014
Accumulated depreciation	(3,644,036)
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.	57,539
Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	417,149
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:	
Deferred outflows of resources	471,868
Deferred inflows of resources	(85,840)
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	23,304
Deferred inflow of resources	(44,125)
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	147,323
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when paid.	(22,155)
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:	
Compensated absences	(8,011)
General obligation bonds	(1,330,000)
Other post-employment benefits liability	(343,883)
Net pension liability	<u>(1,124,711)</u>
Total net position - governmental activities	<u>\$ 4,487,448</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local	875,792	156,959	202,142	1,234,893
State	2,265,170	22,801	105,131	2,393,102
Federal	3,723	-	577,443	581,166
Total revenues	<u>3,144,685</u>	<u>179,760</u>	<u>884,716</u>	<u>4,209,161</u>
<b>EXPENDITURES</b>				
Instruction	1,609,384	-	356,468	1,965,852
Support	1,348,024	-	60,249	1,408,273
Non-instruction	4,289	-	344,557	348,846
Capital asset program	-	-	171,607	171,607
Debt service	-	156,432	-	156,432
Total expenditures	<u>2,961,697</u>	<u>156,432</u>	<u>932,881</u>	<u>4,051,010</u>
Excess (deficiency) of revenue over (under) expenditures	<u>182,988</u>	<u>23,328</u>	<u>(48,165)</u>	<u>158,151</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	2,500	2,500
Transfer in	-	-	85,952	85,952
Transfer out	(59,358)	-	(26,594)	(85,952)
Total other financing sources (uses)	<u>(59,358)</u>	<u>-</u>	<u>61,858</u>	<u>2,500</u>
Net change in fund balance	123,630	23,328	13,693	160,651
Fund balance-beginning of year, as restated (Note 14)	<u>1,498,431</u>	<u>235,894</u>	<u>331,036</u>	<u>2,065,361</u>
Fund balance-end of year	<u>\$ 1,622,061</u>	<u>\$ 259,222</u>	<u>\$ 344,729</u>	<u>\$ 2,226,012</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, 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, 2021

Net change in fund balances - total governmental funds		160,651
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 capitalized and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities.		
Capital outlays	210,424	
Depreciation expense	<u>(180,162)</u>	30,262
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.		
		(779)
Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
		100,000
Net pension liability adjustments:		
Fiscal year 2020 employer PERSI contributions recognized as pension expense in the current year	(207,157)	
Fiscal year 2021 employer PERSI contributions deferred to subsequent year	211,817	
Pension related amortization expense	<u>(182,956)</u>	(178,296)
Net OPEB asset - sick leave adjustment:		
Fiscal year 2020 employer PERSI Sick Leave contributions recognized as OPEB expense in the current year	(8,556)	
Fiscal year 2021 employer PERSI Sick Leave contributions deferred to subsequent year	-	
OPEB related amortization revenue (expense)	<u>8,921</u>	365
Net OPEB liability adjustment		(17,946)
Interest is accrued on outstanding debt in the government-wide financial statements whereas in the governmental fund financial statements, an interest expenditure is reported when paid.		
		1,509
Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net increase of the internal service fund is reported with governmental activities.		
		2,083
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This is the amount by which compensated absences incurred exceeded the amount paid during the year.		
		<u>(2,463)</u>
Total change in net position - governmental activities		<u>\$ 95,386</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF NET POSITION**  
June 30, 2021

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Investments	417,098	
Interest receivable	51	
Total assets	<u>                    </u>	<u>417,149</u>

Deferred outflows of resources		<u>-</u>
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**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

Liabilities		-
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Deferred inflows of resources		<u>-</u>
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**NET POSITION**

Restricted for medical payments	<u>417,149</u>	
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Total net position		<u><u>\$ 417,149</u></u>
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**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

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**INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
For the Year Ended June 30, 2021**

**REVENUE**

Local:

Earnings on investments

2,083

Total revenues

2,083

**EXPENDITURES**

-

Net change in net position

2,083

Net position-beginning of year

415,066

Net position-end of year

\$ 417,149

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**INTERNAL SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2021**

<b>Cash Flows from Operating Activities</b>	-
<b>Cash Flows From Noncapital Financing Activities</b>	-
Cash received from other funds	-
Net cash used in noncapital financing activities	-
<b>Cash Flows From Investing Activities</b>	
Earnings on investments	2,032
Net cash provided by investing activities	2,032
<b>Cash Flows From Financing Activities</b>	-
<b>Net change in cash and cash equivalents</b>	2,032
<b>Cash and cash equivalents- beginning of year</b>	415,066
<b>Cash and cash equivalents - end of year</b>	<u>\$ 417,098</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 1      Summary of Significant Accounting Policies**

The financial statements of the Kendrick Joint School District No. 283 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 Kendrick Joint School District No. 283 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 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.



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

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary – are presented. 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.
- Debt Service Fund. This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.

The District reports the following proprietary fund:

- Internal Service Fund. The District has an internal service fund which is used to account for a medical risk pool. It uses the same basis of accounting as business-type activities.

**Basis of Accounting** - The district-wide and proprietary 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 and 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.

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.

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

The internal service funds distinguish operating revenues and expenses from non-operating items. Operating revenues are changes to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**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. 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. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
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 investments 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.

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

**Short-term Interfund Loans Receivable/Payable** - During the course of operations, numerous transactions occur between nonmajor funds for goods provided or services rendered. These receivables and payables as 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”. Interfund balances have been eliminated, where applicable, on the statement of net position.

**Inventory** - 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 \$5,000. 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 10–50 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 7-10 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 "Kendrick Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Employees are not paid for unused sick leave upon termination of employment with the District.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

There is accumulated vacation payable of \$8,011 at June 30, 2021. 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.

**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 Significant Accounting Policies (Continued)**

**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 position. In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**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.

**Encumbrances** - The District does not utilize an encumbrance system.

**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.

**Statement of Cash Flows** - For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

**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, Debt Service, and Capital Projects Funds represent 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, Debt Service Fund and Capital Projects Funds represents the property taxes levied for 2021 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the government-wide financial statements.

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

**Subsequent Events** - Subsequent events have been evaluated through the date of the auditor's 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 October 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, 2020 upon which the 2020 levy was based was \$166,721,855.

The District's actual levy was 2.99901% per \$100 for plant facility acquisitions and 9.30892% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt and plant facility acquisitions for the year ended June 30, 2021 was 47.94314% per \$100, which means that the District was required to pass an override levy in the amount of 47.94314% per \$100. The total tax levy for the year ended June 30, 2021 was \$1,013,264 with total tax collections being \$976,760.

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, 2021 were 96.40% of the tax levy. Property taxes levied for 2020 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 2021 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2021 of \$1,001,419 is recorded as uncollected but are not considered available at June 30, 2021. The entire receivable is considered a deferred inflow of resources.

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
Total taxes receivable at June 30, 2021	45,798	11,830	10,666	68,294
Less: Taxes collected by the County Treasurer by August 31, 2021	(8,560)	(1,659)	(536)	(10,755)
Deferred revenue	<u>\$ 37,238</u>	<u>\$ 10,171</u>	<u>\$ 10,130</u>	<u>\$ 57,539</u>

### NOTE 3 Deposits and Investments

<u>Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking and Savings Accounts	<u>\$329,373</u>	<u>\$705,837</u>

Checking and savings accounts were with Wells Fargo Bank, N.A. and Arbiter Sports of which \$250,000 of accounts were covered by Federal Deposit Insurance. The remaining balance of \$454,908 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

#### Investments

Detail of investments at June 30, 2021 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Internal Service</u>	<u>Total</u>
Investment in State Treasurer's Pool	Variable	<u>\$1,624,697</u>	<u>\$98,485</u>	<u>\$38,350</u>	<u>\$417,098</u>	<u>\$2,178,630</u>

#### Investment Maturities

<u>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>\$2,178,630</u>	<u>\$2,178,630</u>	<u>\$2,178,630</u>	<u>\$ -</u>

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.

