



RUDD & COMPANY PLLC
certified public accountants | business consultants

**GOODING JOINT SCHOOL DISTRICT NO. 231
GOODING, IDAHO**

**Basic Financial Statements
and
Supplementary Information
with
Independent Auditors' Report**

Year Ended June 30, 2020

giving direction to your future

GOODING JOINT SCHOOL DISTRICT NO. 231

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June 30, 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Gooding Joint School District No. 231
Gooding, 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 Gooding Joint School District No. 231 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
General Fund	Unmodified
Child Nutrition Fund	Unmodified
Miller Donation Fund	Unmodified
Title I-A ESEA Basic Fund	Unmodified
Debt Service Fund	Unmodified
Plant Facility Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Government Activities

The District has not obtained an actuarial valuation of its other post employee benefits (OPEB). Employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans are required to measure and disclose an amount for annual OPEB costs on the accrual basis of accounting. The amount by which this departure would affect the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of Gooding Joint School District No. 231 as of June 30, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gooding Joint School District No. 231 as of June 30, 2020, and the respective changes in financial position 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 management's discussion and analysis on pages 5 through 11, budgetary comparison information on pages 53 through 57, pension information on pages 58 and 59, and OPEB information on pages 60 and 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

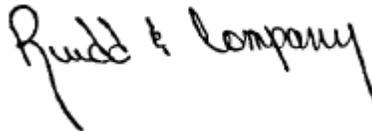
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gooding Joint School District No. 231's basic financial statements. The combining and individual nonmajor fund financial statements, and supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information 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 and other supplementary information 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 13, 2020, on our consideration of the Gooding Joint School District No. 231's internal control over financial reporting and on 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 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 Gooding Joint School District No. 231's internal control over financial reporting and compliance.



Idaho Falls, Idaho
October 13, 2020

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis
June 30, 2020

As management of the Gooding Joint School District No. 231, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$23,159,373. Of this amount, \$2,997,949 is unrestricted.
- The District's net position increased \$8,525,796 as a result of this year's operations.
- The unassigned fund balance for the general fund was \$2,561,784 or 30.53% of the total general fund expenditures.
- The District received a donation of \$7,213,796 during the fiscal year to be used for assistance for needy students for help in their tutoring, lunch needs, and sports programs. These funds are restricted on the balance sheet and statement of net position for these purposes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis (continued)
June 30, 2020

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 13-15 of this report.

Fund financial statements. A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: government funds and fiduciary funds.

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

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

The District maintains twenty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the child nutrition fund, the Miller donation fund, the Title I-A ESEA Basic Fund, and the plant facility fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis (continued)
June 30, 2020

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-17 and 19-20 of this report.

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

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-51 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining fund statements and schedules can be found on pages 63-72 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,159,373 at the close of the most recent fiscal year.

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis (continued)
June 30, 2020

Net Position	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 14,867,056	\$ 8,196,252
Capital Assets	10,415,567	10,781,429
Total Assets	25,282,623	18,977,681
Deferred Outflows of Resources	1,021,845	1,103,947
Current Liabilities	1,060,296	3,160,047
Long-term Liabilities	1,212,330	1,706,748
Total Liabilities	2,272,626	4,866,795
Deferred Inflows of Resources	872,469	581,256
Net Position		
Net Investment in Capital Assets	10,415,567	8,766,580
Restricted	9,745,857	3,978,586
Unrestricted	2,997,949	1,888,411
Total Net Position	\$ 23,159,373	\$ 14,633,577

A portion of the District's net position, \$9,745,857 represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* of \$2,997,949 may be used to meet the District's ongoing obligations to students, employees, and creditors.

An additional portion of the District's net position \$10,415,567 reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis (continued)
June 30, 2020

Changes in Net Position	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 86,712	\$ 134,738
Operating grants and contributions	2,544,429	2,046,145
General revenues		
Property tax	1,371,968	1,286,249
State support	8,570,353	8,270,928
Donations	7,213,796	-
Other	290,068	264,599
Total Revenues	20,077,326	12,002,659
Expenses		
Instructional	6,119,958	5,737,232
Pupil support	728,820	868,187
Staff support	547,432	663,384
Administration	667,767	651,709
Business services	223,505	188,868
Central services	37,444	-
Administrative technology	262,574	261,076
Operation	972,438	843,300
Transportation	434,417	439,245
Interest	18,851	64,630
Depreciation	477,438	453,687
Child nutrition services	1,060,886	807,748
Total Expenses	11,551,530	10,979,066
Change in Net Position	\$ 8,525,796	\$ 1,023,593

GOODING JOINT SCHOOL DISTRICT NO. 231
Management's Discussion and Analysis (continued)
June 30, 2020

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance may serve as a useful indicator of the District's net resources available for spending at the end of the year. The District has designated portions of the unassigned fund balance to earmark resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. Unassigned balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

General fund. The general fund is the chief operating fund of the District. At the end of the current fiscal year, the fund balance was \$3,136,784. The fund balance increased by \$756,074 during the current fiscal year.

Expenditures for general District purposes totaled \$8,391,429, an increase of 2.2% during the current fiscal year.

The plant facility fund has a total fund balance of \$2,289,392, the majority of which is restricted for construction on projects and purchase of equipment and related expenditures. The fund balance increased by \$469,550 during the current year.

The debt service fund has a total fund balance of \$166,263, all of which is restricted for the payment of debt service on general obligation bonds. The fund balance decreased by \$1,970,988 during the current year.

The child nutrition fund has a total fund balance of \$146,794. The fund balance increased by \$126,077 during the current year.

General Fund Budgetary Highlights

During the current fiscal year, the \$589,341 positive budget to actual variance in total general fund expenditures, are largely a result of a reduction in expected operating costs. The budget was amended during the year.

Basic Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Net Position
June 30, 2020

Assets	Governmental Activities
Cash and Investments	\$ 13,149,035
Receivables	
Property taxes	523,310
State of Idaho	303,354
Other	527,172
PERSI Sick Leave Asset	364,185
Capital Assets	
Sites	426,395
Buildings and equipment, net of depreciation	9,989,172
	<hr/>
Total Assets	25,282,623
	<hr/>
Deferred Outflows of Resources	
Pension related	948,530
OPEB related	73,315
	<hr/>
Total Deferred Outflows of Resources	1,021,845
	<hr/>
Total Assets and Deferred Outflows of Resources	\$ 26,304,468
	<hr/>

