JEFFERSON JOINT SCHOOL DISTRICT #251
RIGBY, IDAHO
ANNUAL FINANCIAL REPORT
and
COMPLIANCE REPORTS
with
INDEPENDENT AUDITORS' REPORT
For the Year Ended June 30, 2021

JEFFERSON JOINT SCHOOL DISTRICT #251
ANNUAL FINANCIAL AND COMPLIANCE REPORT
For the Year Ended June 30, 2021

TABLE OF CONTENTS

JEFFERSON JOINT SCHOOL DISTRICT #251
ANNUAL FINANCIAL AND COMPLIANCE REPORT
For the Year Ended June 30, 2021

TABLE OF CONTENTS

Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Jefferson Joint School District #251
Rigby, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jefferson Joint School District #251, 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 obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Rexburg • Idaho Falls

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 Jefferson Joint School District #251 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer contributions-PERSI OPEB, employer’s share of net OPEB asset, changes in total OPEB liabilities and related ratios, employer’s share of net pension liability PERSI, schedule of employer contributions PERSI, and budgetary comparison information on pages 40 through 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson Joint School District #251’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the Statement of Changes in Assets and Liabilities-Agency Funds, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 14, 2020, on our consideration of Jefferson Joint School District #251'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 Jefferson Joint School District #251's internal control over financial reporting and compliance.

Searle Hart + Associates PLLC
Rexburg, Idaho
October 13, 2021

FINANCIAL SECTION

JEFFERSON JOINT SCHOOL DISTRICT #251
STATEMENT OF NET POSITION
June 30, 2021

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and equivalents	$	20,139,381
Accounts receivable		226,657
Taxes receivable		2,741,531
Due from other governmental agencies		1,575,637
Inventory		94,766
Postemployment benefit asset		1,792,608
Capital assets		
Land and improvements not being depreciated		2,922,288
Construction in progress		411,945
Buildings		115,798,666
Equipment and vehicles		9,767,312
Less: Accumulated depreciation		(32,316,879)
Total Capital Assets		96,583,332
TOTAL ASSETS		123,153,912
DEFERRED OUTFLOWS OF RESOURCES		
Expenses unavailable for use		6,702,460
LIABILITIES		
Accounts payable		987,537
Other accrued expenses		4,550,131
Long-term liabilities		
Due within one year		
Bonds, capital leases and contracts		4,636,968
Accrued interest		628,829
Compensated absences		151,102
Postemployment benefit payable		884,073
Due in more than one year		
Bonds, capital leases and contracts		49,237,286
Net pension liability		14,973,297
TOTAL LIABILITIES		76,049,223
DEFERRED INFLOWS OF RESOURCES		
Revenue unavailable for use		7,081,176
NET POSITION		
Invested in capital assets, net of related debt		42,080,249
Restricted for:		
Capital Projects		4,986,822
Debt Service		7,524,350
Child Nutrition		1,223,329
Other Projects		5,044,078
Unrestricted		(14,132,855)
TOTAL NET POSITION	$	46,725,973

The notes to the financial statements are an integral part of this statement.

JEFFERSON JOINT SCHOOL DISTRICT #251
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government				
Governmental Activities:				
Instruction	$ 32,019,128	$ 28,406	$ 5,358,337	$ (26,632,385)
Support services	5,637,672	-	436,961	(5,200,711)
Plant maintenance & operations	4,668,805	-	-	(4,668,805)
General administration	4,031,659	-	-	(4,031,659)
Transportation	2,331,731	-	1,865,350	(466,381)
Food services	2,018,139	44,542	2,477,786	504,189
Interest on long-term debt	1,652,967	-	-	(1,652,967)
TOTAL GOVERNMENTAL ACTIVITIES	$ 52,360,101	$ 72,948	$ 10,138,434	(42,148,719)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	859,919
Property taxes, levied for debt service	4,437,209
Property taxes, levied for capital improvements	-
Grants and contributions not restricted to specific programs	5,447,761
State aid - formula grants	30,690,699
Unrestricted investment earnings	91,745
Miscellaneous	2,145,952
Special item - gain on sale of assets	246,795
Gain or loss on pension expense	(2,683,315)
Transfers	-
TOTAL GENERAL REVENUES	41,236,765
Change in net position	(911,954)
Net position - Beginning	47,637,927
NET POSITION - Ending	$ 46,725,973

The notes to the financial statements are an integral part of this statement.

JEFFERSON JOINT SCHOOL DISTRICT #251
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS
ASSETS			
Cash and cash equivalents	$ 7,589,161	$ 5,452,557	$ 3,055,757
Taxes receivable, net	372,873	2,368,658	-
Due from other funds	222,303	-	-
Receivable from other governments	988,909	-	-
Other receivables	226,657	-	-
Inventory	22,157	-	-
TOTAL ASSETS	9,422,060	7,821,215	3,055,757
DEFERRED OUTFLOWS OF RESOURCES			
Expenditures unavailable for use	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 9,422,060	$ 7,821,215	$ 3,055,757
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 776,046	$ -	$ 2,699
Interfund payable	-	-	-
Other accrued expenses	4,150,016	-	-
TOTAL LIABILITIES	4,926,062	-	2,699
DEFERRED INFLOWS OF RESOURCES			
Revenue unavailable for use	45,869	296,865	-
FUND BALANCES			
Nonspendable:			
Inventories	22,157	-	-
Committed to:			
Board Policy 7100	2,619,815	-	-
Assigned:			
Debt service	-	7,524,350	-
Other purposes	1,689,166	-	3,053,058
Unassigned	118,991	-	-
TOTAL FUND BALANCES	4,450,129	7,524,350	3,053,058
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 9,422,060	$ 7,821,215	$ 3,055,757

The notes to the financial statements are an integral part of this statement.

	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	$ 4,041,906	$ 20,139,381
	-	2,741,531
	-	222,303
	586,728	1,575,637
	-	226,657
	72,609	94,766
	4,701,243	25,000,275
	-	-
	$ 4,701,243	$ 25,000,275
	$ 208,792	$ 987,537
	222,303	222,303
	400,115	4,550,131
	831,210	5,759,971
	-	342,734
	72,609	94,766
	-	2,619,815
	-	7,524,350
	3,797,424	8,539,648
	-	118,991
	3,870,033	18,897,570
	$ 4,701,243	$ 25,000,275

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JEFFERSON JOINT SCHOOL DISTRICT #251
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021

Total fund balance, governmental funds	$	18,897,570
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Historical Cost		128,900,211
Accumulated Depreciation		(32,316,879)
Certain other expenses unavailable for use are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		6,702,460
Certain other revenues unavailable for use are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		(7,081,176)
Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable for use in the funds.		342,734
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consisted of:		
General obligation bonds		(53,874,254)
Postemployment benefit asset		1,792,608
Accrued compensated absences		(151,102)
Accrued interest payable		(628,829)
Postemployment benefit payable		(884,073)
Net pension liability		(14,973,297)
Net position of governmental activities in the Statement of Net Position	$	46,725,973