### NOTE 3 Deposits and Investments (Continued)

*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 150 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. 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.

### NOTE 4 Capital Assets

A summary of changes in capital assets is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Capital assets not being depreciated</b>					
Land	<u>296,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,770</u>
<b>Capital assets being depreciated</b>					
Land Improvements	244,173	-	-	-	244,173
Buildings	6,183,718	75,963	-	-	6,259,681
Equipment	195,942	38,818	-	-	234,760
Transportation	<u>696,485</u>	<u>95,643</u>	<u>-</u>	<u>(80,498)</u>	<u>711,630</u>
Total depreciated assets	<u>7,320,318</u>	<u>210,424</u>	<u>-</u>	<u>(80,498)</u>	<u>7,450,244</u>

## NOTE 4 Capital Assets (Continued)

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Less: Accumulated Depreciation</b>					
Land Improvements	(227,602)	(2,835)	-	-	(230,437)
Buildings	(2,610,383)	(128,144)	-	-	(2,738,527)
Equipment	(177,146)	(14,737)	-	-	(191,883)
Transportation	(529,241)	(34,446)	-	80,498	(483,189)
Total accumulated depreciation	<u>(3,544,372)</u>	<u>(180,162)</u>	<u>-</u>	<u>80,498</u>	<u>(3,644,036)</u>
Governmental Activities Assets (Net)	<u>\$ 4,072,716</u>	<u>\$ 30,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,102,978</u>

## NOTE 5 Long-Term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2021.

Bonds payable @ July 1, 2020	1,430,000
Principal payments	<u>(100,000)</u>
Bonds payable @ June 30, 2021	<u>\$1,330,000</u>

### 2018 Series – General Obligation Bonds

Original issue of \$1,550,000 due August 15, 2031

Interest rate is 4% \$1,330,000

The following is a schedule of the Series 2018 – General Obligation Refunding Bonds.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Noncurrent Portion
2018 Refunding series	1,430,000	-	(100,000)	1,330,000	100,000	1,230,000
Totals	<u>\$ 1,430,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>	<u>\$ 1,330,000</u>	<u>\$ 100,000</u>	<u>\$1,230,000</u>

### SERIES 2018

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2021	4.00%	100,000	26,600	126,600
2/15/2022			24,600	24,600
8/15/2022	4.00%	105,000	24,600	129,600
2/15/2023			22,500	22,500



**NOTE 5 Long-Term Debt (Continued)**

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2023	4.00%	110,000	22,500	132,500
2/15/2024			20,300	20,300
8/15/2024	4.00%	115,000	20,300	135,300
2/15/2025			18,000	18,000
8/15/2025	4.00%	120,000	18,000	138,000
2/15/2026			15,600	15,600
8/15/2026	4.00%	125,000	15,600	140,600
2/15/2027			13,100	13,100
8/15/2027	4.00%	130,000	13,100	143,100
2/15/2028			10,500	10,500
8/15/2028	4.00%	130,000	10,500	140,500
2/15/2029			7,900	7,900
8/15/2029	4.00%	135,000	7,900	142,900
2/15/2030			5,200	5,200
8/15/2030	4.00%	140,000	5,200	145,200
2/15/2031			2,400	2,400
8/15/2031	4.00%	<u>120,000</u>	<u>2,400</u>	<u>122,400</u>
		<u>\$1,330,000</u>	<u>\$306,800</u>	<u>\$1,636,800</u>

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2021 the Legal Debt Margin was:

Market Value at January 1, 2020	\$166,721,855
Percentage allowed	<u>5%</u>
Debt limitation	8,336,093
Less: Bonded debt at June 30, 2021	<u>(1,330,000)</u>
Legal Debt Margin	<u>\$7,006,093</u>

As of June 30, 2021, \$259,222 was available in the Debt Service Fund to service the general obligation bonds.

**NOTE 6 Partially Self-Insured Medical Benefit Pool**

Dramatic increases in health insurance premiums have made it necessary for Kendrick Joint School District No. 283 to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees encumbered \$30,000 of the General Fund Balance in the FY 2001-2002 budget as a Self-Insured Employee Medical Pool. The purpose of the pool was two-fold: to offset the liability assumed by providing a partial self-fund health insurance plan for its employees, and to help fund future increases in the cost of medical insurance through the savings projected in administering the plan.

## **NOTE 6      Partially Self-Insured Medical Benefit Pool (Continued)**

The savings in insurance costs, along with interest earned on investments, increased the Self-Insured Medical Benefit Pool balance to \$417,149 by the end of FY 2020-2021. The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

Administration – The Self-Insured Medical Benefit Pool is administered by the Kendrick Joint School District No. 283 Board of Trustees. The business manager will provide the Board with financial statements upon which the Board will make decisions and set a yearly budget. Operating transfers of funds out of the Pool will only be made at the direction of the Board of Trustees.

Initial Investment – With the exception of unusual circumstances, the initial investment of \$30,000 cannot be spent, only invested. An example of an “unusual circumstance” would be employee paid deductibles in a year that would exceed net earnings over the initial investment of \$30,000. An operating transfer to the General M & O Fund to help defray medical fringe benefit cost would not be an “unusual circumstance”.

District Liability – 100% of the liability of self-insuring the employees and dependents of Kendrick Joint School Dist. No. 283 shall be retained in the Self-Insured Medical Benefit Pool. Liability is calculated by the number of employees and dependents plus the eligible retirees and dependents times 90% of the difference between the employee paid deductible and the district paid deductible.

Eligible Retirees – Retirees under the age of 65 years are eligible for benefits under the Self-Insured Medical Benefit Pool with no additional cost in premium to the retiree.

Dissolving the Self-Insured Medical Pool – If the Self-Insured Medical Benefit Pool is dissolved at some point in time, the fund balance will revert back into the General M & O Fund through an operating transfer of funds.

## **NOTE 7      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, 2020. All amounts are as of June 30, 2020 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).

## **NOTE 7      Pension Plan (Continued)**

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 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, 2021 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 \$211,817 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial

**NOTE 7 Pension Plan (Continued)**

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, 2020, the District’s proportion was 0.0484344 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, 2019 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2020 was calculated at \$407,320.

At June 30, 2021, 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	87,874	36,724
Changes in assumptions or other inputs	19,021	-
Change in proportionate share	24,243	49,116
Net difference between projected and actual earning on pension plan investments	128,913	-
Employer contributions subsequent to the measurement date	<u>211,817</u>	<u>-</u>
Total	<u>\$471,868</u>	<u>\$85,840</u>

\$211,817 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><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2022	\$3,632
2023	\$47,377
2024	\$64,302
2025	\$83,773

## NOTE 7 Pension Plan (Continued)

### *Actuarial Assumptions*

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

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

\*3.75 percent of 1.00 percent depending on whether the member was hired on or before July 1, 2012.

\*\*There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

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 shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The 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 7 Pension Plan (Continued)

### Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long - Term Expected Nominal Rate of (Arithmetic)	Long - Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

### Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

### Economic/Demographic Assumptions from Milliman 2018

#### Valuation Assumptions Chosen by PERSI Board

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 7 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)	\$2,306,474	\$1,124,711	\$147,585

### *Pension plan fiduciary net position*

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

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

### *Payables to the pension plan*

At June 30, 2021, the District reported 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 8 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, 2020. All amounts are as of June 30, 2020 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 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).

## **NOTE 8      Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)**

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 is 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%.

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

At June 30, 2021, the District reported an asset for its proportionate share of the net OPEB asset as of June 30, 2020. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2020, the District's proportion was 0.01196477 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, 2021 has not been completed at the time of issuance. The OPEB expense (expense offset) for the year ending June 30, 2020 was calculated at \$1,140.