The Accompanying Notes are an Integral Part of the Financial Statements

Liabilities	Governmental Activities
Salary contracts payable	\$ 1,060,296
Long-term liabilities:	
Portion due or payable after one year:	
Net pension liability	<u>1,212,330</u>
Total Liabilities	<u>2,272,626</u>
 Deferred Inflows of Resources	
Pension related	840,400
OPEB related	<u>32,069</u>
Total Deferred Inflows of Resources	<u>872,469</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 3,145,095</u>
 Net Position	
Net investment in capital assets	\$ 10,415,567
Restricted for:	
Debt service	166,263
Plant facility	2,312,567
District donation	7,267,027
Unrestricted	<u>2,997,949</u>
Total Net Position	<u>\$ 23,159,373</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental Activities:				
Instructional	\$ 6,119,958	\$ 11,675	\$ 1,488,850	\$ (4,619,433)
Pupil support	728,820	-	-	(728,820)
Staff support	547,432	-	-	(547,432)
Administration	667,767	-	-	(667,767)
Business service	223,505	-	-	(223,505)
Central services	37,444	-	-	(37,444)
Administrative technology	262,574	-	-	(262,574)
Operation	972,438	-	-	(972,438)
Transportation	434,417	-	-	(434,417)
Interest on				
long-term debt	18,851	-	-	(18,851)
Depreciation -				
unallocated*	477,438	-	-	(477,438)
Child nutrition services	1,060,886	75,037	1,055,579	69,730
Total Governmental Activities	\$ 11,551,530	\$ 86,712	\$ 2,544,429	(8,920,389)
General Revenues:				
Taxes:				
				642,364
				716,264
				13,340
				167,649
				7,213,796
				8,570,353
				122,419
				<u>17,446,185</u>
				8,525,796
				<u>14,633,577</u>
				<u>\$ 23,159,373</u>

* This amount excludes the depreciation that is included in direct expenses of various programs.

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Balance Sheet – Governmental Funds
June 30, 2020

Assets	General Fund	Child Nutrition Fund	Miller Donation Fund
Cash and Investments	\$ 3,279,553	\$ 5,375	\$ 7,267,027
Due from Other Funds	232,045	-	-
Receivables			
Property taxes	246,351	-	-
State of Idaho	301,530	-	-
Other	19,172	162,695	-
Total Assets	<u>\$ 4,078,651</u>	<u>\$ 168,070</u>	<u>\$ 7,267,027</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Salary contracts payable	921,379	21,276	-
Total Liabilities	<u>921,379</u>	<u>21,276</u>	<u>-</u>
Deferred Inflows of Resources			
Unavailable revenues	20,488	-	-
Fund Balances			
Restricted	-	146,794	7,267,027
Committed	-	-	-
Assigned	575,000	-	-
Unassigned	2,561,784	-	-
Total Fund Balances	<u>3,136,784</u>	<u>146,794</u>	<u>7,267,027</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,078,651</u>	<u>\$ 168,070</u>	<u>\$ 7,267,027</u>

The Accompanying Notes are an Integral Part of the Financial Statements

	Debt Service Fund	Plant Facility Fund	Title I-A ESEA Basic Fund	Other Governmental Funds	Total Governmental Funds
\$	165,686	\$ 2,036,185		\$ 395,209	\$ 13,149,035
	-	-	\$ -	-	232,045
	577	276,382	-	-	523,310
	-	-	-	1,824	303,354
	-	-	169,727	175,578	527,172
\$	166,263	\$ 2,312,567	\$ 169,727	\$ 572,611	\$ 14,734,916
\$	-	\$ -	\$ 115,241	\$ 116,804	\$ 232,045
	-	-	54,486	63,155	1,060,296
	-	-	169,727	179,959	1,292,341
	-	23,175	-	-	43,663
	166,263	1,739,392	-	377,652	9,697,128
	-	550,000	-	-	550,000
	-	-	-	15,000	590,000
	-	-	-	-	2,561,784
	166,263	2,289,392	-	392,652	13,398,912
\$	166,263	\$ 2,312,567	\$ 169,727	\$ 572,611	\$ 14,734,916

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2020

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

Total Fund Balance - Governmental Funds	\$ 13,398,912
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is \$19,072,878 and the accumulated depreciation is \$8,657,311.	10,415,567
Pension contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability is recorded on the government-wide statements.	(1,104,200)
PERSI sick leave contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability and related net deferred inflows and outflows are recorded on the government-wide statements.	405,431
Property tax revenue is recognized when earned rather than when available.	<u>43,663</u>
Net Position - Governmental Activities	<u>\$ 23,159,373</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Child Nutrition Fund	Miller Donation Fund
Revenues			
Local sources			
Property taxes	\$ 644,477	\$ -	\$ -
Earnings on investments	51,995	-	53,231
Lunch sales	-	75,037	-
Other	133,152	34,001	7,213,796
State sources			
State apportionment	7,709,929	-	-
Other	644,045	-	-
Federal sources			
Educational programs and other	500	1,055,579	-
Total Revenues	<u>9,184,098</u>	<u>1,164,617</u>	<u>7,267,027</u>
Expenditures			
Current			
Instructional	5,402,045	-	-
Pupil support	391,776	-	-
Staff support	303,036	-	-
Administration	680,075	-	-
Business service	227,118	-	-
Central services	-	-	-
Administrative technology	113,827	-	-
Operation	814,686	-	-
Transportation	434,417	-	-
Non-instructional	-	1,066,584	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	24,449	-	-
Total Expenditures	<u>8,391,429</u>	<u>1,066,584</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	792,669	98,033	7,267,027
Other Financing Sources (Uses)			
Transfers in	-	28,044	-
Transfers out	(36,595)	-	-
Net Change in Fund Balances	756,074	126,077	7,267,027
Fund Balance Beginning of Year	<u>2,380,710</u>	<u>20,717</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 3,136,784</u>	<u>\$ 146,794</u>	<u>\$ 7,267,027</u>

The Accompanying Notes are an Integral Part of the Financial Statements

	Debt Service Fund	Plant Facility Fund	Title I-A ESEA Basic Fund	Other Governmental Funds	Total Governmental Funds
\$	9,578	\$ 718,344	\$ -	\$ -	\$ 1,372,399
	13,848	3,345	-	-	122,419
	-	-	-	-	75,037
	496	-	-	11,675	7,393,120
	-	-	-	-	7,709,929
	7,179	-	-	209,200	860,424
	31,611	-	455,477	1,001,262	2,544,429
	62,712	721,689	455,477	1,222,137	20,077,757
	-	-	297,917	558,466	6,258,428
	-	-	-	342,415	734,191
	-	-	157,560	91,490	552,086
	-	-	-	-	680,075
	-	-	-	-	227,118
	-	-	-	37,516	37,516
	-	-	-	150,809	264,636
	-	165,012	-	-	979,698
	-	-	-	-	434,417
	-	-	-	-	1,066,584
	2,000,000	-	-	-	2,000,000
	33,700	-	-	-	33,700
	-	87,127	-	-	111,576
	2,033,700	252,139	455,477	1,180,696	13,380,025
	(1,970,988)	469,550	-	41,441	6,697,732
	-	-	-	8,551	36,595
	-	-	-	-	(36,595)
	(1,970,988)	469,550	-	49,992	6,697,732
	2,137,251	1,819,842	-	342,660	6,701,180
\$	166,263	\$ 2,289,392	\$ -	\$ 392,652	\$ 13,398,912