JEFFERSON JOINT SCHOOL DISTRICT #251
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS
REVENUES			
Property taxes	$ 731,913	$ 4,437,209	$ -
Food service	-	-	-
Other local	272,294	-	-
State apportionment base	26,778,276	-	-
State apportionment transportation	1,865,350	-	-
State apportionment benefits	3,827,423	-	-
Investment earnings	39,641	15,964	31,725
Other State revenue	1,886,155	1,901,171	-
Federal grants and assistance	1,993,676	-	-
TOTAL REVENUES	37,394,728	6,354,344	31,725
EXPENDITURES			
Instruction	25,396,919	-	-
Support services	2,565,920	-	-
Plant maintenance & operations	4,307,641	-	-
General administration	3,239,171	-	-
Central services	-	-	-
Transportation	1,938,185	-	-
Food service	-	-	-
Debt service:			
Principal	-	4,876,968	-
Interest and other charges	-	2,260,088	-
Capital outlay	-	-	4,734,787
TOTAL EXPENDITURES	37,447,836	7,137,056	4,734,787
Excess (deficiency) of revenues over expenditures	(53,108)	(782,712)	(4,703,062)
OTHER FINANCING SOURCES (USES)			
Proceeds from refunding of bonds	-	-	-
Transfers in	31,339	-	-
Transfers out	(371,973)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(340,634)	-	-
SPECIAL ITEM			
Proceeds from sale of assets	-	-	-
Net change in fund balances	(393,742)	(782,712)	(4,703,062)
Fund balances - Beginning	4,843,871	8,307,062	7,756,120
FUND BALANCES - Ending	$ 4,450,129	$ 7,524,350	$ 3,053,058

OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ 5,169,122
44,542	44,542
1,892,787	2,165,081
-	26,778,276
-	1,865,350
-	3,827,423
4,415	91,745
3,945,900	7,733,226
4,088,220	6,081,896
9,975,864	53,756,661
3,803,917	29,200,836
2,834,226	5,400,146
283	4,307,924
342,176	3,581,347
-	-
-	1,938,185
2,018,139	2,018,139
-	4,876,968
-	2,260,088
1,175,668	5,910,455
10,174,409	59,494,088
(198,545)	(5,737,427)
-	-
371,973	403,312
(31,339)	(403,312)
340,634	-
298,295	298,295
440,384	(5,439,132)
3,429,649	24,336,702
$ 3,870,033	$ 18,897,570

JEFFERSON JOINT SCHOOL DISTRICT #251
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:	$	(5,439,132)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays $4,968,544 exceeded depreciation $2,940,529 in the current period.		2,028,015
Property tax revenues (including penalties and interest) in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.		128,006
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		51,500
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.		4,876,968
Governmental funds do not report the pension contribution expense and revenue because it does not provide current financial resources. In contrast, the Statement of Activities reports the expense and revenue. Thus, the change in net position differs from the change in fund balance by this pension contribution expense and revenue.		(3,073,033)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Accrued interest not reflected on Governmental funds		60,750
Postemployment benefit not reflected on Governmental funds		963,488
Amortization of bond costs		(527,491)
Compensated absences not reflected on Governmental funds		18,975
Change in net position of governmental activities	$	(911,954)

JEFFERSON JOINT SCHOOL DISTRICT #251
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

		PREMIUM STABILIZATION EXPENDABLE TRUST FUND
ASSETS		
Cash and cash equivalents	$	248,416
Claims Reserve		59,000
TOTAL ASSETS		307,416
LIABILITIES		
Accounts payable		-
Interfund payable		-
Due to student groups		-
TOTAL LIABILITIES		-
NET POSITION		
Held in trust for employee benefits	$	307,416

The notes to the financial statements are an integral part of this statement.

JEFFERSON JOINT SCHOOL DISTRICT #251
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2021

	PREMIUM STABILIZATION EXPENDABLE TRUST FUND
ADDITIONS	
Contributions:	
District contributions	$ -
Plan members	222,780
Total contributions	222,780
Investment earnings:	
Interest	2,633
Total additions	225,413
DEDUCTIONS	
Benefits	205,067
Administrative	300
Total deductions	205,367
Change in net position	20,046
Net position - beginning	287,370
Net position - ending	$ 307,416

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JEFFERSON JOINT SCHOOL DISTRICT #251
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTES INDEX

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jefferson Joint School District #251 (District) is the basic level of government exercising oversight responsibility for all activities related to public school education in Jefferson Joint School District, Jefferson County, Idaho. The Board of Trustees, a seven-member group, is elected by the public and as such has governance responsibility over all activities related to public elementary and secondary school education within the jurisdiction of the school district. The Board of Trustees have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity."

The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement of Auditing Standards No.* 69 of the American Institute of Certified Public Accountants.

In 2003, the District implemented GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments,* GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement No. 34, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities and the use of account groups to the already required fund financial statements and notes. The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

A. <u>Reporting Entity</u>

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District's financial reporting entity. Based on these considerations, the District's basic financial statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are; that is has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. The District does not allocate general (indirect) expenses to other functions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 the revenues are collected within sixty days after year end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by block grants, and then by general revenues.

Buildings, furniture, fixtures, equipment and vehicles of the District are depreciated using the straight line method over the following estimated useful lives:

Category of Asset	Estimated Useful Lives
Buildings and improvements	20-50
Equipment	5-20
Vehicles	8

D. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using vesting method, in which leave amounts for employees who currently are eligible to receive termination payments are included. The entire compensated absences owed are reported in the government-wide financial statements.

E. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as deferred outflows/inflows of resources in the applicable governmental activities statement of net position. For other long-term obligations, only that portion expected to be financed from expendable, available financial resources is reported as a deferred outflows/inflows of resources in a governmental fund. For bonds issued after June 30, 2004, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize 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.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

G. Fund Accounting

According to generally accepted accounting principles for governmental units, the District's financial operations are accounted for in the following funds:

GOVERNMENTAL FUND TYPES

General Fund
This fund accounts for the general operating (sometimes called the Maintenance & Operations, or M&O) fund of the District. It is used to account for all financial resources except those required to be accounted for in any other fund.

Special Revenue Funds
These funds account for federal and state funded grants as well as locally funded educational programs whose expenditures are limited to specific purposes. Such grants have been awarded to the district with the purpose of accomplishing specified educational tasks defined in the grant agreements.

Debt Service Fund
This fund accounts for the use of taxes levied and other revenues collected for the retirement of debt principal, interest and related costs.

Capital Projects Fund
This fund is used to account for the school plant facility tax levied and other resources to be used for the construction, purchase and maintenance of school buildings, buses, and equipment.

Fiduciary Fund Types

Trust and Agency Funds
Trust and agency funds are used to account for assets held by the district in a trustee capacity or as an agent for student groups and employees.

H. Budgets

Annual budgets are prepared and adopted by the board of Trustees before the beginning of the fiscal year which is July 1st. Budgets are prepared on the GAAP basis of accounting. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. All annual appropriations lapse at fiscal yearend. The District amended it budgets during the year to adjust for updated information. The amended budgets were approved by the Board of Trustees.

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

The District budgets transfers from the general fund to other funds to cover the costs incurred by these funds in excess of the revenues generated. Certain indirect costs are charged to several special revenue funds through budgeted transfers from the special revenue funds to the general fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

I. Property Tax

Property taxes are collected by the County Treasurer and remitted to the District monthly. Taxes are payable in semi-annual installments due December 20 and June 20 of each year after which time they become delinquent. Taxes levied but not received by the district by June 30 have been accrued and taxes still unpaid after sixty days beyond the fiscal year are shown as deferred inflows of resources.

J. Nonspendable and Spendable Fund Balances

Fund balance is separated into nonspendable and spendable fund balance. Nonspendable fund balance includes amounts that cannot be spent because they are either: (1) not in spendable form; or (2) legally or contractually required to be maintained intact. Spendable amounts are classified into restricted, committed, assigned and unassigned. The following is a list of nonspendable and spendable fund balance designations for Jefferson School District #251.

Nonspendable for inventories. This fund balance cannot be spent. It is designated to be used for inventories.