## NOTE 8 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	15,490	-
Changes in assumptions or other inputs	346	37,687
Change in proportionate share	2,818	6,438
Net difference between projected and actual earning on pension plan investments	<u>4,650</u>	<u>-</u>
Total	<u>\$23,304</u>	<u>\$44,125</u>

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:

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2022	(1,628)
2023	(1,628)
2024	(154)
2025	396
2026	(3,016)
Thereafter	(11,171)

### *Actuarial Assumptions*

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The following are the actuarial assumptions and the entry age normal cost method, 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%
Health care trend rate	N/A*

## NOTE 8 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

\*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

\*\*Net of OPEB plan investment expenses.

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

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

### Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long - Term Expected	Long - Term Expected
		Nominal Rate of (Arithmetic)	Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

### Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

### Economic/Demographic Assumptions from Milliman 2018

#### Valuation Assumptions Chosen by PERSI Board

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	7.05%

## NOTE 8 Other Post-Employment Benefit Plan – Sick Leave Plan (Continued)

### *Discount Rate*

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:

	<b>1% Decrease <u>(6.05%)</u></b>	<b>Current Discount Rate <u>(7.05%)</u></b>	<b>1% Increase <u>(8.05%)</u></b>
Employer’s proportionate share of the net OPEB liability (asset)	\$ (128,087)	\$ (147,323)	\$ (165,124)

### *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, 2021, 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 9 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 10 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, 2021:

<u>Fund</u>	<u>Excess</u>
Debt Service	2,453
Title IV-B, ESEA – 21 <sup>st</sup> Century Community Learning Centers	13,532
Child Nutrition	28,549
Title I-A, ESSA Improving Basic Programs	13,192
School Plant Facility – Bus Depreciation	74,298

These over-expenditures arose due to unexpected increases in expenditures. 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 11 Interfund Receivables, Payables and Transfers

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

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as "Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the School Plant Facility – Bus Depreciation to cover the depreciation reimbursement. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	59,358	-
Federal Forest Reserve	26,594	-
School Based Medicaid	-	8,000
School Plant Facility – Bus Depreciation	-	<u>77,952</u>
Totals	<u>\$85,952</u>	<u>\$85,952</u>

## NOTE 11 Interfund Receivables, Payables and Transfers (Continued)

The composition of interfund receivables and payables as of June 30, 2021 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	-	238,073
Special Revenue Funds:		
Child Nutrition	4,878	-
Federal Forest Reserve	57,280	-
Drivers Education State	-	1,543
State Professional Technical	2,155	-
Technology - State	17,406	-
Substance Abuse – State	16,752	-
Title I-A, ESSA – Improving Basic Programs	-	8,009
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	-	19,002
IDEA Part B (611 School Age 3-21)	8,727	-
School-Based Medicaid	6,313	-
Title IV-A, ESSA – Student Support and Academic Enrichment	-	6,425
Title V-B, ESEA Rural Education Initiative Program	-	12,009
Title II-A, ESEA–Supporting Effective Instruction	144	-
Title IV-A, ESEA – 21st Century Community Learning Centers	-	3,390
Debt Service	109,225	-
School Plant Facility	65,571	-
Totals	<u>\$ 288,451</u>	<u>\$ 288,451</u>

## NOTE 12 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 three years.

## NOTE 13 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 Kendrick Joint School District Employee Group Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method. As an alternative to an actuarial valuation, the District qualifies for and has presented the OPEB liability using the Alternative Measurement Method.

## **NOTE 13    Other Post-Employment Benefits (Continued)**

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

The Kendrick 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 plans. The medical plans include 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) and the method of purchase (retail or mail order).

## **NOTE 13 Other Post-Employment Benefits (Continued)**

### **Census Data**

As of June 30, 2020, the valuation date, the District had 39 active (future retirees) participants and no inactive (current retirees) participants.

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

At June 30, 2021, the Employer reported a liability of \$343,883 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

### **Actuarial assumptions**

**Valuation Date** June 30, 2020

**Measurement Date** June 30, 2021

**Interest/Discount Rate** 2.27%

**Projected Payroll Increases** 3.75%

**Health Care Cost Trend Rate** Medical and Prescriptions: between 3.8% and 8.8%

**Retiree Contributions** Retiree contributions are assumed to increase to match the health care cost trends.

**Participation** For future retirees, participation rates were assumed to be 40.0% for medical coverage.

### **Mortality**

For active members, inactive members and healthy retirees, mortality rates were based on the RP2000 Combined Healthy 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 20-year municipal bond index.

## NOTE 13 Other Post-Employment Benefits (Continued)

### Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of June 30, 2021, calculated using the discount rate of 3.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.27%) or 1-percentage-point higher (4.27%) than the current rate:

	<u>1% Decrease (2.27%)</u>	<u>Current Discount Rate (3.27%)</u>	<u>1% Increase (4.27%)</u>
Net OPEB liability	\$352,354	\$343,883	\$331,339

The following presents the net OPEB liability of the Plan as of June 30, 2021, 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	\$308,249	\$343,883	\$385,097

### Summary of the Change in OPEB Liability

<i>Total OPEB Liability – Beginning of Year</i>	325,937
Service Cost	33,697
Interest	9,099
Plan Design Changes	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(3,952)
Benefit Payments	<u>(20,898)</u>
<i>Total OPEB Liability – End of Year</i>	<u>\$343,883</u>

## NOTE 14 Change in Accounting Principle

During the year ended June 30, 2021, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in a change in the presentation of the financial statements for the following activities:

- The student activity was previously reported as an agency fund and has been restated as a restricted special revenue fund of the District.

The beginning governmental activities net position and other governmental funds fund balance has been increased by \$81,041 to reflect this change.