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 6,697,732
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(365,862)
Property tax revenue received prior to the year for which they are levied are reported as deferred revenue in the governmental funds. The change however is recorded as revenues in the statement of activities.	(431)
The governmental funds report repayment of bond principal and related accrued interest as an expenditure. These payments are shown as a reduction to long-term debt in the government-wide statements.	2,014,042
The governmental funds report current pension contributions as an expenditure. However, the amount recorded in the statement of activities represents the difference in the actuarially determined pension liability from the previous year to the current year.	159,355
PERSI sick leave contributions are reported as expenses in the fund financial statements in the period in which they are paid. The actuarially determined pension liability and related net deferred inflows and outflows are recorded on the government-wide statements.	20,153
The governmental funds report bond premiums as revenue while the government-wide statements show the premium as amortized over the term of the bonds.	807
	<hr/>
Change in Net Position of Governmental Activities	<u>\$ 8,525,796</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Fiduciary Net Position – Agency Funds
June 30, 2020

Assets	Agency Funds
Cash and Investments	\$ 193,880
Total Assets	<u>\$ 193,880</u>
 Liabilities	
Due to Student Groups	\$ 193,880
Total Liabilities	<u>\$ 193,880</u>

The Accompanying Notes are an Integral Part of the Financial Statements

GOODING JOINT SCHOOL DISTRICT NO. 231

Notes to Financial Statements

June 30, 2020

1. Summary of Significant Accounting Policies

The financial statements of the Gooding Joint School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Board of School Trustees, a five-member group, has responsibilities for all activities relating to public elementary and secondary school education within the jurisdiction of Gooding Joint School District No. 231. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District has a revenue spending policy that provides for programs with multiple revenue sources. The District will use restricted fund balances first followed in order by committed, assigned and finally unassigned. The District currently applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not 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.

1. Summary of Significant Accounting Policies (continued)

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 is the fiduciary fund financial statement. 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 fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *child nutrition fund* accounts for the revenues and expenses associated with the operation of the District's food services.
- The *Miller donation fund* accounts for the donation received and related expenditures according to the applicable trust agreement.
- The *debt service fund* accounts for the accumulation of resources for, and the payment of long-term debt principal and interest.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

- The *Title I-A ESEA Basic fund* accounts for the federal Title I basic program. This program is a reimbursement program based on an annually approved allocation and is administered through the State of Idaho Department of Education.
- The *plant facility fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- The *student activities agency fund (a fiduciary fund)* accounts for assets held on behalf student groups.

Budgetary Policy

The District prepares budgets for all the governmental fund types. Such budgets are adopted on a basis generally consistent with generally accepted accounting principles, except that the commodities received for the child nutrition program are not budgeted.

The following is a reconciliation of revenues and expenditures as reported under generally accepted accounting standards with the amounts reported in comparison with budget and reported on page 54:

	<u>Reported</u> <u>Amounts</u>	<u>Commodities</u> <u>Received</u>	<u>Amounts</u> <u>Reported in</u> <u>Comparison</u> <u>with Budget</u>
Child Nutrition Fund			
Total revenues	\$ 1,164,617	\$ (59,610)	\$ 1,105,007
Total expenditures	\$ 1,066,584	\$ (59,610)	\$ 1,006,974

Under Idaho law, the District’s budget establishes maximum legal authorization for expenditures during the fiscal year. Under certain unusual circumstances, the District is allowed to reopen and amend its budget. Expenditures are not to exceed the budgeted amounts, except as allowed by law for certain events. The District did amend its budget during the fiscal year. During the year, the District also received a significant donation, which is accounted for in the Miller Donation fund. Because this amount was unexpected at the beginning of the year, no budget was set for this fund.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary at present to assure effective budgetary control or to facilitate effective cash planning and control.

Inventories

The governmental funds of the District use the purchase method, whereby inventory items are considered expenditures when purchased. They are not included in the balance sheet of the general fund because the amounts on hand at year-end are immaterial.

Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Buildings.....	50 yrs
Land Improvements.....	15 yrs
Furniture.....	15 yrs
Equipment.....	8-15 yrs
Vehicles.....	8 yrs
Computer equipment.....	5 yrs

1. Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The District has only one type of deferred outflows of resources. These amounts relate to the District's allocable share of the effect of changes of assumptions during the year on the valuation of the net pension liability and the OPEB net liability (asset) and the net difference between projected and actual investment earnings on the pension plan investments. These amounts are reported only in the government-wide financial statements.

In addition to liabilities, the statement of financial 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 has three types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes and grant revenues received in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has a deferred premium on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding. The third type of deferred inflows of resources relates to the effect on the calculation of the net pension liability and the OPEB net liability (asset) of the difference between projected and actual investment earnings on the plans.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Other Post Employment Benefits (OPEB)

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.

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.

Fund Equity

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor how those amounts may be spent. Designations of fund balances as non-spendable, restricted, committed, assigned or unassigned is based upon the types of constraints placed upon the outstanding balances.

2. Cash and Investments

The District is authorized under Idaho Code to invest in cash, certificates of deposit, U.S. Government securities, commercial paper, and repurchase agreements. All investments must be held by or registered in the name of the District.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

2. Cash and Investments (continued)

Cash balances of most of the District funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each of the funds based on the fund's cash balance. The District maintains checking accounts with various banks. A portion of excess funds are invested with the State Treasurer's pooled cash investment account. This account invests in time certificates of deposit, local government tax anticipation notes, federal loans, U.S. treasury notes and other U.S. governmental securities. The remaining pooled funds are in a separate account and are invested in U.S. government securities and money market funds. Information regarding insurance or collateralization of amounts invested in the pooled accounts is not available and the state investment pool is unrated.

The District's cash accounts are insured through the Federal Deposit Insurance Corporation (at banks) up to \$250,000 per depository.

1. Deposits – At June 30, 2020, the carrying amount of the District's deposits was \$3,600,989 and the respective bank balances totaled \$3,823,327. Of the bank balances, \$2,192,273 were insured by FDIC insurance or secured by a letter of credit.
2. Custodial Credit Risk, Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. As of June 30, 2020, \$1,631,054 of the District's deposits were not covered by federal depository insurance, and thus were exposed to custodial credit risk.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

2. Cash and Investments (continued)

3. Investments – As of June 30, 2020, the District had the following investments:

Investment Type	S&P Rating	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1-5	6-10	More Than 10
Federal Agencies	AA+	\$ 1,735,714	\$ 980,936	\$ 754,778	\$ -	\$ -
US Treasuries	AAA	303,211	303,211	-	-	-
Certificates of Deposit	Unrated	7,692,165	4,015,223	3,676,942	-	-
State Investment Pool	Unrated	10,836	10,836	-	-	-
Total		\$ 9,741,926	\$ 5,310,206	\$ 4,431,720	\$ -	\$ -