Committed to Board Policy 7100. This fund balance is committed for 7% of gross revenue as mandated by Board Policy 7100.

Assigned for debt service. This designation was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The designation was established to satisfy restrictions imposed by various bond agreements.

Assigned for other purposes. This reserve indicates fund balances that can only be spent for purposes authorized by the funding source.

Unassigned. This fund balance is not assigned to any specific purpose. The District will use the unassigned fund balance for expenditures in the subsequent fiscal year.

K. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position invested in capital assets, net of related debt excluded unspent debt proceeds. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted resources are used first to fund appropriation.

The District first applied restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to deductions from the 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 benefit terms. Investments are reported at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

M. Other Post-Employment Benefits – Healthcare Benefits

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

N. Other Post-Employment Benefits – Sick Leave Plan

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

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as those financial instruments which have a maturity date of three months or less from the date of acquisition.

Deposits
The carrying amount of the Districts deposits with financial institutions was $7,467,108 and the bank balance was $7,994,088. The amount not covered by FDIC insurance was $7,340,006.

2. CASH AND CASH EQUIVALENTS (Cont.)

Investments

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies and repurchase agreements. The District's investments at year end consisted of $12,919,490 invested in the Idaho State Investment Pool. The Idaho State Investment Pool is not covered by Federal Deposit Insurance, but is primarily invested in government-backed securities. The Idaho State Treasurer provides oversight for investments by or through any department or institution of the State of Idaho. Amounts held by the State Investment Pool were held in the following investments: government agency notes, commercial paper, corporate bonds, U.S. treasury notes, money market accounts, repurchase agreements, and purchased accrued interest. All investments for the State Investment Pool are not collateralized. The investments held by the State Investment Pool are carried at cost plus accrued interest which is the fair market value also. Information necessary to determine the level of collateralization for the State Investment Pool was unavailable.

The District had the following accounts. All deposits are carried at cost plus accrued interest.

Depository Account:	Bank Balance
Insured	$654,082
Uninsured and uncollateralized	7,340,006
Total deposits	$7,994,088
Investments:	
Uncollateralized and held by Idaho State Investment Pool in the pool's safekeeping agent in the pool's name unrated fund	$12,919,490

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	BALANCE 7/1/2020	ADDITIONS	DELETIONS	BALANCE 6/30/2021
Capital assets not being depreciated				
Construction in progress	$ 29,193,779	$ 411,945	$ (29,193,779)	$ 411,945
Land				
Elementary	1,196,959	-	-	1,196,959
Secondary	887,161	-	(51,500)	835,661
Other	889,668	-	-	889,668
Total capital assets not being depreciated	32,167,567	411,945	(29,245,279)	3,334,233
Capital assets being depreciated				
Buildings				
Elementary	19,789,243	33,105,664	-	52,894,907
Secondary	60,632,857	-	-	60,632,857
Admin.	2,270,903	-	-	2,270,903
	82,693,003	33,105,664	-	115,798,667
Accumulated depreciation	(22,987,944)	(2,351,704)	-	(25,339,648)
Net buildings	59,705,059	30,753,960	-	90,459,019
Equipment				
Elementary	933,885	-	-	933,885
Secondary	1,735,441	-	-	1,735,441
Admin.	656,151	-	-	656,151
	3,325,477	-	-	3,325,477
Accumulated depreciation	(1,972,373)	(195,280)	-	(2,167,653)
Net equipment	1,353,104	(195,280)	-	1,157,824
Vehicles	6,825,313	644,714	(1,028,192)	6,441,835
Accumulated depreciation	(5,444,226)	(393,546)	1,028,192	(4,809,580)
Net vehicles	1,381,087	251,168	-	1,632,255
Total capital assets being depreciated	62,439,250	30,809,849	-	93,249,099
Capital assets, net	$ 94,606,817	$ 31,221,794	$ (29,245,279)	$ 96,583,332

In the government-wide Statement of Activities the column labeled "Expenses" includes charges for depreciation expense to the following functions or programs:

EXPENSE	
Instruction	$ 2,459,055
Transportation	393,547
General administration	45,513
Plant maintenance and operations	42,415
Total	$ 2,940,530

3. CAPITAL ASSETS (cont.)

The School District's capitalization policy is to capitalize equipment and buildings over $10,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

4. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS

Plan Description

Jefferson Joint School District #251's Employee Group Benefits Plan is a single-employer defined benefit healthcare plan administered by Blue Cross of Idaho. Blue Cross provides medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. Delta Dental and Willamette Dental provide dental insurance benefits to eligible retirees and their eligible dependents. A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the District's health insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum of reaching age 55 with at least 5 years of membership with a PERSI employer. The retiree is on the same medical plan as the District's active employees.

Funding Policy

The contribution requirement of plan members is established by the District's insurance committee in conjunction with our insurance provider. The required contribution is based on a projected pay-as-you-go financing requirements. For fiscal year 2021, the District contributed approximately $145,737 of the annual required contribution of $201,243. Retirees are required to pay 100% of the premiums for both the retiree and the dependent coverage.

Net Other Post-Employment Benefit Liability

The Net Other Post-Employment Benefit Liability (NOL) was measured as of June 30, 2021, and the total other post-employment benefit liability was determined by an actuarial valuation as of June 30, 2021.

Plan Members

Plan participants as of June 30, 2021 are summarized by status as follows:

	Accrued Liability	Annual Required Contribution	Participant Counts
Active participants	$861,160	$200,097	429
Inactive participants	22,913	1,146	12
	$884,073	$201,243	403

4. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - HEALTH CARE BENEFITS (cont.)

Actuarial Methods and Assumptions

The District does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets. The following actuarial methods and assumptions were used in the June 30, 2021 accounting valuation:

Valuation Timing	June 30, 2021
Actuarial Cost Method	Entry age normal
Projected Payroll Increases	3.75%
Discount Rate	2.27%
Health Cost Trend Rates	Medical with vision and prescription trend is 7.5% from the year ending June 30, 2019, then gradually decreasing to an ultimate rate of 3.8% for 2076 and beyond. Dental trend if 4% from the year ending June 30, 2019, then gradually lowering to 2.0% for 2023 and beyond. Prescription drug trend is 7.5% from the year ended June 30, 2019, then gradually decreasing to an ultimate rate of 3.8% for 2076 and beyond, as shown in the June 30, 2019 valuation report.
Retirement	Based on PERSI with 19% of males and 10% of females eligible at age 55, 30% of males and 26% of females first year eligible at age 60, and 36% of males and 49% of females eligible at age 65.
Participation	40% of future retirees are assumed to elect medical coverage, 39.9% of future retirees are assumed to elect dental coverage, and 70% of the future retirees who elect medical or dental coverage and are married are assumed to elect spousal coverage as well.
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments, set back one years for males and two years for females.
Retiree Contributions	The retiree contributions are a weighted average of all retiree contributions for the period July 1, 2020 to June 30, 2021. The cost of Medical and Prescription Drug was $7,005 for a retiree or surviving spouse, and $8,310 for a spouse. For Dental it was $382 for a retiree or surviving spouse, and $445 for a spouse.

Total OPEB Liability	**June 30, 2021**
Actuarially Determined Contribution (ADC)	$201,243
Total OPEB Liability (TOL)	$884,073
Covered Employee Payroll	$19,619,888
TOL as a Percentage of Payroll	4.51%
Participants	441

4. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (cont.)

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

Discount Rate	
Discount Rate	2.27%
20 Year Tax-Exempt Municipal Bond Index	3.50%

The discount rate was based on the average of multiple 6/30/21 municipal bond interest rate sources.