## REQUIRED SUPPLEMENTARY INFORMATION



KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Final to Actual
<b>REVENUES</b>					
Local:					
Taxes	822,000	822,000	847,751	25,751	25,751
Earnings on investments	25,000	25,000	8,953	(16,047)	(16,047)
Other	15,000	15,000	19,088	4,088	4,088
Total local	862,000	862,000	875,792	13,792	13,792
State:					
Base program	1,363,357	1,363,357	1,673,275	309,918	309,918
Transportation	129,688	129,688	150,420	20,732	20,732
Benefit apportionment	210,698	210,698	248,434	37,736	37,736
Other state support	92,210	92,210	120,103	27,893	27,893
Lottery/additional state maintenance	34,472	34,472	19,570	(14,902)	(14,902)
Revenue in lieu of taxes	36,665	36,665	35,328	(1,337)	(1,337)
Other state revenue	5,000	5,000	18,040	13,040	13,040
Total state	1,872,090	1,872,090	2,265,170	393,080	393,080
Federal:					
Unrestricted	-	-	3,723	3,723	3,723
Total revenues	2,734,090	2,734,090	3,144,685	410,595	410,595
<b>EXPENDITURES</b>					
Instruction:					
Salaries	1,116,293	1,116,293	1,040,168	76,125	76,125
Benefits	492,646	492,646	462,796	29,850	29,850
Purchased services	143,476	143,476	22,999	120,477	120,477
Supply-materials	73,500	73,500	77,764	(4,264)	(4,264)
Capital objects	-	-	5,657	(5,657)	(5,657)
Total instruction	1,825,915	1,825,915	1,609,384	216,531	216,531
Support:					
Salaries	682,485	682,485	627,983	54,502	54,502
Benefits	293,946	293,946	264,568	29,378	29,378
Purchased services	370,646	370,646	265,476	105,170	105,170
Supply-materials	174,760	174,760	130,569	44,191	44,191
Capital objects	26,000	26,000	33,161	(7,161)	(7,161)
Insurance - judgment	20,400	20,400	26,267	(5,867)	(5,867)
Total support	1,568,237	1,568,237	1,348,024	220,213	220,213
Non-instruction:					
Benefits	5,000	5,000	4,289	711	711
Contingency reserve	182,143	182,143	-	182,143	182,143
Total expenditures	3,581,295	3,581,295	2,961,697	619,598	619,598
Excess (deficiency) of revenues over (under) expenditures	(847,205)	(847,205)	182,988	1,030,193	1,030,193
Other financing sources (uses)					
Transfer out	-	-	(59,358)	(59,358)	(59,358)
Net change in fund balance	\$ (847,205)	\$ (847,205)	123,630	\$ 970,835	\$ 970,835
Fund balance-beginning of year			1,498,431		
Fund balance-end of year			\$ 1,622,061		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variances</u>	
				<u>Favorable (Unfavorable) Original to Actual</u>	<u>Final to Actual</u>
<b>REVENUES</b>					
Local:					
Taxes	149,276	149,276	156,467	7,191	7,191
Earnings on investments	-	-	492	492	492
Total local	<u>149,276</u>	<u>149,276</u>	<u>156,959</u>	<u>7,683</u>	<u>7,683</u>
State:					
Other state support	7,000	7,000	20,641	13,641	13,641
Revenue in lieu of/ag equip taxes	-	-	2,160	2,160	2,160
Total state	<u>7,000</u>	<u>7,000</u>	<u>22,801</u>	<u>15,801</u>	<u>15,801</u>
Total revenues	<u>156,276</u>	<u>156,276</u>	<u>179,760</u>	<u>23,484</u>	<u>23,484</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	94,974	94,974	100,000	(5,026)	(5,026)
Interest	59,005	59,005	56,432	2,573	2,573
Total expenditures	<u>153,979</u>	<u>153,979</u>	<u>156,432</u>	<u>(2,453)</u>	<u>(2,453)</u>
Net change in fund balance	<u>\$ 2,297</u>	<u>\$ 2,297</u>	23,328	<u>\$ 21,031</u>	<u>\$ 21,031</u>
Fund balance-beginning of year			<u>235,894</u>		
Fund balance-end of year			<u>\$ 259,222</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

**NET PENSION LIABILITY RELATED SCHEDULES**

**Schedule of the District's Share of Net Pension Liability\***

**PERSI - Base Plan**

As of June 30,

	<b>2021</b>	<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	0.0484344%	0.0501379%	0.0473532%	0.0503533%	0.0539339%	0.0582280%	0.0577604%
Employer's proportionate share of the net pension liability	Unavailable	1,124,711	572,310	698,468	791,467	1,093,323	766,769	425,207
Employer's covered employee payroll	1,774,012	1,724,690	1,702,889	1,523,525	1,563,940	1,577,403	1,630,952	1,564,806
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	Unavailable	65.21%	33.61%	45.85%	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	Unavailable	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%	94.95%

**Schedule of District Contributions\***

**PERSI - Base Plan**

As of June 30,

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Statutorily required contribution	211,817	205,928	192,767	172,463	177,038	178,562	184,624	177,136
Contributions in relation to the statutorily required contribution	(211,817)	(205,928)	(192,767)	(172,463)	(177,038)	(178,562)	(184,624)	(177,136)
Contribution (deficiency) excess	-	-	-	-	-	-	-	-
Employer's covered employee payroll	1,774,012	1,724,690	1,702,889	1,523,525	1,563,940	1,577,403	1,630,952	1,564,806
Contributions as a percentage of covered employee payroll	11.94%	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 for which information is available.

**NOTES TO THE NET PENSION LIABILITY SCHEDULES**  
As of June 30, 2020 (most recently issued PERSI information)

Change of Assumptions. There were no changes of assumption as of June 30, 2020.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**OTHER POST EMPLOYMENT BENEFIT LIABILITY SCHEDULE**

As of June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	33,697	34,544	24,962	26,262	28,074
Interest	9,099	14,439	12,260	11,937	10,123
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(48,667)	-	-	12,566
Changes of assumptions or other inputs	(3,952)	(29,408)	-	(6,114)	(6,487)
Benefit payments	<u>(20,898)</u>	<u>(22,958)</u>	<u>(22,134)</u>	<u>(22,437)</u>	<u>(16,767)</u>
Net change in total OPEB Liability	17,946	(52,050)	15,088	9,648	27,509
Total OPEB liability - beginning	325,937	306,926	291,838	282,190	254,681
Change due to alternative measurement method	-	71,061	-	-	-
Total OPEB liability - ending	<u>\$ 343,883</u>	<u>\$ 325,937</u>	<u>\$ 306,926</u>	<u>\$ 291,838</u>	<u>\$ 282,190</u>
Covered-employee payroll	1,702,106	1,724,690	1,702,889	1,390,207	1,339,959
Total OPEB liability as a percentage of covered-employee	20.2%	18.9%	18.0%	21.0%	21.1%

\*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, 2021

Change of Assumptions. Change in assumptions include status, trend, discount and other inputs.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's portion of the net OPEB asset	Unavailable	0.1196477%	0.1124483%	0.1133146%	0.1227812%
Employer's proportionate share of the net OPEB asset	Unavailable	147,323	107,703	93,989	94,250
Employer's covered payroll	1,774,012	1,724,690	1,702,889	1,523,525	1,563,940
Employer's proportional share of the net OPEB asset as a percentage of its covered payroll	Unavailable	8.54%	6.32%	6.17%	6.03%
Plan fiduciary net position as a percentage of the total OPEB asset	Unavailable	152.87%	138.51%	135.69%	136.78%

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

**PERSI - OPEB Plan**

As of June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	-	10,728	18,655	17,673	18,142
Contributions in relation to the statutorily required contribution	-	(10,728)	(18,655)	(17,673)	(18,142)
Contribution (deficiency) excess	-	-	-	-	-
Employer's covered payroll	1,774,012	1,724,690	1,702,889	1,523,525	1,563,940
Contributions as a percentage of covered payroll	0.00%	0.62%	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, 2020 (most recently issued PERSI information)**

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

\*Contribution rates were adjusted for the 18-month rate holiday

## **SUPPLEMENTARY INFORMATION**



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION</b>			
Elementary school program:			
Salaries	418,419	420,000	1,581
Benefits	228,798	198,000	(30,798)
Purchased services	10,814	28,500	17,686
Supply-materials	36,936	51,500	14,564
Total elementary school program	<u>694,967</u>	<u>698,000</u>	<u>3,033</u>
Secondary school program:			
Salaries	326,031	360,000	33,969
Benefits	129,112	160,000	30,888
Purchased services	5,637	15,000	9,363
Supply-materials	31,449	22,000	(9,449)
Capital objects	5,657	-	(5,657)
Total secondary school program	<u>497,886</u>	<u>557,000</u>	<u>59,114</u>
Vocational-technical program:			
Salaries	93,381	86,600	(6,781)
Benefits	37,929	42,000	4,071
Supply-materials	999	-	(999)
Total vocational-technical program	<u>132,309</u>	<u>128,600</u>	<u>(3,709)</u>
Special education program:			
Salaries	115,730	145,243	29,513
Benefits	50,525	67,646	17,121
Purchased services	582	-	(582)
Supply-materials	1,795	-	(1,795)
Total special education program	<u>168,632</u>	<u>212,889</u>	<u>44,257</u>
Special education preschool program:			
Salaries	19,803	-	(19,803)
Benefits	7,159	-	(7,159)
Purchased services	80	-	(80)
Supply-materials	6,585	-	(6,585)
Total special education preschool program	<u>33,627</u>	<u>-</u>	<u>(33,627)</u>
Gifted & talented program:			
Salaries	-	3,300	3,300
Interscholastic program:			
Salaries	63,854	91,900	28,046
Benefits	8,679	20,000	11,321
Purchased services	5,886	-	(5,886)
Total interscholastic program	<u>78,419</u>	<u>111,900</u>	<u>33,481</u>
School activity program:			
Salaries	2,950	9,250	6,300
Benefits	594	5,000	4,406
Total school activity program	<u>3,544</u>	<u>14,250</u>	<u>10,706</u>
Detention center program:			
Purchased services	-	99,976	99,976
<b>TOTAL INSTRUCTION</b>			
Salaries	1,040,168	1,116,293	76,125
Benefits	462,796	492,646	29,850
Purchased services	22,999	143,476	120,477
Supply-materials	77,764	73,500	(4,264)
Capital objects	5,657	-	(5,657)
Total instruction	<u>\$ 1,609,384</u>	<u>\$ 1,825,915</u>	<u>\$ 216,531</u>