4. Custodial Credit Risk, Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment.
5. Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from changes in interest rates, the District structures its portfolio so that securities mature to meet cash requirements for ongoing operations.
6. Because the State Investment Pool as of June 30, 2020, had a weighted average maturity of 177 days, it was presented as an investment with a maturity of less than one year.
7. Credit Risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the District’s policy to limit investments to the safest types of securities and to diversify the District’s investment portfolio so that potential losses on securities will be minimized. The District follows Idaho statute that outlines qualifying investment options.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

2. Cash and Investments (continued)

Reconciliation of deposits categorization:

Cash and investments reported on the statement of net assets	\$ 13,149,035
Cash and investments reported on the statement of fiduciary net assets	<u>193,880</u>
	<u>\$ 13,342,915</u>
Investments categorized	\$ 9,741,926
Deposits categorized	<u>3,600,989</u>
	<u>\$ 13,342,915</u>

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

3. Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities Capital Assets, Not Being Depreciated Sites	\$ 426,395	\$ -	\$ -	\$ 426,395
Total Capital Assets, Not Being Depreciated	<u>\$ 426,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,395</u>
Capital Assets, Being Depreciated				
Buildings and improvements	\$ 15,776,654	\$ -		\$ 15,776,654
Furniture and equipment	2,621,420	111,576	-	2,732,996
Transportation	136,833	-	-	136,833
Total Capital Assets, Being Depreciated	<u>18,534,907</u>	<u>111,576</u>	<u>-</u>	<u>18,646,483</u>
Accumulated Depreciation for				
Buildings and improvements	(6,313,241)	(329,871)	-	(6,643,112)
Furniture and equipment	(1,789,119)	(136,701)	-	(1,925,820)
Transportation	(77,513)	(10,866)	-	(88,379)
Total Accumulated Depreciation	<u>(8,179,873)</u>	<u>(477,438)</u>	<u>-</u>	<u>(8,657,311)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 10,355,034</u>			<u>\$ 9,989,172</u>

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

4. Non-Monetary Transactions

The District received commodities from the U.S. Government valued at \$59,610. The value was determined by confirmation with the State of Idaho Department of Education.

5. Property Taxes

Property taxes of the District are based on the assessments against property owners as of the first Monday in January of the calendar year in which the fiscal year commences. Tax levies on such assessed values are certified to the counties prior to the commencement of the fiscal year. Taxes are collected by Gooding and Lincoln Counties and are remitted to the District primarily in January of the fiscal year and the July following. Accordingly, the tax revenues for the fiscal year ended June 30, 2020, are generally based on the assessed values and tax levies established in 2019.

The District defers recognition of revenues relating to property taxes assessed but not collected within 60 days of the fiscal year-end. Such amounts will be recognized as revenues in the fiscal year they become available.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

6. Changes in Long-term Debt

The following is a summary of the District's long-term transactions for the year ended June 30, 2020:

	2011 G.O. Bonds	Net Pension Liability	Total
	<u> </u>	<u> </u>	<u> </u>
Long-term Obligations June 30, 2019	\$ 2,000,000	\$ 1,706,748	\$ 3,706,748
Obligations Incurred	-	-	-
Obligations Paid	<u>(2,000,000)</u>	<u>(494,418)</u>	<u>(2,494,418)</u>
Long-term Obligations June 30, 2020	<u>\$ -</u>	<u>\$ 1,212,330</u>	<u>\$ 1,212,330</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

7. Pension Plan

Plan Description

The District contributes to the Public Employee Retirement System of Idaho Base Plan (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.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

Employee membership data related to the PERSI Base Plan, as of June 30, 2020, was as follows:

Retirees and beneficiaries currently receiving benefits	48,120
Terminated employees entitled to but not yet receiving benefits	13,536
Active plan members	<u>72,502</u>
	<u>134,158</u>

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 appointment officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law.

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

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

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, the employee contribution rate was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The District's contributions required and paid were \$676,953, \$609,275, and \$559,597 for the years ended June 30, 2020, 2019, and 2018, respectively.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2019, the District's proportion was 0.160 percent.

For the year ended June 30, 2020, the District recognized pension expense (revenue) of \$(159,355). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 169,890	\$ 215,446
Changes in assumptions or other inputs	101,687	-
Net difference between projected and actual earnings on pension plan investments	-	622,768
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	2,186
Employer contributions subsequent to the measurement date	<u>676,953</u>	<u>-</u>
Total	<u>\$ 948,530</u>	<u>\$ 840,400</u>

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

\$676,953 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2018, the beginning of the measurement period ended June 30, 2019, is 4.8 and 4.9 for the measurement period June 30, 2018.

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

<u>Fiscal Year</u>		
2021	.....	\$ (85,774)
2022	.....	(298,533)
2023	.....	(143,368)
2024	.....	(57,316)
2025	.....	<u>16,168</u>
		<u>\$ (568,823)</u>

Actuarial Assumptions

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

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

<u>Asset Class</u>		<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	Barclays Aggregate	30%	3.05%	80.00%
Broad US Equities	Wilshire 5000/Russell 3000	55%	8.30%	6.05%
Developed Foreign Equities	MSCI EAFE/World ex US	15%	8.45%	6.20%
Assumed Inflation - Mean			2.25%	3.25%
Assumed Inflation - Standard Deviation			1.50%	2.00%
Portfolio Arithmetic Mean Return			6.75%	4.50%
Portfolio Standard Deviation			12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return			6.13%	3.77%
Assumed Investment Expenses			0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses			5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses				4.19%
Portfolio Standard Deviation				14.16%
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 Investment Expenses				7.05%

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

7. Pension Plan (continued)

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

	1% Decrease	Current	1% Increase
	(6.05%)	Discount Rate	(8.05%)
	<hr/>	<hr/>	<hr/>
Employer's proportionate share of the net pension liability (asset)	\$ 5,521,451	\$ 1,828,062	\$ (1,226,253)

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.

8. PERSI Sick Leave Insurance Reserve Fund

Plan Description

The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan) which is a cost sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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. In the current fiscal year, the Board declared a sick leave rate holiday for 18 months beginning on January 1, 2020. The District's contributions were \$33,410 for the year ended June 30, 2020.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

8. PERSI Sick Leave Insurance Reserve Fund (continued)

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

At June 30, 2020, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB asset was based on the District's share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2019, the District's proportion was 0.380 percent.

For the year ended June 30, 2020 the District recognized OPEB expense (expense offset) of \$(20,153). \$33,410 reported as deferred outflows of resources related to OPEBs resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2021.