Other Key Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was based on the 2018 PERSI Experience study for demographic assumptions and the June 30, 2019 OPEB Valuation for the economic and OPEB specific assumptions.

Changes in total OPEB liability	**Increase (Decrease) Total OPEB Liability**
Balance as of June 30, 2020	$1,256,346
Changes for the year:	
Service Cost	168,725
Benefit Payments	(58,309)
Interest	35,321
Differences in experience	(450,749)
Changes of assumptions or other inputs	(67,261)
Benefit payments (estimated)	(58,309)
Net Change in TOL	(372,273)
Balance as of June 30, 2019	$884,073

Sensitivity Analysis

The following presents the total OPEB liability of the school district, calculated using the discount rate of 2.27%, as well as what the school district's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease 1.27%	**Discount Rate 2.27%**	**1% Increase 3.27%**
Total June 30, 2021 OPEB liability	947,904	884,073	825,741

4. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HEALTHCARE BENEFITS (cont.)

Other Post-employment benefits Expense and Deferred Outflows of Resources and Deferred Inflows for Resources Related to Other Post-employment Benefits

Schedule of Deferred Inflow/Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 450,749
Changes in assumptions or other inputs	40,384	107,645
Amortization	-	-
	$ 40,384	$ 558,394

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	(32,156)
2021	(32,156)
2022	(32,156)
2023	(32,156)
2024	(32,156)
2025	(32,156)
2026	(32,156)
2027	(32,126)
Thereafter	(292,918)

5. CHANGES IN LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS

The general obligation bond issue 200 series was refunded by refunding bond 2015 series issued $4,950,000. The cash flows required to service the old debt are $12,287,750. The cash flows required to service the new debt are $9,393,250. This results in an economic gain of $2,894,500 over time from this advanced refunding transaction.

The debt balance at June 30, 2016 defeased through the 2015 advanced refunding was $9,655,000 and was called March 1, 2018.

In November 2018, the District issued $31,665,000 of general obligation bonds for the construction of a new elementary school and improvements to existing schools.

In December 2007, and early 2010, the District issued $5,000,000 of Qualified School Construction Bonds, $21,805,000 general obligation Build America Bonds, and $3,195,000 general obligation bonds.

In December 2010, the District issued $15,000,000 general obligation QSCB bonds.

5. CHANGES IN LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS (Cont.)

The 2010-A bond issue was refunded by refunding bond 2019 series issued $13,480,000. The cash flows required to service the old debt are $20,386,434. The cash flows to service new debt are $13,550,875. This results in an economic gain of $4,167,684 over time from this advanced refunding transaction.

A summary of general long-term debt transactions of the District, for the year ended June 30, 2021, follows:

	BALANCE 7/1/2020	ADDITIONS	RETIREMENT	BALANCE 6/30/2021	DUE WITHIN ONE YEAR
General obligation bond	$ 58,751,222	$ -	$ 4,876,968	$ 53,874,254	$ 4,636,968
Pension Liability	6,962,122	8,011,175	-	14,973,297	-
OPEB - Healthcare Plan	1,256,346	-	372,273	884,073	884,073
Compensated absences	132,127	18,975	-	151,102	151,102
Total	$ 67,101,817	$ 8,030,150	$ 5,249,241	$ 69,882,726	$ 5,672,143

Debt service requirements to amortize bond and lease debt to maturity as of June 30, 2021, are as follows:

	PRINCIPAL	INTEREST	TOTAL
2022	$ 4,636,968	$ 2,169,000	$ 6,805,968
2023	4,271,968	2,026,925	6,298,893
2024	4,061,969	1,889,375	5,951,344
2025	4,196,969	1,746,250	5,943,219
2026	4,341,968	1,557,375	5,899,343
2027-2031	15,029,412	5,459,250	20,488,662
2032-2036	10,025,000	3,129,375	13,154,375
2037-2041	7,310,000	560,000	7,870,000
Total	$ 53,874,254	$ 18,537,550	$ 72,411,804

5. CHANGES IN LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS (Cont.)

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

PRINCIPAL	Balance 7/1/2020	New Debt	Debt Retired	Balance 6/30/2021
2019 Series	$ 13,480,000	$ -	$ (2,045,000)	$ 11,435,000
2018 Seies	31,455,000	-	(610,000)	30,845,000
2015 GO	2,685,000	-	(955,000)	1,730,000
2009 QSCB	2,307,693	-	(384,615)	1,923,078
2010 Series A, B & C	8,823,529	-	(882,353)	7,941,176
Lease Payable	-	-	-	-
Totals	$ 58,751,222	$ -	$ (4,876,968)	$ 53,874,254

INTEREST TO BE PROVIDED	Balance 7/1/2020	New Debt	Debt Retired	Balance 6/30/2021
2019 Series	$ 2,738,750	$ -	$ (622,875)	$ 2,115,875
2018 Series	17,582,125	-	(1,557,500)	16,024,625
2015 GO	114,525	-	(66,225)	48,300
2009 QSCB	426,250	-	(77,500)	348,750
2010 Series A, B & C	-	-	-	-
Lease Payable	-	-	-	-
Totals	$ 20,861,650	$ -	$ (2,324,100)	$ 18,537,550

6. PENSION PLANS

Plan Description

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

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

6. PENSION PLANS (cont.)

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The District's contributions were $3,126,448 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District'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 0.6448081 percent.

6. PENSION PLANS (cont.)

For the year ended June 30, 2021, the District recognized pension expense (revenue) of $3,126,448. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	1,169,874	$	488,911
Changes of assumptions		253,226		-
Net difference between projected and actual earnings		1,716,227		-
Contributions made subsequent to measurement date		3,126,448		-
Total	$	6,265,775	$	488,911

A portion of deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of $3,126,448 for the year ended June 30, 2021, will be recognized as a reduction of the net pension liability in the subsequent year.

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

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

Year ended June 30:	
2021	48,357
2022	630,735
2023	856,057
2024	1,115,268

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

Actuarial Assumptions

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

6. PENSION PLANS (cont.)

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

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return (net of investment expenses)	7.05%
Cost-of-living adjustment	1.00%

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

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

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2019 is based on the results of an actuarial valuation date July 1, 2020.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate 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 the approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are show 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.

6. PENSION PLANS (cont.)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	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%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-term Expected Geometric Rate of Return, Net of Investment Expenses			**7.05%**

6. PENSION PLANS (cont.)

Discount Rate

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

Sensitivity of the 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%, 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%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	30,706,129	14,973,297	1,964,808

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 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.

7. PAYROLL EXPENDITURES AND RELATED LIABILITIES

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

8. RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty and liability coverage through commercial insurance carriers. Settled claims have not exceeded insurance coverage in any of the previous three years.

9. NONMONETARY TRANSACTIONS

The District received $128,515 in USDA Commodities during the 2020-2021 fiscal year. The commodities received are valued at the average wholesale price as determined by the distributing agency. All commodities received by the District were treated as revenue and expense of the fund receiving the commodities.