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT</b>			
Attendance - guidance - health program:			
Salaries	43,956	43,300	(656)
Benefits	18,097	20,000	1,903
Purchased services	100	2,500	2,400
Supply-materials	779	2,560	1,781
Total attendance - guidance - health program	<u>62,932</u>	<u>68,360</u>	<u>5,428</u>
Special education support services program:			
Salaries	39,855	31,500	(8,355)
Benefits	24,702	21,867	(2,835)
Purchased services	41,947	55,000	13,053
Supply-materials	-	1,500	1,500
Total special education support services program	<u>106,504</u>	<u>109,867</u>	<u>3,363</u>
Educational media program:			
Salaries	15,529	13,860	(1,669)
Benefits	10,818	15,700	4,882
Purchased services	-	950	950
Supply-materials	3,354	5,000	1,646
Total educational media program	<u>29,701</u>	<u>35,510</u>	<u>5,809</u>
Instruction-related technology program:			
Salaries	19,896	25,000	5,104
Benefits	4,053	4,091	38
Purchased services	-	2,650	2,650
Supply-materials	7,469	10,000	2,531
Capital objects	-	-	-
Total instruction-related technology program	<u>31,418</u>	<u>41,741</u>	<u>10,323</u>
District administration program:			
Salaries	64,913	66,500	1,587
Benefits	25,268	25,555	287
Purchased services	21,345	40,000	18,655
Supply-materials	3,636	5,500	1,864
Insurance - judgment	56	4,500	4,444
Total district administration program	<u>115,218</u>	<u>142,055</u>	<u>26,837</u>
School administration program:			
Salaries	185,129	216,075	30,946
Benefits	77,910	93,752	15,842
Purchased services	1,514	13,500	11,986
Supply-materials	3,365	6,000	2,635
Total school administration program	<u>267,918</u>	<u>329,327</u>	<u>61,409</u>
Business operation program:			
Salaries	48,160	54,000	5,840
Benefits	27,748	41,740	13,992
Purchased services	19,944	33,250	13,306
Supply-materials	11,078	9,500	(1,578)
Insurance - judgment	57	100	43
Total business operation program	<u>106,987</u>	<u>138,590</u>	<u>31,603</u>
Administrative technology service program:			
Salaries	22,330	23,000	670
Benefits	4,256	4,091	(165)
Purchased services	14,805	5,000	(9,805)
Supply-materials	15,799	12,000	(3,799)
Capital objects	-	10,000	10,000
Total administrative technology service program	<u>57,190</u>	<u>54,091</u>	<u>(3,099)</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
Buildings - care program (custodial):			
Salaries	48,258	50,000	1,742
Benefits	21,472	8,135	(13,337)
Purchased services	128,213	155,000	26,787
Supply-materials	14,929	37,000	22,071
Insurance - judgment	18,130	-	(18,130)
Total buildings - care program (custodial)	<u>231,002</u>	<u>250,135</u>	<u>19,133</u>
Maintenance - non-student occupied:			
Salaries	-	2,600	2,600
Benefits	-	1,320	1,320
Purchased services	10,948	3,000	(7,948)
Supply-materials	-	5,000	5,000
Capital objects	-	10,000	10,000
Total maintenance - non-student occupied	<u>10,948</u>	<u>21,920</u>	<u>10,972</u>
Maintenance - student-occupied buildings:			
Salaries	14,926	25,000	10,074
Benefits	6,455	7,425	970
Purchased services	13,143	14,500	1,357
Supply-materials	33,272	20,000	(13,272)
Capital objects	-	1,000	1,000
Insurance - judgment	613	1,000	387
Total maintenance - student-occupied buildings	<u>68,409</u>	<u>68,925</u>	<u>516</u>
Maintenance - grounds:			
Salaries	-	2,600	2,600
Benefits	-	1,385	1,385
Purchased services	2,440	6,700	4,260
Supply-materials	8,251	5,500	(2,751)
Total maintenance - grounds	<u>10,691</u>	<u>16,185</u>	<u>5,494</u>
Security program			
Capital objects	-	5,000	5,000
Pupil-to-school transportation program:			
Salaries	114,913	110,000	(4,913)
Benefits	40,550	44,000	3,450
Purchased services	9,987	20,000	10,013
Supply-materials	27,665	50,000	22,335
Capital objects	33,161	-	(33,161)
Insurance - judgment	104	4,800	4,696
Total pupil-to-school transportation program	<u>226,380</u>	<u>228,800</u>	<u>2,420</u>
Pupil-activity transportation program:			
Salaries	10,118	19,050	8,932
Benefits	3,239	4,885	1,646
Total pupil-activity transportation program	<u>13,357</u>	<u>23,935</u>	<u>10,578</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued)</b>			
General transportation program:			
Salaries	-	-	-
Benefits	-	-	-
Purchased services	-	7,500	7,500
Supply-materials	972	5,200	4,228
Insurance - judgment	7,307	10,000	2,693
Total general transportation program	<u>8,279</u>	<u>22,700</u>	<u>14,421</u>
Other support services program:			
Purchased services	<u>1,090</u>	<u>11,096</u>	<u>10,006</u>
<b>TOTAL SUPPORT</b>			
Salaries	627,983	682,485	54,502
Benefits	264,568	293,946	29,378
Purchased services	265,476	370,646	105,170
Supply-materials	130,569	174,760	44,191
Capital objects	33,161	26,000	(7,161)
Insurance - judgment	<u>26,267</u>	<u>20,400</u>	<u>(5,867)</u>
Total support	<u>\$ 1,348,024</u>	<u>\$ 1,568,237</u>	<u>\$ 220,213</u>
<b>NON-INSTRUCTION:</b>			
Child nutrition program			
Benefits	<u>4,198</u>	<u>5,000</u>	<u>802</u>
Community services program			
Benefits	<u>91</u>	<u>-</u>	<u>(91)</u>
<b>TOTAL NON-INSTRUCTION</b>			
Benefits	<u>4,289</u>	<u>5,000</u>	<u>711</u>
Total non-instruction	<u>\$ 4,289</u>	<u>\$ 5,000</u>	<u>\$ 711</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**NONMAJOR GOVERNMENTAL FUNDS**