Actuarial Assumptions

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

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

Inflation	3.25%
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 produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

8. PERSI Sick Leave Insurance Reserve Fund (continued)

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

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

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

8. PERSI Sick Leave Insurance Reserve Fund (continued)

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70.00%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50%-65%
International	9.25%	20.20%	15.00%	10%-20%
Fixed Income	3.05%	3.75%	30.00%	23%-33%
Cash	2.25%	0.90%	0.00%	0%-5%
			Expected	
Total Fund	Expected Return	Expected Inflation	Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of fees and expenses

Actuarial Assumptions:

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	<u>0.35%</u>
Long-Term Expected Geometric Rate of Return, Net Investment Expenses	<u><u>7.05%</u></u>

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

8. PERSI Sick Leave Insurance Reserve Fund (continued)

Discount Rate

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

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net OPEB liability (asset)	\$ (320,684)	\$ (364,185)	\$ (405,557)

OPEB plan fiduciary net position

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

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

9. Fair Value Measurements

The District has implemented GASB No. 72, *Fair Value Measurement and Application*. This guidance requires government entities to measure investments and certain other items at fair value. The objective is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This guidance clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

GASB No. 72 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). The following summarizes the fair value hierarchy:

- Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market.
- Level 2 Inputs – Inputs other than the quoted process in active markets that are observable either directly or indirectly.
- Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

GASB No. 72 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

9. Fair Value Measurements (continued)

Fair value assets measured on a recurring basis at June 30, 2020 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal agencies	\$ 1,735,714	\$ 1,735,714	\$ -	\$ -
US Treasuries	303,211	303,211	-	-
State/local certificates of indebtedness	7,692,165	7,692,165	-	-
State investment pool	10,836	10,836	-	-
Total	<u>\$ 9,741,926</u>	<u>\$ 9,741,926</u>	<u>\$ -</u>	<u>\$ -</u>

All assets have been valued using a market approach. There were no changes in the valuation techniques during the year. There are no assets or liabilities measured at fair value on a nonrecurring basis.

10. Other Required Individual Fund Disclosures

The District expenditures exceeded the budgeted amounts in the following fund during the year ended June 30, 2020:

Fund	Amount Exceeded
Debt Service Fund.....	\$ 2,032,007
Medicaid Fund.....	24,210
State Technology Fund.....	16,359
Title I-C ESEA Migrant Fund.....	6,153
Perkins III Professional Technical Fund.....	3,881
IDEA Part B School Age Fund.....	1,595
Title III ESEA LEP Fund.....	960

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

10. Other Required Individual Fund Disclosures (continued)

Deficits in Individual Funds

There were no fund deficits as of June 30, 2020.

11. Interfund Balances and Transfers

The interfund balances at June 30, 2020, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds		
General Fund	\$ 232,045	\$ -
Title I-A ESEA Basic Fund	-	115,241
Non-major Funds		
ESSER Fund	-	37,516
Title I-C ESEA Migrant Fund	-	17,276
GEAR UP Fund	-	5,098
IDEA Part B School Age Fund	-	3,746
Title IV-A Student Support Fund	-	1,236
Title VI-B Rural and Low Income Fund	-	4,501
Perkins III Professional Technical Fund	-	24,733
Title III ESEA LEP Fund	-	4,396
Title II-A ESEA Improving Fund	-	18,302
	<u>\$ 232,045</u>	<u>\$ 232,045</u>

Balances are a result from the time lag between the dates that the reimbursable expenditures occur and payments between funds are made. All balances are expected to be eliminated during the next fiscal year.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

11. Interfund Balances and Transfers (continued)

A summary of interfund transfers by fund is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds		
General Fund	\$ -	\$ 36,595
Child Nutrition Fund	28,044	-
Non-major Funds		
IDEA Part B Preschool Fund	4,446	-
Perkins III Professional Technical Fund	4,105	-
	<u>\$ 36,595</u>	<u>\$ 36,595</u>

Transfers were made to cover the required FICA match in the Child Nutrition Program and to cover deficits in federal programs.

12. Fund Balances

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. In the case of the District it is by Board action.

Assigned fund balance – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

12. Fund Balances (continued)

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental fund, it may be necessary to report a negative residual balance as unassigned.

	General Fund	Special Revenue Funds	Debt Service Fund	Plant Facility Fund	Total
Fund Balances:					
Restricted for:					
Child Nutrition	\$ -	\$ 146,794	\$ -	\$ -	\$ 146,794
Debt Service	-	-	166,263	-	166,263
Plant Facility	-	-	-	1,739,392	1,739,392
Other Local Grants	-	92,393	-	-	92,393
Driver Education	-	20,269	-	-	20,269
State Professional Tech	-	15,064	-	-	15,064
State Technology	-	140,907	-	-	140,907
Substance Abuse Prevention	-	8,041	-	-	8,041
Medicaid	-	141,860	-	-	141,860
Tutoring/lunch/sports for needy students	-	7,267,027	-	-	7,267,027
Committed to:					
Plant Facility Expansion	-	-	-	550,000	550,000
Assigned to:					
Resource Officer	-	25,000	-	-	25,000
Unassigned:	<u>3,085,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,085,902</u>
Total Fund Balances	<u>\$ 3,085,902</u>	<u>\$ 7,857,355</u>	<u>\$ 166,263</u>	<u>\$ 2,289,392</u>	<u>\$ 13,398,912</u>

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to Financial Statements (continued)
June 30, 2020

13. Prior Period Adjustment

In the year ended June 30, 2020, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to post-employment benefits other than pensions. The government-wide financial statements have been restated to include these amounts.

Below is a summary of the balances affected by the prior period adjustment:

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Deferred outflows of resources	\$ 1,005,526	\$ 98,421	\$ 1,103,947
Deferred inflows of resources	563,140	18,116	581,256
PERSI Sick Leave Asset	-	304,973	304,973
Net position	14,248,299	385,278	14,633,577

14. Subsequent Events

In August 2020, the District entered into a lease and purchase option agreement with Cheney Bus, Inc. to lease school buses. The lease term is for 48 months, with annual rental payments of \$100,000 in August of each year. At the end of the lease term, the District shall have the option to purchase the buses for the sum of \$65,000.