10. INTERFUND TRANSFERS AND BALANCES

During the course of its operations, the District had numerous transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded. The interfund balances as of June 30, 2021, were as follows:

	Receivable	Payable
General Fund	$ 222,303	$ -
Capital Projects	-	-
Various Other Special Revenue Funds	-	222,303
TOTAL	$ 222,303	$ 222,303

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	TRANSFER IN	TRANSFER OUT
General Fund	$ 31,339	$ 371,973
Child Nutrition	43,134	17,889
School Plant Facilities	228,839	-
E-Rate	100,000	-
Other Special Revenue Funds	-	13,450
TOTAL	$ 403,312	$ 403,312

A transfer was made from the General Fund to various funds to provide for budgeted expenditures of $395,978. The funds went to School Plant Facilities and various Other Governmental Funds.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – SICK LEAVE PLAN

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 members receiving retirement benefits and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

OPEB Benefits

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

Employer Contributions

The contribution rate for employers are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The District's contributions were $130,537 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2020, the District's proportion was 1.4558591 percent.

For the year ended June 30, 2021, the District recognized OPEB expense (expense offset) of $13,874. $249,259 reported as deferred outflows of resources related to OPEBs resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2021.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – SICK LEAVE PLAN (Cont.)

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 of percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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 produced the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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

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

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – SICK LEAVE PLAN (Cont.)

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	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%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-term Expected Geometric Rate of Return, Net of Investment Expenses			**7.05%**

Discount Rate

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

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – SICK LEAVE PLAN (Cont.)

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (6.05%)
Employer's proportionate share of the net OPEB liability (asset)	(1,558,547)	(20,424)	(22,744)

OPEB Expense		
Service cost and interest	$	384,667
Expected investment return		(352,035)
Administrative expenses		1,054
Amortization of differences between expected and actual experience		33,777
Amortization of changes of assumptions		(57,090)
Amortization of net difference between projected and actual investment earnings on OPEB plan investments		3,503
OPEB expense	$	13,874

OPEB plan fiduciary net position

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

PERSI issued 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.

12. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of bond issue expenses from previous bond issues.

12. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Cont.)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources for the Statement of Net Position consists of bond premiums from outstanding bonds that will reduce the interest expense in future periods. The District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that amounts become available.

A summary of deferred inflows and outflows follows:

	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES
Bond Issue Expenses	$ -	$ 147,042
Bond Premiums	5,575,303	-
Pension Outflows	-	6,265,775
Pension Inflows	488,911	-
OPEB - Outflows	-	289,643
OPEB - Inflows	1,016,962	-
	$ 7,081,176	$ 6,702,460

Deferred inflows of resources at June 30, 2021, represent revenues that are not available for use by the District to liquidate current year liabilities. A summary of deferred inflows by fund follows:

	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL	TOTAL
Property tax	$ 342,734	$ -	$ -	$ 342,734
Other revenue	-	-	-	-
TOTAL	$ 342,734	$ -	$ -	$ 342,734

13. SUBSEQUENT EVENTS

Subsequent events have been considered through the report date of October 13, 2021. There were no subsequent events that will have a material impact on the operation of the District.

14. NET EQUITY ADJUSTMENT

The various schools were moved from an agency fund to a special revenue fund, the transfer increased beginning Fund Balance and Net Position by $380,500.

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REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON JOINT SCHOOL DISTRICT #251
BUDGET AND ACTUAL (WITH VARIANCES) - GENERAL FUND
For the year ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE FAVORABLE
	ORIGINAL	FINAL	AMOUNTS	(UNFAVORABLE)
REVENUES				
Property taxes	$ 802,500	$ 1,025,728	$ 731,913	$ (293,815)
Food service	-	-	-	-
Other local	100,000	305,226	272,294	(32,932)
State apportionment base	27,410,836	26,772,000	26,778,276	6,276
State apportionment transportation	1,909,920	1,865,350	1,865,350	-
State apportionment benefits	3,752,114	3,827,000	3,827,423	423
Investment earnings	120,000	40,000	39,641	(359)
Other State revenue	1,326,065	1,901,621	1,886,155	(15,466)
Federal grants and assistance	-	1,993,676	1,993,676	-
TOTAL REVENUES	35,421,435	37,730,601	37,394,728	(335,873)
EXPENDITURES				
Instruction	24,037,386	26,125,754	25,396,919	728,835
Support services	2,289,032	2,615,008	2,565,920	49,088
Plant maintenance and operation	4,718,564	5,376,348	4,307,641	1,068,707
General administration	3,054,598	3,676,373	3,239,171	437,202
Central services	-	-	-	-
Transportation	1,985,577	2,063,409	1,938,185	125,224
Food service	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	36,085,157	39,856,892	37,447,836	2,409,056
Excess (deficiency) of revenues over expenditures	(663,722)	(2,126,291)	(53,108)	2,073,183
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Transfers in	44,962	44,962	31,339	13,623
Transfers out	(290,000)	(290,996)	(371,973)	(80,977)
TOTAL OTHER FINANCING SOURCES (USES)	(245,038)	(246,034)	(340,634)	(67,354)
SPECIAL ITEM				
Proceeds from sale capital assets	-	-	-	-
Net change in fund balances	$ (908,760)	$ (2,372,325)	(393,742)	$ 1,978,583
Fund balances - Beginning			4,843,871	
FUND BALANCES - Ending			$ 4,450,129	

JEFFERSON JOINT SCHOOL DISTRICT #251
BUDGET AND ACTUAL (WITH VARIANCES) - DEBT SERVICE
For the year ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE FAVORABLE
	ORIGINAL	FINAL	AMOUNTS	(UNFAVORABLE)
REVENUES				
Property taxes	$ 6,394,162	$ 6,394,162	$ 4,437,209	$ (1,956,953)
Food service	-	-	-	-
Transportation fees	-	-	-	-
Other local	-	-	-	-
State apportionment base	-	-	-	-
State apportionment transportation	-	-	-	-
State apportionment benefits	-	-	-	-
Investment earnings	40,000	40,000	15,964	(24,036)
Other State revenue	1,842,295	1,842,295	1,901,171	58,876
Federal grants and assistance	-	-	-	-
TOTAL REVENUES	8,276,457	8,276,457	6,354,344	(1,922,113)
EXPENDITURES				
Instruction	-	-	-	-
Support services	-	-	-	-
Plant maintenance and operation	-	-	-	-
General administration	-	-	-	-
Central services	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Debt Service:				
Principal	4,876,968	4,876,968	4,876,968	-
Interest and other charges	2,329,600	2,329,600	2,260,088	69,512
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	7,206,568	7,206,568	7,137,056	69,512
Excess (deficiency) of revenues over expenditures	1,069,889	1,069,889	(782,712)	(1,852,601)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(7,192,117)	(7,192,117)	-	7,192,117
TOTAL OTHER FINANCING SOURCES (USES)	(7,192,117)	(7,192,117)	-	7,192,117
SPECIAL ITEM				
Proceeds from sale capital assets	-	-	-	-
Net change in fund balances	$ (6,122,228)	$ (6,122,228)	(782,712)	$ 5,339,516
Fund balances - Beginning			8,307,062	
FUND BALANCES - Ending			$ 7,524,350	

JEFFERSON JOINT SCHOOL DISTRICT #251
BUDGET AND ACTUAL (WITH VARIANCES) - CAPITAL PROJECTS
For the year ended June 30, 2021

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Food service	-	-	-	-
Transportation fees	-	-	-	-
Other local	-	-	-	-
State apportionment base	-	-	-	-
State apportionment transportation	-	-	-	-
State apportionment benefits	-	-	-	-
Investment earnings	50,000	50,000	31,725	(18,275)
Other State revenue	-	-	-	-
Federal grants and assistance	-	-	-	-
TOTAL REVENUES	50,000	50,000	31,725	(18,275)
EXPENDITURES				
Instruction	-	-	-	-
Support services	-	-	-	-
Plant maintenance and operation	-	-	-	-
General administration	-	-	-	-
Central services	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	5,550,875	5,788,495	4,734,787	1,053,708
TOTAL EXPENDITURES	5,550,875	5,788,495	4,734,787	1,053,708
Excess (deficiency) of revenues over expenditures	(5,500,875)	(5,738,495)	(4,703,062)	1,035,433
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
SPECIAL ITEM				
Proceeds from sale capital assets	-	-	-	-
Net change in fund balances	$ (5,500,875)	$ (5,738,495)	(4,703,062)	$ 1,035,433
Fund balances - Beginning			7,756,120	
FUND BALANCES - Ending			$ 3,053,058	

JEFFERSON JOINT SCHOOL DISTRICT #251
NOTES TO THE BUDGET TO ACTUAL COMPARISON
For the Year Ended June 30, 2021

1. The legally adopted budget for Jefferson Joint School District #251is based on the modified accrual basis of accounting.