**BALANCE SHEET**

June 30, 2021

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>OF RESOURCES</b>			
Assets:			
Cash	115,854	-	115,854
Investments	-	38,350	38,350
Due from other funds	113,655	65,571	179,226
Taxes receivable	-	10,666	10,666
Unbilled taxes receivable	-	50,000	50,000
Other receivables:			
Due from other governmental units	76,456	16,070	92,526
Prepaid expenses	4,398	-	4,398
Total assets	<u>310,363</u>	<u>180,657</u>	<u>491,020</u>
 Deferred outflows of resources	 -	 -	 -
 <b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>			
<b>OF RESOURCES</b>	<u><b>\$ 310,363</b></u>	<u><b>\$ 180,657</b></u>	<u><b>\$ 491,020</b></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>			
<b>AND FUND BALANCE</b>			
Liabilities:			
Due to other funds	50,378	-	50,378
Accrued payroll and benefits	35,783	-	35,783
Total liabilities	<u>86,161</u>	<u>-</u>	<u>86,161</u>
 Deferred inflows of resources:			
Deferred revenue	-	10,130	10,130
Unavailable property tax revenue	-	50,000	50,000
Total deferred inflows of resources	<u>-</u>	<u>60,130</u>	<u>60,130</u>
 Fund balance:			
Nonspendable	4,398	-	4,398
Restricted	219,804	120,527	340,331
Total fund balance	<u>224,202</u>	<u>120,527</u>	<u>344,729</u>
 <b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>			
<b>OF RESOURCES AND FUND BALANCE</b>	<u><b>\$ 310,363</b></u>	<u><b>\$ 180,657</b></u>	<u><b>\$ 491,020</b></u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**NONMAJOR GOVERNMENTAL FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2021**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Local	151,454	50,688	202,142
State	80,050	25,081	105,131
Federal	577,443	-	577,443
Total revenues	<u>808,947</u>	<u>75,769</u>	<u>884,716</u>
<b>EXPENDITURES</b>			
Instruction	356,468	-	356,468
Support	51,329	8,920	60,249
Non-instruction	344,557	-	344,557
Capital asset program	-	171,607	171,607
Total expenditures	<u>752,354</u>	<u>180,527</u>	<u>932,881</u>
Excess (deficiency) of revenue over (under) expenditures	<u>56,593</u>	<u>(104,758)</u>	<u>(48,165)</u>
Other financing sources (uses)			
Proceeds from sale of capital asset	-	2,500	2,500
Transfer in	8,000	77,952	85,952
Transfer out	<u>(26,594)</u>	<u>-</u>	<u>(26,594)</u>
Total other financing sources (uses)	<u>(18,594)</u>	<u>80,452</u>	<u>61,858</u>
Net change in fund balances	37,999	(24,306)	13,693
Fund balance - beginning of year, as restated (Note 14)	<u>186,203</u>	<u>144,833</u>	<u>331,036</u>
Fund balance - end of year	<u>\$ 224,202</u>	<u>\$ 120,527</u>	<u>\$ 344,729</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS**

**Child Nutrition Fund** - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sale of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amount of State and Federal assistance received by the program.

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

**Student Activities Fund** - To account for revenue and costs related to student activity funds.

**Drivers Education - State 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.

**Technology – State Fund** - To account for restricted State revenue to be spent on vocational training for alternative high school.

**Substance Abuse – State 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.

**ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act 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.

**School-Based Medicaid Fund** - Revenues generated through billings to Medicaid for services provided to eligible special-needs students

**Title IV-A, ESSA – Student Support and Academic Enrichment Fund** - To account for restricted Federal revenue to be spent on programs to provide student support and academic enrichment

**Title V-B, ESEA – Rural Education Initiative Program Fund** - To account for restricted Federal revenue to be spent on enhancing the other Federal programs.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**

**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.

**Title IV-B, ESEA – 21<sup>st</sup> Century Community Learning Centers Fund** - To account for restricted Federal revenue to be spent on 21<sup>st</sup> century community learning activities.

**Idaho Rebounds Technology Fund** - To account for restricted Federal revenue to be spent on COVID related expenditures.

**Idaho Rebounds Child Nutrition Fund** - To account for restricted Federal revenue to be spent on COVID related expenditures.

**Idaho Rebounds Distance/Blended Learning Fund** - To account for restricted Federal revenue to be spent on COVID related expenditures.

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2021

	Child Nutrition	Federal Forest Reserve	Student Activities	Drivers Education State	State Professional Technical	Technology - State	Substance Abuse - State	Title I-A, ESSA Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	IDEA Part B (611 School Age 3-21)
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
Assets:										
Cash	-	-	115,854	-	-	-	-	-	-	-
Due from other funds	4,878	57,280	-	-	2,155	17,406	16,752	-	-	8,727
Other receivables:										
State reimbursement	-	-	-	2,550	-	-	-	-	-	-
Federal reimbursement	15,458	-	-	-	-	-	-	9,434	19,002	1,300
Prepaid expenses	-	-	-	-	-	4,398	-	-	-	-
Total assets	<u>20,336</u>	<u>57,280</u>	<u>115,854</u>	<u>2,550</u>	<u>2,155</u>	<u>21,804</u>	<u>16,752</u>	<u>9,434</u>	<u>19,002</u>	<u>10,027</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 20,336</u>	<u>\$ 57,280</u>	<u>\$ 115,854</u>	<u>\$ 2,550</u>	<u>\$ 2,155</u>	<u>\$ 21,804</u>	<u>\$ 16,752</u>	<u>\$ 9,434</u>	<u>\$ 19,002</u>	<u>\$ 10,027</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Due to other funds	-	-	-	1,543	-	-	-	8,009	19,002	-
Accrued payroll and benefits	10,517	-	-	-	2,155	-	-	1,425	-	10,027
Total liabilities	<u>10,517</u>	<u>-</u>	<u>-</u>	<u>1,543</u>	<u>2,155</u>	<u>-</u>	<u>-</u>	<u>9,434</u>	<u>19,002</u>	<u>10,027</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balances:										
Nonspendable	-	-	-	-	-	4,398	-	-	-	-
Restricted	9,819	57,280	115,854	1,007	-	17,406	16,752	-	-	-
Total fund balances	<u>9,819</u>	<u>57,280</u>	<u>115,854</u>	<u>1,007</u>	<u>-</u>	<u>21,804</u>	<u>16,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 20,336</u>	<u>\$ 57,280</u>	<u>\$ 115,854</u>	<u>\$ 2,550</u>	<u>\$ 2,155</u>	<u>\$ 21,804</u>	<u>\$ 16,752</u>	<u>\$ 9,434</u>	<u>\$ 19,002</u>	<u>\$ 10,027</u>



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (Continued)**  
June 30, 2021

	School-Based Medicaid	Title IV-A, ESSA Student Support and Academic Enrichment	Title V-B, ESEA Rural Education Initiative Program	Title II-A, ESEA Supporting Effective Instruction	Title IV-B, ESEA - 21st Century Community Learning Centers	Idaho Rebounds Technology	Idaho Rebounds Child Nutrition	Idaho Rebounds Distance/ Blended Learning	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
Assets:									
Cash	-	-	-	-	-	-	-	-	115,854
Due from other funds	6,313	-	-	144	-	-	-	-	113,655
Other receivables:									
State reimbursement	-	-	-	-	-	-	-	-	2,550
Federal reimbursement	1,686	6,425	12,009	147	8,445	-	-	-	73,906
Prepaid expenses	-	-	-	-	-	-	-	-	4,398
Total assets	<u>7,999</u>	<u>6,425</u>	<u>12,009</u>	<u>291</u>	<u>8,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,363</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 7,999</u>	<u>\$ 6,425</u>	<u>\$ 12,009</u>	<u>\$ 291</u>	<u>\$ 8,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,363</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Due to other funds	-	6,425	12,009	-	3,390	-	-	-	50,378
Accrued payroll and benefits	6,313	-	-	291	5,055	-	-	-	35,783
Total liabilities	<u>6,313</u>	<u>6,425</u>	<u>12,009</u>	<u>291</u>	<u>8,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,161</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	4,398
Restricted	1,686	-	-	-	-	-	-	-	219,804
Total fund balances	<u>1,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,202</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 7,999</u>	<u>\$ 6,425</u>	<u>\$ 12,009</u>	<u>\$ 291</u>	<u>\$ 8,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,363</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283  
Kendrick, Idaho