Required Supplementary Information

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year Ended June 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Local sources				
Property Taxes	\$ 650,000	\$ 650,000	\$ 644,477	\$ (5,523)
Earnings on investments	24,500	48,000	51,995	3,995
Other	117,000	132,300	133,152	852
State sources				
State apportionment	7,579,551	7,675,139	7,709,929	34,790
Other	617,560	615,671	644,045	28,374
Federal sources				
Educational programs and other	-	-	500	500
Total Revenues	<u>8,988,611</u>	<u>9,121,110</u>	<u>9,184,098</u>	<u>62,988</u>
Expenditures				
Current				
Instructional	5,577,010	5,687,046	5,402,045	285,001
Pupil support	457,955	424,917	391,776	33,141
Staff support	547,645	408,963	303,036	105,927
Administration	700,663	714,470	680,075	34,395
Business service	214,682	241,945	227,118	14,827
Administrative technology	111,321	145,374	113,827	31,547
Operation	847,154	897,555	814,686	82,869
Transportation	458,500	460,500	434,417	26,083
Capital outlay	-	-	24,449	(24,449)
Total Expenditures	<u>8,914,930</u>	<u>8,980,770</u>	<u>8,391,429</u>	<u>589,341</u>
Excess of Revenues over Expenditures	73,681	140,340	792,669	652,329
Other Financing Sources (Uses)				
Transfers (out)	(16,108)	(16,108)	(36,595)	(20,487)
Net Change in Fund Balances	57,573	124,232	756,074	631,842
Fund Balance, Beginning of Year	<u>2,380,710</u>	<u>2,380,710</u>	<u>2,380,710</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,438,283</u>	<u>\$ 2,504,942</u>	<u>\$ 3,136,784</u>	<u>\$ 631,842</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Child Nutrition Fund
Year Ended June 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Lunch sales	\$ 107,000	\$ 89,124	\$ 75,037	\$ (14,087)
Other	26,000	33,135	34,001	866
Federal sources				
Educational programs and other	<u>608,000</u>	<u>1,006,451</u>	<u>995,969</u>	<u>(10,482)</u>
Total Revenues	<u>741,000</u>	<u>1,128,710</u>	<u>1,105,007</u>	<u>(23,703)</u>
Expenditures				
Current				
Non-instructional	<u>776,000</u>	<u>1,142,879</u>	<u>1,006,974</u>	<u>135,905</u>
Total Expenditures	<u>776,000</u>	<u>1,142,879</u>	<u>1,006,974</u>	<u>135,905</u>
Excess (Deficiency) of Revenues over Expenditures	(35,000)	(14,169)	98,033	112,202
Other Financing Sources (Uses)				
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>28,044</u>	<u>(6,956)</u>
Net Change in Fund Balances	-	20,831	126,077	105,246
Fund Balance, Beginning of Year	<u>20,717</u>	<u>20,717</u>	<u>20,717</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 20,717</u>	<u>\$ 41,548</u>	<u>\$ 146,794</u>	<u>\$ 105,246</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Debt Service Fund
Year Ended June 30, 2020

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Local sources			
Property taxes	\$ 400	\$ 9,578	\$ 9,178
Earnings on investments	800	13,848	13,048
Other	500	496	(4)
State sources			
Other	7,200	7,179	(21)
Federal sources			
Educational programs and other	31,611	31,611	-
Total Revenues	40,511	62,712	22,201
Expenditures			
Debt service			
Principal	-	2,000,000	(2,000,000)
Interest	1,693	33,700	(32,007)
Total Expenditures	1,693	2,033,700	(2,032,007)
Net Change in Fund Balances	38,818	(1,970,988)	(2,009,806)
Fund Balance, Beginning of Year	2,137,251	2,137,251	-
Fund Balance, End of Year	\$ 2,176,069	\$ 166,263	\$ (2,009,806)

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Plant Facility Fund
Year Ended June 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Local sources				
Property taxes	\$ 850,000	\$ 850,000	\$ 718,344	\$ (131,656)
Earnings on investments	-	4,000	3,345	(655)
Total Revenues	<u>850,000</u>	<u>854,000</u>	<u>721,689</u>	<u>(132,311)</u>
Expenditures				
Current				
Operations	567,000	291,500	165,012	126,488
Capital outlay	-	-	87,127	(87,127)
Total Expenditures	<u>567,000</u>	<u>291,500</u>	<u>252,139</u>	<u>39,361</u>
Net Change in Fund Balances	283,000	562,500	469,550	(92,950)
Fund Balance, Beginning of Year	<u>1,819,842</u>	<u>1,819,842</u>	<u>1,819,842</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,102,842</u>	<u>\$ 2,382,342</u>	<u>\$ 2,289,392</u>	<u>\$ (92,950)</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Title I-A ESEA Basic Fund
Year Ended June 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Federal sources				
Other	\$ 409,296	\$ 454,069	\$ 455,477	\$ 1,408
Total Revenues	<u>409,296</u>	<u>454,069</u>	<u>455,477</u>	<u>1,408</u>
Expenditures				
Current				
Instructional	281,123	304,777	297,917	6,860
Staff support	<u>137,019</u>	<u>165,081</u>	<u>157,560</u>	<u>7,521</u>
Total Expenditures	<u>418,142</u>	<u>469,858</u>	<u>455,477</u>	<u>14,381</u>
Net Change in Fund Balances	(8,846)	(15,789)	-	15,789
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (8,846)</u>	<u>\$ (15,789)</u>	<u>\$ -</u>	<u>\$ 15,789</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Employer's Share of Net Pension Liability – PERSI
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's portion of the net pension liability	0.160%	0.154%	0.152%
Employer's proportionate share of the net pension liability	\$ 1,212,330	\$ 1,706,748	\$ 2,393,789
Employer's covered payroll	\$ 5,692,418	\$ 5,382,288	\$ 4,943,436
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	21.30%	31.71%	48.42%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	91.69%	90.68%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	0.162%	0.164%	0.166%
Employer's proportionate share of the net pension liability	\$ 3,290,334	\$ 2,155,643	\$ 1,219,338
Employer's covered payroll	\$ 4,728,145	\$ 4,752,827	\$ 4,487,288
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	69.59%	34.43%	27.18%
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 years for which information is available.

Data reported is measured as of June 30, 2019 (measurement date).

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Employer Contributions – PERSI
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 612,797	\$ 596,682	\$ 513,553
Contributions in relation to the statutorily required contribution	615,732	609,275	559,597
Contribution (deficiency) excess	2,935	12,593	46,044
Employer's covered payroll	5,692,418	5,382,288	4,943,436
Contributions as a percentage of covered pay	10.82%	11.32%	11.32%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 482,495	\$ 535,461	\$ 538,316
Contributions in relation to the statutorily required contribution	535,226	538,020	519,039
Contribution (deficiency) excess	52,731	2,559	(19,277)
Employer's covered payroll	4,728,145	4,752,827	4,585,150
Contributions as a percentage of covered pay	11.32%	11.32%	11.32%

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

Data reported is measured as of June 30, 2020.

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Employer's Share of Net OPEB Asset – PERSI OPEB Plan
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's portion of the net OPEB asset	0.380%	0.368%	0.371%
Employer's proportionate share of the net OPEB asset	\$ 364,185	\$ 304,973	\$ 285,058
Employer's covered-employee payroll	\$ 5,692,418	\$ 5,382,288	\$ 4,943,436
Employer's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	6.40%	5.67%	5.77%
Plan fiduciary net position as a percentage of the total OPEB asset	138.51%	135.69%	136.78%

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

Data reported is measured as of June 30, 2019 (measurement date).

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Employer Contributions – PERSI OPEB Plan
Last 10 Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 35,704	\$ 32,775	\$ 29,946
Contributions in relation to the statutorily required contribution	33,410	62,369	57,345
Contribution (deficiency) excess	(2,294)	29,594	27,399
Employer's covered-employee payroll	\$ 5,692,418	\$ 5,382,288	\$ 4,943,436
Contributions as a percentage of covered-employee payroll	0.59%	1.16%	1.16%

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

Data reported is measured as of June 30, 2020.