2. Actual expenditures did not exceed the budgeted amount in any major fund.

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS – HEALTHCARE
For the Year Ended June 30, 2021

Total OPEB Liability	2021	2020	2019
Service Cost	$ 168,725	$ 158,197	$ 142,420
Interest on total OPEB Liability	35,321	37,984	38,604
Changes of benefit terms	(450,749)	-	(291,880)
Effect of assumptions changes or inputs	(67,261)	87,462	121,920
Expected benefit payments	(58,309)	(34,133)	(36,613)
Net change in total OPEB liability	(372,273)	91,313	(25,549)
Total OPEB liability, beginning	1,256,346	1,006,836	1,032,384
Total OPEB liability, ending	$ 884,073	$ 1,256,346	$ 1,006,835
Covered employee payroll	$ 19,619,888	$16,529,221	$ 15,931,779
Total OPEB liability as a % of covered employee payroll	4.51%	7.60%	6.32%

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

Data is measured as of June 30, 2021, 2020, and 2019

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF EMPLOYER CONTRIBUTIONS PERSI OPEB PLAN – SICK LEAVE PLAN
For the Year Ended June 30, 2021

	2020	2019	2018
Statutorily required contribution	$ 140,422	$ 137,535	$ 122,128
Contributions in relation to the statutorily required contribution	$ 130,548	$ 240,687	$ 213,724
Contribution (deficiency) excess	$ 9,873	$ (103,151)	$ (91,596)
Employer's covered-employee payroll	$ 19,619,888	$ 20,225,777	$ 17,960,035
Contributions as a percentage of covered-employee payroll	0.60%	1.19%	1.19%

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

Data reported is measured as of June 30, 2020, 2019, and 2018

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY (ASSET) – SICK LEAVE PLAN
For the Year Ended June 30, 2021

	2020	2019	2018
Employer's portion of the net OPEB asset	1.4558591%	1.4646947%	1.3700952%
Employer's proportionate share of the total OPEB liability (asset)	$ 3,390,385	$ 3,642,729	$ 3,184,353
Employer's proportion of the plan fiduciary net position	$ 5,182,993	$ 5,045,619	$ 4,320,778
Employer's proportional share of the net OPEB liability (asset)	$ (1,792,608)	$ (1,402,890)	$ (1,136,425)
Employer's covered employee payroll	$ 19,619,888	$ 20,225,777	$ 17,960,035
Employer's proportional share of the net OPEB liability (asset) as a percentage of its covered employee payroll	9.14%	6.94%	6.33%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	153.0%	138.5%	135.7%

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

Data reported is measured as of June 30, 2020, 2019, and 2018

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY PERSI – BASE PLAN
LAST 10 – FISCAL YEARS*

	2021	2020	2019	2018
Employer's portion of net the pension liability	0.6448081%	0.6099248%	0.5725984%	0.5497774%
Employer's proportionate share of the net pension liability	$ 14,973,297	$ 6,962,122	$ 8,445,926	$ 8,641,556
Employer's covered-employee payroll	$ 22,865,108	$ 20,627,973	$ 18,325,417	$ 16,985,677
Employer's proportional share of the net pension liability as a percentage of it's covered -employee payroll	65.49%	33.75%	46.09%	50.88%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%

	2017	2016	2015
Employer's portion of net the pension liability	0.5465918%	0.5334703%	0.5348668%
Employer's proportionate share of the net pension liability	$ 11,080,255	$ 7,024,936	$ 3,937,457
Employer's covered-employee payroll	$ 15,826,184	$ 14,889,740	$ 14,457,157
Employer's proportional share of the net pension liability as a percentage of it's covered -employee payroll	70.01%	47.18%	27.24%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	91.38%	94.95%

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

Data reported is measured as of June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014.

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF EMPLOYER CONTRIBUTIONS PERSI – BASE PLAN
LAST 10 – FISCAL YEARS*

	2021	**2020**	**2019**	**2018**
Statutorily required contribution	$ 2,529,847	$ 2,333,819	$ 2,223,637	$ 1,853,916
Contributions in relation to the statutorily required contribution	$ 2,776,790	$ 2,379,200	$ 2,113,685	$ 1,959,227
Contribution (deficiency) excess	$ (246,943)	$ (45,382)	$ 109,953	$ (105,311)
Employer's covered-employee payroll	$ 22,865,108	$ 20,627,973	$ 18,325,417	$ 16,985,677
Contributions as a percentage of covered-employee payroll	12.14%	11.53%	11.53%	11.53%

	2017	**2016**	**2015**
Statutorily required contribution	$ 1,624,812	$ 1,744,992	$ 1,738,540
Contributions in relation to the statutorily required contribution	$ 1,825,804	$ 1,790,380	$ 1,663,362
Contribution (deficiency) excess	$ (200,993)	$ (45,388)	$ 75,177
Employer's covered-employee payroll	$ 15,826,184	$ 14,889,740	$ 14,457,157
Contributions as a percentage of covered-employee payroll	11.54%	12.02%	11.51%

*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.

Data is reported is measured as of June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PERSI – BASE PLAN
For the Year Ended June 30, 2021

Methods and Assumptions Used in Calculations of Actuarily Determined Contributions

The actuarially determined contribution rates in the employer's contributions are calculated as of June 30, 2020. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	PERSI Base Plan
Valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage of projected payroll open
Remaining amortization period	10.6 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment Rate of Return *	7.00%
Projected salary increases	3.75%
Includes salary inflation	3.75%
Postretirement benefit increase	1.00%
Implied price inflation rate	3.00%
Discount Rate – Actuarial Accrued Liability	7.05%

* net of all expenses

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SUPPLEMENTARY INFORMATION

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	ED FOUNDATION FUND	DRIVER'S ED	PRO TECHNICAL
ASSETS			
Cash and cash equivalents	$ 114,013	$ -	$ -
Receivable from other governments	-	46,820	-
Taxes receivable, net	-	-	-
Due from other funds	-	-	-
Inventory	-	-	-
TOTAL ASSETS	114,013	46,820	-
DEFERRED OUTFLOWS OF RESOURCES			
Expenditures unavailable for use	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 114,013	$ 46,820	$ -
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 12,323	$ 1,858	$ 15,988
Other accrued expenses	-	6,320	2,615
Interfund payable	-	-	(18,603)
TOTAL LIABILITIES	12,323	8,178	-
DEFERRED INFLOWS OF RESOURCES			
Revenue unavailable for use	-	-	-
FUND BALANCES			
Assigned - other purposes	101,690	38,642	-
Unassigned	-	-	-
TOTAL FUND BALANCES	101,690	38,642	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 114,013	$ 46,820	$ -