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2021

	Child Nutrition	Federal Forest Reserve	Student Activities	Drivers Education State	State Professional Technical	Technology - State	Substance Abuse - State	Title I-A, ESSA Improving Basic Programs	ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	IDEA Part B (611 School Age 3-21)
<b>REVENUES</b>										
Local:										
Lunch sales	7,635	-	-	-	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-	-	-	-	-
Other	-	-	141,226	2,550	-	-	-	-	-	-
Total local	7,635	-	141,226	2,550	-	-	-	-	-	-
State:										
Other state support	-	-	-	-	21,756	51,283	4,911	-	-	-
Driver education program	-	-	-	2,100	-	-	-	-	-	-
Total state	-	-	-	2,100	21,756	51,283	4,911	-	-	-
Federal:										
School lunch reimbursement	128,598	-	-	-	-	-	-	-	-	-
Restricted	-	6,376	-	-	-	-	-	47,555	19,002	45,526
Total federal	128,598	6,376	-	-	-	-	-	47,555	19,002	45,526
Total revenues	136,233	6,376	141,226	4,650	21,756	51,283	4,911	47,555	19,002	45,526
<b>EXPENDITURES</b>										
Instruction:										
Salaries	-	-	-	3,700	10,810	-	-	21,390	-	20,056
Benefits	-	-	-	743	2,195	-	-	8,815	-	25,128
Purchased services	-	-	-	-	-	-	-	9,599	2,500	342
Supply-materials	-	-	-	-	8,751	-	-	7,751	16,502	-
Insurance	-	-	-	89	-	-	-	-	-	-
Total instruction	-	-	-	4,532	21,756	-	-	47,555	19,002	45,526
Support:										
Salaries	-	-	-	-	-	15,094	-	-	-	-
Benefits	-	-	-	-	-	2,969	-	-	-	-
Purchased services	-	-	-	-	-	295	-	-	-	-
Supply-materials	-	-	-	-	-	18,451	950	-	-	-
Total support	-	-	-	-	-	36,809	950	-	-	-
Non-instruction										
Salaries	55,893	-	-	-	-	-	-	-	-	-
Benefits	23,184	-	-	-	-	-	-	-	-	-
Purchased services	1,710	-	-	-	-	-	-	-	-	-
Supply-materials	49,062	-	106,413	-	-	-	-	-	-	-
Total non-instruction	129,849	-	106,413	-	-	-	-	-	-	-
Total expenditures	129,849	-	106,413	4,532	21,756	36,809	950	47,555	19,002	45,526
Excess (deficiency) revenues over (under) expenditures	6,384	6,376	34,813	118	-	14,474	3,961	-	-	-
Other financing sources (uses)										
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	-	(26,594)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(26,594)	-	-	-	-	-	-	-	-
Net change in fund balance	6,384	(20,218)	34,813	118	-	14,474	3,961	-	-	-
Fund balance - beginning of year, as restated (Note 14)	3,435	77,498	81,041	889	-	7,330	12,791	-	-	-
Fund balance - end of year	\$ 9,819	\$ 57,280	\$ 115,854	\$ 1,007	\$ -	\$ 21,804	\$ 16,752	\$ -	\$ -	\$ -

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)**  
For the Year Ended June 30, 2021

	School-Based Medicaid	Title IV-A, ESSA Student Support and Academic Enrichment	Title V-B, ESEA Rural Education Initiative Program	Title II-A, ESEA Supporting Effective Instruction	Title IV-B, ESEA - 21st Century Community Learning Centers	Idaho Rebounds Technology	Idaho Rebounds Child Nutrition	Idaho Rebounds Distance/ Blended Learning	Total
<b>REVENUES</b>									
Local:									
Lunch sales	-	-	-	-	-	-	-	-	7,635
Earnings on investments	43	-	-	-	-	-	-	-	43
Other	-	-	-	-	-	-	-	-	143,776
Total local	43	-	-	-	-	-	-	-	151,454
State:									
Other state support	-	-	-	-	-	-	-	-	77,950
Driver education program	-	-	-	-	-	-	-	-	2,100
Total state	-	-	-	-	-	-	-	-	80,050
Federal:									
School lunch reimbursement	-	-	-	-	-	-	-	-	128,598
Restricted	31,807	6,425	12,009	1,501	106,952	78,245	3,498	89,949	448,845
Total federal	31,807	6,425	12,009	1,501	106,952	78,245	3,498	89,949	577,443
Total revenues	31,850	6,425	12,009	1,501	106,952	78,245	3,498	89,949	808,947
<b>EXPENDITURES</b>									
Instruction:									
Salaries	29,558	100	-	1,238	-	35,600	3,498	-	125,950
Benefits	9,288	45	4,364	263	-	10,048	-	-	60,889
Purchased services	2,537	5,465	7,645	-	-	-	-	-	28,088
Supply-materials	-	815	-	-	-	23,912	-	83,721	141,452
Insurance	-	-	-	-	-	-	-	-	89
Total instruction	41,383	6,425	12,009	1,501	-	69,560	3,498	83,721	356,468
Support:									
Salaries	-	-	-	-	-	6,400	-	-	21,494
Benefits	-	-	-	-	-	942	-	-	3,911
Purchased services	-	-	-	-	-	-	-	5,028	5,323
Supply-materials	-	-	-	-	-	-	-	1,200	20,601
Total support	-	-	-	-	-	7,342	-	6,228	51,329
Non-instruction									
Salaries	-	-	-	-	80,522	1,200	-	-	137,615
Benefits	-	-	-	-	23,172	143	-	-	46,499
Purchased services	-	-	-	-	736	-	-	-	2,446
Supply-materials	-	-	-	-	2,522	-	-	-	157,997
Total non-instruction	-	-	-	-	106,952	1,343	-	-	344,557
Total expenditures	41,383	6,425	12,009	1,501	106,952	78,245	3,498	89,949	752,354
Excess (deficiency) revenues over (under) expenditures	(9,533)	-	-	-	-	-	-	-	56,593
Other financing sources (uses)									
Transfer in	8,000	-	-	-	-	-	-	-	8,000
Transfer out	-	-	-	-	-	-	-	-	(26,594)
Total other financing sources (uses)	8,000	-	-	-	-	-	-	-	(18,594)
Net change in fund balance	(1,533)	-	-	-	-	-	-	-	37,999
Fund balance - beginning of year, as restated (Note 14)	3,219	-	-	-	-	-	-	-	186,203
Fund balance - end of year	\$ 1,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,202

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**CAPITAL PROJECTS FUNDS**

**School Plant Facility** - This fund is established to account for appropriated funds to acquire plant facility items. Financing is provided by tax revenues.

**School Plant Facility – Bus Depreciation** - This fund is established to account for funds to replace school buses only.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**ALL CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

June 30, 2021

	<u>School Plant Facility</u>	<u>School Plant Facility - Bus Depreciation</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Investments	38,350	-	38,350
Due from other funds	65,571	-	65,571
Taxes receivable	10,666	-	10,666
Unbilled taxes receivable	50,000	-	50,000
Other receivables:			
Due from other governments	16,070	-	16,070
Total assets	<u>180,657</u>	<u>-</u>	<u>180,657</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 180,657</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,657</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Deferred revenue	10,130	-	10,130
Unavailable property tax revenue	50,000	-	50,000
Total deferred inflows of resources	<u>60,130</u>	<u>-</u>	<u>60,130</u>
Fund balance:			
Restricted	120,527	-	120,527
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 180,657</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,657</u></u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**ALL CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2021**