See Independent Auditors' Report

Supplementary Information

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Other Local Grants Fund	Driver Education Fund	State Professional Technical Fund
Assets			
Cash and Investments	\$ 92,393	\$ 18,445	\$ 17,703
Receivables			
State of Idaho	-	1,824	-
Other	-	-	-
Total Assets	<u>\$ 92,393</u>	<u>\$ 20,269</u>	<u>\$ 17,703</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Salary contracts payable	-	-	2,639
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,639</u>
Fund Balances			
Restricted	92,393	20,269	15,064
Assigned	-	-	-
Total Fund Balances	<u>92,393</u>	<u>20,269</u>	<u>15,064</u>
Total Liabilities and Fund Balances	<u>\$ 92,393</u>	<u>\$ 20,269</u>	<u>\$ 17,703</u>

See Independent Auditors' Report

State Technology Fund	State Substance Abuse Prevention Fund	Medicaid Fund	ESSER Fund
\$ 140,907	\$ 33,041	\$ 90,978	\$ -
-	-	-	-
-	-	-	37,516
<u>\$ 140,907</u>	<u>\$ 33,041</u>	<u>\$ 90,978</u>	<u>\$ 37,516</u>
\$ -	\$ -	\$ -	\$ 37,516
-	-	-	-
-	-	-	37,516
140,907	18,041	90,978	-
-	15,000	-	-
<u>140,907</u>	<u>33,041</u>	<u>90,978</u>	<u>-</u>
<u>\$ 140,907</u>	<u>\$ 33,041</u>	<u>\$ 90,978</u>	<u>\$ 37,516</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2020

	Title I-C ESEA Migrant Fund	GEAR UP Fund	IDEA Part B School Age Fund
Assets			
Cash and Investments	\$ -	\$ -	\$ -
Receivables			
State of Idaho	-	-	-
Other	24,448	7,817	44,154
Total Assets	<u>\$ 24,448</u>	<u>\$ 7,817</u>	<u>\$ 44,154</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 17,276	\$ 5,098	\$ 3,746
Salary contracts payable	7,172	2,719	40,408
Total Liabilities	<u>24,448</u>	<u>7,817</u>	<u>44,154</u>
Fund Balances			
Restricted	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 24,448</u>	<u>\$ 7,817</u>	<u>\$ 44,154</u>

See Independent Auditors' Report

IDEA Part B Preschool Fund	Title IV-A Student Support Fund	Title VI-B Rural and Low Income Fund	Perkins III Professional Technical Fund
\$ 1,742	\$ -	\$ -	\$ -
-	-	-	-
1,267	1,236	8,545	24,733
\$ 3,009	\$ 1,236	\$ 8,545	\$ 24,733
\$ -	\$ 1,236	\$ 4,501	\$ 24,733
3,009	-	4,044	-
3,009	1,236	8,545	24,733
-	-	-	-
-	-	-	-
-	-	-	-
\$ 3,009	\$ 1,236	\$ 8,545	\$ 24,733

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2020

	Title III ESEA LEP Fund	Title II-A ESEA Improving Fund	Total Nonmajor Governmental Funds
Assets			
Cash and Investments	\$ -	\$ -	\$ 395,209
Receivables			
State of Idaho	-	-	1,824
Other	7,560	18,302	175,578
Total Assets	<u>\$ 7,560</u>	<u>\$ 18,302</u>	<u>\$ 572,611</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 4,396	\$ 18,302	\$ 116,804
Salary contracts payable	3,164	-	63,155
Total Liabilities	<u>7,560</u>	<u>18,302</u>	<u>179,959</u>
Fund Balances			
Restricted	-	-	377,652
Assigned	-	-	15,000
Total Fund Balances	<u>-</u>	<u>-</u>	<u>392,652</u>
Total Liabilities and Fund Balances	<u>\$ 7,560</u>	<u>\$ 18,302</u>	<u>\$ 572,611</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Other Local Grants Fund	Driver Education Fund	State Professional Technical Fund
Revenues			
Local sources			
Other	\$ 2,000	\$ 9,675	\$ -
State sources			
Other	-	6,517	49,836
Federal sources			
Educational programs and other	-	-	-
Total Revenues	2,000	16,192	49,836
Expenditures			
Current			
Instructional	-	8,948	55,747
Pupil support	-	-	-
Staff support	684	-	-
Central services	-	-	-
Administrative technology	-	-	-
Total Expenditures	684	8,948	55,747
Excess (Deficiency) of			
Revenues over Expenditures	1,316	7,244	(5,911)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Net Change in Fund Balances	1,316	7,244	(5,911)
Fund Balance, Beginning of Year	91,077	13,025	20,975
Fund Balance, End of Year	\$ 92,393	\$ 20,269	\$ 15,064

See Independent Auditors' Report

State Technology Fund	State Substance Abuse Prevention Fund	Medicaid Fund	ESSER Fund
\$ -	\$ -	\$ -	\$ -
134,450	18,397	-	-
<u>-</u>	<u>-</u>	<u>444,550</u>	<u>37,516</u>
<u>134,450</u>	<u>18,397</u>	<u>444,550</u>	<u>37,516</u>
-	15,035	52,702	-
-	-	331,508	-
-	-	-	-
-	-	-	37,516
<u>150,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>150,809</u>	<u>15,035</u>	<u>384,210</u>	<u>37,516</u>
(16,359)	3,362	60,340	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(16,359)	3,362	60,340	-
<u>157,266</u>	<u>29,679</u>	<u>30,638</u>	<u>-</u>
<u>\$ 140,907</u>	<u>\$ 33,041</u>	<u>\$ 90,978</u>	<u>\$ -</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
Year Ended June 30, 2020

	Title I-C ESEA Migrant Fund	GEAR UP Fund	IDEA Part B School Age Fund
Revenues			
Local sources			
Other	\$ -	\$ -	\$ -
State sources			
Other	-	-	-
Federal sources			
Educational programs and other	50,963	42,417	256,185
Total Revenues	50,963	42,417	256,185
Expenditures			
Current			
Instructional	50,963	-	245,278
Pupil support	-	-	10,907
Staff support	-	42,417	-
Central services	-	-	-
Administrative technology	-	-	-
Total Expenditures	50,963	42,417	256,185
Excess (Deficiency) of			
Revenues over Expenditures	-	-	-
Other Financing Sources (Uses)			
Transfers In	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

See Independent Auditors' Report

IDEA Part B Preschool Fund	Title IV-A Student Support Fund	Title VI-B Rural and Low Income Fund	Perkins III Professional Technical Fund
\$ -	\$ -	\$ -	\$ -
-	-	-	-
26,252	26,466	24,869	20,660
26,252	26,466	24,869	20,660
30,698	26,092	24,869	24,765
-	-	-	-
-	374	-	-
-	-	-	-
-	-	-	-
30,698	26,466	24,869	24,765
(4,446)	-	-	(4,105)
4,446	-	-	4,105
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
Year Ended June 30, 2020