STATE TECHNOLOGY	IDAHO SUBSTANCE ABUSE	TITLE I BASIC	MIGRANT ED	IDEA PART B SCHOOL AGE
$ 260,089	$ -	$ -	$ -	$ -
-	-	142,385	16,141	214,270
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
260,089	-	142,385	16,141	214,270
-	-	-	-	-
$ 260,089	$ -	$ 142,385	$ 16,141	$ 214,270
$ 80	$ -	$ 59	$ 97	$ 521
-	-	79,149	12,453	123,335
-	-	63,177	3,591	90,414
80	-	142,385	16,141	214,270
-	-	-	-	-
260,009	-	-	-	-
-	-	-	-	-
260,009	-	-	-	-
$ 260,089	$ -	$ 142,385	$ 16,141	$ 214,270

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	IDEA PART B PRESCHOOL	TITLE IV STUDENT SUPPORT & ENRICHMENT	PERKINS PRO TECHNICAL
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Receivable from other governments	16,826	12,956	58,814
Taxes receivable, net	-	-	-
Due from other funds	-	-	-
Inventory	-	-	-
	16,826	12,956	58,814
DEFERRED OUTFLOWS OF RESOURCES			
Expenditures unavailable for use	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 16,826	$ 12,956	$ 58,814
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ -	$ 14,001
Other accrued expenses	4,586	7,900	562
Interfund payable	12,240	5,056	44,251
TOTAL LIABILITIES	16,826	12,956	58,814
DEFERRED INFLOWS OF RESOURCES			
Revenue unavailable for use	-	-	-
FUND BALANCES			
Assigned - other purposes	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 16,826	$ 12,956	$ 58,814

LANGUAGE INSTRUCTION	IMPROVING TEACHER QUALITY	MEDICAID	E-RATE	CHILD NUTRITION
$ -	$ -	$ 45,381	$ 21,778	$ 1,287,508
8,154	33,027	-	26,360	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	72,609
8,154	33,027	45,381	48,138	1,360,117
-	-	-	-	-
$ 8,154	$ 33,027	$ 45,381	$ 48,138	$ 1,360,117
$ 607	$ 1,865	$ -	$ 48,138	$ 45,545
4,644	21,927	45,381	-	91,243
2,903	9,235	-	-	-
8,154	33,027	45,381	48,138	136,788
-	-	-	-	-
-	-	-	-	1,223,329
-	-	-	-	-
-	-	-	-	1,223,329
$ 8,154	$ 33,027	$ 45,381	$ 48,138	$ 1,360,117

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	SCHOOL PLANT FACILITIES	CARES ACT ESSERF	SCHOOLS ACCOUNTS
ASSETS			
Cash and cash equivalents	$ 2,000,328	$ -	$ 312,809
Receivable from other governments	936	10,039	-
Taxes receivable, net	-	-	-
Due from other funds	-	-	-
Inventory	-	-	-
	2,001,264	10,039	312,809
DEFERRED OUTFLOWS OF RESOURCES			
Expenditures unavailable for use	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,001,264	$ 10,039	$ 312,809
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 67,500	$ -	$ 210
Other accrued expenses	-	-	-
Interfund payable	-	10,039	-
TOTAL LIABILITIES	67,500	10,039	210
DEFERRED INFLOWS OF RESOURCES			
Revenue unavailable for use	-	-	-
FUND BALANCES			
Assigned - other purposes	1,933,764	-	312,599
Unassigned	-	-	-
TOTAL FUND BALANCES	1,933,764	-	312,599
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,001,264	$ 10,039	$ 312,809

ESSER II	CORONAVIRUS RELIEF BLENDED LEARING	DRUG FREE	TOTAL NONMAJOR SPECIAL REVENUE
$ -	$ -	$ -	$ 4,041,906
-	-	-	586,728
-	-	-	-
-	-	-	-
-	-	-	72,609
-	-	-	4,701,243
-	-	-	-
$ -	$ -	$ -	$ 4,701,243
$ -	$ -	$ -	208,792
-	-	-	400,115
-	-	-	222,303
-	-	-	831,210
-	-	-	-
-	-	-	3,870,033
-	-	-	-
-	-	-	3,870,033
$ -	$ -	$ -	$ 4,701,243

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	ED FOUNDATION FUND	DRIVER'S ED	PRO TECHNICAL
REVENUES			
Property taxes	$ -	$ -	$ -
Intergovernmental-State	-	26,250	177,107
Intergovernmental-Federal	-	-	-
Transportation fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Other local	164,272	28,391	-
TOTAL REVENUES	164,272	54,641	177,107
EXPENDITURES			
Instruction	150,862	59,987	177,107
Support services	-	-	-
General administration	-	-	-
Plant maintenance & operations	-	-	-
Food service	-	-	-
Capital outlay	-	-	-
Debt service-principal	-	-	-
Debt service-interest	-	-	-
TOTAL EXPENDITURES	150,862	59,987	177,107
Excess (deficiency) of revenues over expenditures	13,410	(5,346)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
SPECIAL ITEM			
Proceeds from sale of equipment	-	-	-
Net change in fund balances	13,410	(5,346)	-
Fund balance - Beginning	88,280	43,988	-
FUND BALANCES - Ending	$ 101,690	$ 38,642	$ -

STATE TECHNOLOGY	IDAHO SUBSTANCE ABUSE	TITLE I BASIC	MIGRANT ED	IDEA PART B SCHOOL AGE
$ -	$ -	$ -	$ -	$ -
474,960	74,669	-	-	-
-	-	649,829	30,104	999,238
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
474,960	74,669	649,829	30,104	999,238
-	-	558,348	30,104	932,256
387,211	74,669	44,292	-	66,982
-	-	35,386	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
387,211	74,669	638,026	30,104	999,238
87,749	-	11,803	-	-
-	-	-	-	-
-	-	(11,803)	-	-
-	-	(11,803)	-	-
-	-	-	-	-
87,749	-	-	-	-
172,260	-	-	-	-
$ 260,009	$ -	$ -	$ -	$ -

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	IDEA PART B PRESCHOOL	TITLE IV STUDENT SUPPORT & ENRICHMENT	PERKINS PRO TECHNICAL
REVENUES			
Property taxes	$ -	$ -	$ -
Intergovernmental-State	-	-	-
Intergovernmental-Federal	33,655	60,913	58,814
Transportation fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Other local	-	-	-
	33,655	60,913	58,814
EXPENDITURES			
Instruction	33,655	59,807	58,814
Support services	-	-	-
General administration	-	-	-
Plant maintenance & operations	-	-	
Food service	-	-	-
Capital outlay	-	-	-
Debt service-principal	-	-	-
Debt service-interest	-	-	-
	33,655	59,807	58,814
Excess (deficiency) of revenues over expenditures	-	1,106	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(1,106)	-
	-	(1,106)	-
SPECIAL ITEM			
Proceeds from sale of equipment	-	-	-
Net change in fund balances	-	-	-
Fund balance - Beginning	-	-	-
FUND BALANCES - Ending	$ -	$ -	$ -

LANGUAGE INSTRUCTION	IMPROVING TEACHER QUALITY	MEDICAID	E-RATE	CHILD NUTRITION
$ -	$ -	$ -	$ -	$ -
-	-	-	-	2,477,786
29,797	157,664	468,171	-	-
-	-	-	-	44,542
-	-	-	-	2,170
-	-	-	-	-
-	-	-	351,113	-
29,797	157,664	468,171	351,113	2,524,498
29,256	131,373	331,598	-	-
-	26,291	136,573	451,113	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,018,139
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
29,256	157,664	468,171	451,113	2,018,139
541	-	-	(100,000)	506,359
-	-	-	100,000	43,134
(541)	-	-	-	(17,889)
(541)	-	-	100,000	25,245
-	-	-	-	-
-	-	-	-	531,604
-	-	-	-	691,725
$ -	$ -	$ -	$ -	$ 1,223,329