	<u>School Plant Facility</u>	<u>School Plant Facility - Bus Depreciation</u>	<u>Total</u>
<b>REVENUES</b>			
Local:			
Taxes	50,496	-	50,496
Earnings on investments	192	-	192
Total local	<u>50,688</u>	<u>-</u>	<u>50,688</u>
State:			
Lottery/additional state	18,282	-	18,282
Revenue in lieu of taxes	6,799	-	6,799
Total state	<u>25,081</u>	<u>-</u>	<u>25,081</u>
Total revenues	<u>75,769</u>	<u>-</u>	<u>75,769</u>
<b>EXPENDITURES</b>			
Support:			
Supplies-materials	8,920	-	8,920
Capital asset program:			
Purchased services	1	-	1
Capital objects	75,963	95,643	171,606
Total capital asset program	<u>75,964</u>	<u>95,643</u>	<u>171,607</u>
Total expenditures	<u>84,884</u>	<u>95,643</u>	<u>180,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,115)</u>	<u>(95,643)</u>	<u>(104,758)</u>
Other financing sources (uses)			
Proceeds from the sale of capital assets	-	2,500	2,500
Transfer in	-	77,952	77,952
Total other financing sources (uses)	<u>-</u>	<u>80,452</u>	<u>80,452</u>
Net change in fund balance	(9,115)	(15,191)	(24,306)
Fund balance-beginning of year	<u>129,642</u>	<u>15,191</u>	<u>144,833</u>
Fund balance-end of year	<u>\$ 120,527</u>	<u>\$ -</u>	<u>\$ 120,527</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**NONMAJOR FUNDS  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
For the Year Ended June 30, 2021**

	<b>Final Budgeted Revenue</b>	<b>Actual Revenue</b>	<b>Final Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Other financing sources (uses)</b>	<b>Beginning Fund Balance, as restated (Note 14)</b>	<b>Ending Fund Balance</b>
Special Revenue:							
Child Nutrition	101,300	136,233	101,300	129,849	-	3,435	9,819
Federal Forest Reserve	5,000	6,376	77,498	-	(26,594)	77,498	57,280
Student Activities	-	141,226	-	106,413	-	81,041	115,854
Drivers Education State	3,450	4,650	5,968	4,532	-	889	1,007
State Professional Technical	22,901	21,756	22,901	21,756	-	-	-
Technology - State	41,400	51,283	41,500	36,809	-	7,330	21,804
Substance Abuse - State	10,605	4,911	29,912	950	-	12,791	16,752
Title I-A, ESSA Improving Basic Programs	34,363	47,555	34,363	47,555	-	-	-
ESSER I (CARES) Coronavirus Aid, Relief and Economic Security Act	34,367	19,002	34,367	19,002	-	-	-
IDEA Part B (611 School Age 3-21)	55,698	45,526	55,698	45,526	-	-	-
School-Based Medicaid	45,000	31,850	45,000	41,383	8,000	3,219	1,686
Title IV-A, ESSA Student Support and Academic Enrichment	10,000	6,425	10,000	6,425	-	-	-
Title V-B, ESEA Rural Education Initiative Program	19,754	12,009	19,754	12,009	-	-	-
Title II-A, ESEA Supporting Effective Instruction	4,821	1,501	4,821	1,501	-	-	-
Title IV-B, ESEA - 21st Century Community Learning Centers	93,420	106,952	93,420	106,952	-	-	-
Idaho Rebounds Technology	-	78,245	-	78,245	-	-	-
Idaho Rebounds Child Nutrition	-	3,498	-	3,498	-	-	-
Idaho Rebounds Distance/Blended Learning	-	89,949	-	89,949	-	-	-
Capital Projects:							
School Plant Facility	50,000	75,769	102,500	84,884	-	129,642	120,527
School Plant Facility - Bus Depreciation	21,345	-	21,345	95,643	80,452	15,191	-
<b>Total</b>	<b>\$ 553,424</b>	<b>\$ 884,716</b>	<b>\$ 700,347</b>	<b>\$ 932,881</b>	<b>\$ 61,858</b>	<b>\$ 331,036</b>	<b>\$ 344,729</b>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2021**

**Finding 2021-001 Year-end Financial Close and Reporting**

<b>Condition</b>	Throughout our testing, we did not find effective internal control processes for reconciling general ledger accounts, especially at the end of the fiscal year. We discussed internal controls with management and inquired as to the controls over year-end financial closing and reporting. Based on the responses from management, we determined that no controls over year-end financial closing and reporting were in place during the year.
<b>Criteria</b>	Year-end financial close and reporting procedures should be formalized and documented.
<b>Cause</b>	Size and limited resources.
<b>Potential Effect of Condition</b>	Misstatements on the financial statements due to error or fraud by not reconciling general ledger accounts to be in accordance with generally accepted accounting principles.
<b>Recommendation</b>	We recommend that management further develops year-end closing procedures to reduce necessary audit adjustments by training and education the Business Manager to perform these procedures.
<b>Management's Response</b>	Management has agreed that this is an important control and will continue to implement a financial close and reporting process as recommended.



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2021**

**Finding 2021-002 Approval of Disbursements**

**Condition** Throughout our testing, we did not find evidence of effective internal control processes for the approval of disbursements.

**Criteria** Disbursements should be reviewed and approved.

**Cause** Deficiency in the design of controls over disbursements.

**Potential effect of Condition** Misstatements on the financial statements whether due to error or fraud would not be identified.

**Recommendation** We recommend that management review invoices/purchase orders to determine if District should include related expenditures and to ensure that corresponding disbursements are reasonable and authorized.

**Management's Response** Management has agreed that this is an important control and will implement a review disbursements as recommended.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2021**

**Finding 2021-003 Outstanding Checks**

**Condition** Throughout our testing, we did not find a policy for managing outstanding checks on bank reconciliations.

**Criteria** Effective internal control includes a policy for evaluating outstanding checks to ensure that they are reasonable and appropriate.

**Cause** Deficiency in controls over expenditures.

**Potential Effect of Condition** Misstatements on the financial statements due to error or fraud by not managing and potentially removing old outstanding checks.

**Recommendation** We recommend that management establishes a formal, written policy concerning uncashed checks based on current State escheat laws, with aging milestones, and adjust the accounting software to reflect changes.

**Management's Response** Management has agreed that this is an important control and will implement a policy for outstanding checks as recommended during the current fiscal year.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2021**

**Finding 2021-004 Credit Card Reconciliation**

**Condition** Throughout our testing, we did not find evidence of management review of credit card charges and payments.

**Criteria** Effective internal control includes a process for evaluating and approving expenditures related to credit card payments to ensure that they are reasonable and appropriate.

**Cause** Deficiency in controls over expenditures.

**Potential Effect of Condition** Misstatements on the financial statements due to error or fraud by not approving credit card expenditures.

**Recommendation** We recommend that management implement a review of credit card statements with corresponding invoices/purchase orders to determine if the District should include related expenditures and to ensure that corresponding disbursements are reasonable and authorized. Paying the credit card based on current charges instead of statements balances will ensure the accuracy of the payments and postings.

**Management's Response** Management has agreed that this is an important control and will implement a review of credit card charges and payments as recommended during the current fiscal year.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**STATUS OF PRIOR YEAR FINDINGS AND RESPONSES**  
**For the Year Ended June 30, 2021**

**Finding 2020-001 Year-end closing procedures.**

**Condition** Throughout our testing, we did not find effective internal control processes for reconciling general ledger accounts, especially at the end of the fiscal year. We discussed internal controls with management and inquired as to the controls over year-end financial closing and reporting. Based on the responses from management, we determined that no controls over year-end financial closing and reporting were in place during the year.

**Status** This finding still exists and is reported as Finding 2021-001.

**Finding 2020-002 Review of journal entries.**

**Condition** Throughout our testing, we found no secondary review of journal entries posted throughout the year. We discussed internal controls with management and inquired as to the controls over journal entries. Based on the responses from management, we determined that no controls over journal entries were in place during the year.

**Status** This finding has been resolved in fiscal year 2021.