	Title III ESEA LEP Fund	Title II-A ESEA Improving Fund	Total Nonmajor Governmental Funds
Revenues			
Local sources			
Other	\$ -	\$ -	\$ 11,675
State sources			
Other	-	-	209,200
Federal sources			
Educational programs and other	23,369	48,015	1,001,262
Total Revenues	23,369	48,015	1,222,137
Expenditures			
Current			
Instructional	23,369	-	558,466
Pupil support	-	-	342,415
Staff support	-	48,015	91,490
Central services	-	-	37,516
Administrative technology	-	-	150,809
Total Expenditures	23,369	48,015	1,180,696
Excess (Deficiency) of			
Revenues over Expenditures	-	-	41,441
Other Financing Sources (Uses)			
Transfers In	-	-	8,551
Net Change in Fund Balances	-	-	49,992
Fund Balance, Beginning of Year	-	-	342,660
Fund Balance, End of Year	\$ -	\$ -	\$ 392,652

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Statement of Changes in Assets and Liabilities - Student Activities Agency Funds
Year Ended June 30, 2020

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
Gooding High School Activity Fund				
Assets				
Cash	\$ 126,449	\$ 312,465	\$ 293,083	\$ 145,831
Liabilities				
Due to student groups	\$ 126,449	\$ 312,465	\$ 293,083	\$ 145,831
Gooding Middle School Activity Fund				
Assets				
Cash	\$ 44,057	\$ 28,998	\$ 36,580	\$ 36,475
Liabilities				
Due to student groups	\$ 44,057	\$ 28,998	\$ 36,580	\$ 36,475
Gooding Elementary School Activity Funds				
Assets				
Cash	\$ 14,761	\$ 30,045	\$ 33,232	\$ 11,574
Liabilities				
Due to student groups	\$ 14,761	\$ 30,045	\$ 33,232	\$ 11,574
Total - All School Activity Funds				
Assets				
Cash	\$ 185,267	\$ 371,508	\$ 362,895	\$ 193,880
Liabilities				
Due to student groups	\$ 185,267	\$ 371,508	\$ 362,895	\$ 193,880

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Activity in Taxes Receivable Accounts by Fund
Year Ended June 30, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Plant Facility Fund</u>
Gooding and Lincoln Counties			
Balance at June 30, 2019	\$ 235,830	\$ 2,140	\$ 224,411
Add - Taxes Assessed for 2019 (Net of Cancellations)	643,045	10	727,398
Less - Collections Received	<u>(632,524)</u>	<u>(1,573)</u>	<u>(675,427)</u>
Balance at June 30, 2020	<u>\$ 246,351</u>	<u>\$ 577</u>	<u>\$ 276,382</u>

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

	Federal CFDA Number	Expenditures	Revenues Cash Basis
U.S. Department of Agriculture			
Passed Through State Department of Education			
* Child Nutrition Cluster			
School Breakfast Program	10.553	\$ 201,329	\$ 201,329
School Lunch Program	10.555	334,944	334,944
Child and Adult Care Food Program	10.558	3,192	3,192
Summer Food Service Program	10.559	401,786	401,786
		<u>941,251</u>	<u>941,251</u>
Child Nutrition Discretionary Grants	10.579	1,007	1,007
Fresh Fruit and Vegetable Program	10.582	31,957	31,957
		<u>32,964</u>	<u>32,964</u>
Total Department of Agriculture		<u>974,215</u>	<u>974,215</u>
U.S. Department of			
Passed Through State Library Program			
State Library Program	45.310	500	500
U.S. Department of Education			
Passed Through State Department of Education			
Title I-Basic	84.010	455,477	356,703
Title I-Migrant	84.011	50,963	36,430
Special Education Cluster			
Title VI-B	84.027	256,185	215,949
Title VI-B - Preschool	84.173	30,698	29,756
		<u>286,883</u>	<u>245,705</u>
Career and Technical Education	84.048	24,765	-
GEAR UP	84.334	42,417	49,675
ESSER Fund	84.357	37,516	-
Rural Education	84.358	24,869	21,650
English Language Acquisitions Grant	84.365	23,369	21,786
Improving Teacher Quality	84.367	48,015	48,875
Student Support and Academic Enrichment Grant	84.424	26,466	25,230
		<u>286,883</u>	<u>245,705</u>
Total Department of Education		<u>1,020,740</u>	<u>806,054</u>
Total Federal Assistance		<u>\$ 1,994,955</u>	<u>\$ 1,780,269</u>

* Major Federal Program

See Independent Auditors' Report

GOODING JOINT SCHOOL DISTRICT NO. 231
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Gooding Joint School District No. 231 under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of 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 Gooding School District No. 231, it is not intended to and does not present the financial position or change in net assets of the District.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain expenditures are not allowed or are limited as to reimbursement.

The District is not eligible to use the 10% de minimis indirect cost rate.



RUDD & COMPANY^{INC.}

**INDEPENDENT AUDITORS' 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**

The Board of Trustees
Gooding Joint School District No. 231
Gooding, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gooding Joint School District No. 231 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Gooding Joint School District No. 231's basic financial statements, and have issued our report thereon dated October 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gooding Joint School District No. 231'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 Gooding Joint School District No. 231's internal control. Accordingly, we do not express an opinion on the effectiveness of Gooding Joint School District No. 231'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.

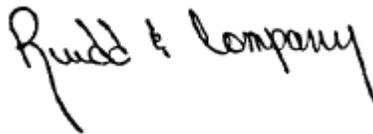
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Gooding Joint School District No. 231's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, slightly slanted style.

Idaho Falls, Idaho
October 13, 2020



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

Board of Trustees
Gooding Joint School District No. 231
Gooding, Idaho

Report on Compliance for Each Major Federal Program

We have audited Gooding Joint School District No. 231'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 Gooding Joint School District No. 231's major federal programs for the year ended June 30, 2020. Gooding Joint School District No. 231's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Gooding Joint School District No. 231'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 Gooding Joint School District No. 231'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 of Gooding Joint School District No. 231's compliance.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal program is not modified with respect to these matters.

Opinion on Each Major Federal Program

In our opinion, Gooding Joint School District No. 231, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

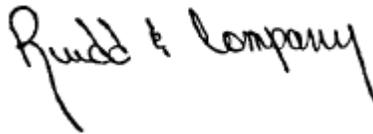
Report on Internal Control Over Compliance

Management of Gooding Joint School District No. 231 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 Gooding Joint School District No. 231's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gooding Joint School District No. 231's internal control over compliance.

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

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

This 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.

A handwritten signature in black ink that reads "Rudd & Company". The signature is written in a cursive, flowing style.

Idaho Falls, Idaho
October 13, 2020

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

Material Weaknesses identified? No

Significant Deficiencies identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material Weaknesses identified? No

Significant Deficiencies identified? No

Type of auditors' 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)? No

GOODING JOINT SCHOOL DISTRICT NO. 231
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2020

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
Child Nutrition Cluster	
10.555	National School Lunch Program
10.553	School Breakfast Program
10.558	Child and Adult Care Food Program
10.559	Summer Food Service Program for Children

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

Auditee qualified as low-risk auditee? No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None