JEFFERSON JOINT SCHOOL DISTRICT #251
COMBINING STATEMENT OF
REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	SCHOOL PLANT FACILITIES	CARES ACT ESSERF	SCHOOLS ACCOUNTS
REVENUES			
Property taxes	$ -	$ -	$ -
Intergovernmental-State	457,327	-	-
Intergovernmental-Federal	-	13,667	-
Transportation fees	-	-	-
Investment earnings	2,245	-	-
Miscellaneous	-	-	-
Other local	70,113	-	1,278,898
	529,685	13,667	1,278,898
EXPENDITURES			
Instruction	-	-	-
Support services	-	13,667	1,346,799
General administration	-	-	-
Plant maintenance & operations	283	-	-
Food service	-	-	-
Capital outlay	1,175,668	-	-
Debt service-principal	-	-	-
Debt service-interest	-	-	-
	1,175,951	13,667	1,346,799
Excess (deficiency) of revenues over expenditures	(646,266)	-	(67,901)
OTHER FINANCING SOURCES (USES)			
Transfers in	228,839	-	-
Transfers out	-	-	-
	228,839	-	-
SPECIAL ITEM			
Proceeds from sale of equipment	298,295	-	-
Net change in fund balances	(119,132)	-	(67,901)
Fund balance - Beginning	2,052,896	-	380,500
FUND BALANCES - Ending	$ 1,933,764	$ -	$ 312,599

ESSER II	CORONAVIRUS RELIEF BLENDED LEARING	DRUG FREE	TOTAL NONMAJOR SPECIAL REVENUE
$ -	$ -	$ -	$ -
-	257,801	-	3,945,900
1,585,329	-	1,039	4,088,220
-	-	-	44,542
-	-	-	4,415
-	-	-	-
-	-	-	1,892,787
1,585,329	257,801	1,039	9,975,864
1,211,106	38,605	1,039	3,803,917
67,433	219,196	-	2,834,226
306,790	-	-	342,176
-	-	-	283
-	-	-	2,018,139
-	-	-	1,175,668
-	-	-	-
-	-	-	-
1,585,329	257,801	1,039	10,174,409
-	-	-	(198,545)
-	-	-	371,973
-	-	-	(31,339)
-	-	-	340,634
-	-	-	298,295
-	-	-	440,384
-	-	-	3,429,649
$ -	$ -	$ -	$ 3,870,033

OTHER SUPPLEMENTARY INFORMATION

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Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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*

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Jefferson Joint School District #251
Rigby, Idaho

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Jefferson Joint School District #251, 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, and have issued our report thereon dated October 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson Joint School District #251's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Joint School District #251's internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson Joint School District #251'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Joint School District #251's financial statements

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are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Searle Hart & Associates PLLC

Rexburg, Idaho

October 13, 2021

Searle Hart & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Jefferson Joint School District #251
Rigby, Idaho

Report on Compliance for Each Major Federal Program

We have audited Jefferson Joint School District #251's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Jefferson Joint School District #251's major federal programs for the year ended June 30, 2021. Jefferson Joint School District #251's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jefferson Joint School District #251's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson Joint School District #251's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Jefferson Joint School District #251's compliance.

Opinion on Each Major Federal Program

In our opinion, Jefferson Joint School District #251 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control over Compliance

Management of Jefferson Joint School District #251 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson Joint School District #251's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson Joint School District #251's internal control over compliance.

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

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

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

Searle Hart + Associates PLLC

Rexburg, Idaho

October 13, 2021

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

	FEDERAL ASSISTANCE LISTINGS NUMBER	PASS THROUGH ENTITY ID#	PASS THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education:				
School Breakfast Program	10.553	202121N109947	$ -	$ 390,216
National School Lunch Program	10.555	202121N109947	-	1,695,832
Summer Food Service Program for Children	10.559	202020N850347	-	340,174
Total Child Nutrition Cluster			-	2,426,222
Child and Adult Care Food Program	10.558	202121N109947	-	20,671
Fresh Fruit and Vegetable Program	10.582	202120L160347	-	18,356
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	2,465,249
U.S. DEPARTMENT OF TREASURY				
Passed Through State Department of Education:				
COVID-19 Coronavirus Relief Fund-Distance Learning	21.019	20-1892-0-1-806	-	257,801
COVID-19 Coronavirus Relief Fund-Govenor Spec Dist.	21.019	20-1892-0-1-806	-	1,993,676
COVID-19 Coronavirus Relief Fund-Child Nutrition	21.019	20-1892-0-1-806	-	12,537
Total of 21.019			-	2,264,014
TOTAL U.S. DEPARTMENT OF TREASURY			-	2,264,014
U.S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Education:				
Title VI-B School Age	84.027	H027A200088	-	999,238
Title VI-B Preschool	84.173	H173A200030	-	33,655
Total Special Education Cluster (IDEA)			-	1,032,893
Title I-A Basic	84.010	S010A200012	-	635,922
Title I-School Improvement CSI Up 2	84.010	S010A200012	-	7,500
Total of 84.010			-	643,422
English Language Acquisition	84.365	S365A200012	-	29,797
Education of Homeless Children and Youth	84.365	S365A200012	-	1,039
Total of 84.365			-	30,836
COVID-19 Cares Act-ESSERF	84.425D	S425D200043	-	13,667
COVID-19 CRRSA Act-ESSER II	84.425D	S425D210043	-	1,585,329
Total of 84.425			-	1,598,996
Title I-C Migrant	84.011	S011A200012	-	30,105
Title II-A Teacher Quality	84.367	S367A200011	-	157,664
Jefferson High School Improvement Grant	84.377	S377A160013	-	6,407
Perkins Vocational Education	84.048	V048A190012	-	58,814
Title IV-Student Support	84.424	S424A200013	-	60,914
TOTAL U.S. DEPARTMENT OF EDUCATION			-	3,620,051
TOTAL			$ -	$ 8,349,314

The accompanying notes are an integral part of this schedule.

JEFFERSON JOINT SCHOOL DISTRICT #251
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Jefferson Joint School District #251 under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jefferson Joint School District #251, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jefferson Joint School District #251.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3- NONMONETARY TRANSACTIONS

Nonmonetary assistance is reported for the Food Distribution Program at fair market value of commodities received which is established by the State Department of Education. The District held an undetermined amount of those commodities in inventory at June 30, 2021.

NOTE 4- DE MINIMIS INDIRECT COST RATE

Jefferson Joint School District #251 has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

JEFFERSON JOINT SCHOOL DISTRICT #251
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements
Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified	____ YES	X NO
Significant Deficiencies Identified that are not considered to be material weaknesses	____ YES	X None Reported
Noncompliance Material to financial statements noted	____ YES	X NO

Federal Awards

Internal Control Over Major Programs:

Material Weaknesses Identified	____ YES	X NO
Significant Deficiencies Identified that are not considered to be material weaknesses	____ YES	X None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ YES	X NO

Identification of Major Programs:

84.010	Title I
84.425D	COVID-19 Cares Act-ESSER
21.019	COVID-19 Coronavirus Relief Rund

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee Qualified as Low-Risk Auditee	X YES	____ NO

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

JEFFERSON JOINT SCHOOL DISTRICT #251
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

None reported last year.