



Financial Statements
June 30, 2019

Independent School District of Boise City

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Independent Auditor's Report

To Board of Trustees
Independent School District of Boise City
Boise, 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 the Independent School District of Boise City (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District of Boise City as of June 30, 2019, 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, schedule of employer's share of net pension liability, OPEB asset and employer contributions, schedule of changes in the District's total OPEB liability and asset, and budgetary comparison information listed in the table of contents, 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 District's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is 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 a report dated September 27, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 27, 2019

The discussion and analysis of the Independent School District of Boise City's (the District) financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on the District's financial activities for the fiscal year ended June 30, 2019.

Financial Highlights

- The District received \$1.7 million for leadership stipends. The minimum amount to be paid out was \$900 per qualifying individual. Teachers performed leadership duties that included curriculum integration, technology integration, mentoring, curriculum development, administrative duties, department chair duties, etc.
- During the 2018-19 school year, the District continued to work on a number of large capital construction projects that were included in the 10 year Facility Master Plan (FMP). Some of these projects include the completion of Amity Elementary, remodel of the Boise Gym, construction of Hillside and Fairmont Gym /Cafeterias, construction of gyms at Maple Grove and Taft and continued work on Whittier Elementary. The District also started construction on rebuilding Mountain View Elementary and Pierce Park Elementary. During the year, the Career Technical Center and the Timberline addition were completed. In addition to the major construction projects, the District also completed a number of maintenance projects that included new roofs, painting, flooring and HVAC improvements. The District expended \$53.9 million in the Capital Construction Fund.
- The District worked on implementing safety measures throughout the District. This included the installation of cameras, safety door hardware and replacement of PA systems in a number of schools.
- The District continued to upgrade technology equipment for both staff and students. The District purchased 2,800 staff computing devices and 2,700 student devices.
- The District has continued to maintain a strong fund balance which has allowed the Board of Trustees to manage the budget while revenues have still grown slower than anticipated expenditures. The Board of Trustees approved the use of \$2 million of fund balance to balance the 2019-20 budget. This fund balance is expected to be above the 5.5% as required by Board policy.

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: government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains other required supplementary information.

Government-wide Financial Statements (GWFS)

The GWFS (i.e. Statement of Net Position and Statement of Activities) provide readers with a broad overview of the District's finances.

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. The GWFS report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position provides information on all of the assets, liabilities and deferred inflow/outflows of resources of the District, with the difference between them providing the net position. Increases or decreases in the net position may indicate whether the financial position of the District is improving or deteriorating.

The Statement of Activities shows how the net position of the District has changed during the most recent fiscal year. All changes in net position are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. Changes in the net position occur as soon as the underlying event gives rise.

The statements present an aggregate view of the District's finances. GWFS contain useful long-term information as well as information for the just-completed fiscal year.

To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the GWFS, the District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho. The GWFS can be found on pages 13 – 14 of this report.

Fund Financial Statements

Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Fund financial statements focus on individual parts of the District. Fund statements generally report operations in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the District as a whole.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying its long-term debt) or to show that it is properly using certain revenues (i.e. capital project funds). The District has two types of funds: Governmental and Fiduciary.

Governmental funds – Governmental funds account for nearly the same functions as the Governmental activities. However, unlike the GWFS, Governmental funds focus on near-term inflows and outflows as well as the balances left at year-end that are available for funding future basic services.

It is useful to compare information found in the Governmental funds with that of the Governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The basic governmental fund financial statements can be found on pages 15 – 19 of this report.

Fiduciary funds – The District serves as a trustee, or fiduciary, for student organizations and the self-insurance dental trust. The assets of the organizations and trust belong to the organizations and trust, and not the District.

The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

The basic fiduciary fund financial statements can be found on pages 20 – 22 of this report.

Notes – The notes to the financial statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position. Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

Government-Wide Financial Analysis

As stated earlier, net position may serve as a useful indicator of a district's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$184,526,877 at the close of the most recent fiscal year.

The restricted portion of the District's net position (16.8%) reflects capital and facility maintenance proceeds and other resources that are subject to external restrictions. The majority of these assets will be used to pay for capital construction projects and a portion of the debt service obligations that will be due in the next fiscal year.

The investments in capital assets (i.e. land, buildings and improvements, furniture, and equipment) and unspent bond proceeds, net of related debt (general obligation bonds) represents 110% of total net position. This percentage will change as resources are expended to complete capital construction projects. These capital assets provide services to students; consequently, these assets are not available for future spending.

	Governmental Activities	
	2019	2018
Current and other assets	\$ 123,876,711	\$ 159,568,628
Capital assets	318,684,320	274,771,287
Total assets	442,561,031	434,339,915
Deferred Outflows of Resources	36,389,656	34,176,445
Long-term liabilities outstanding	234,840,058	246,887,563
Other liabilities	44,589,327	45,200,027
Total liabilities	279,429,385	292,087,590
Deferred Inflows of Resources	14,994,425	13,833,477
Net Position		
Net investment in capital assets	203,839,066	195,537,561
Restricted	31,069,530	25,273,331
Unrestricted	(50,381,719)	(58,215,599)
Total net position	\$ 184,526,877	\$ 162,595,293

The remaining balance of unrestricted net position -27% is negative due to recording the District's portion of the long-term pension obligation. The unrestricted net position amount has been earmarked for the following purposes:

- The Just for Kids before and after school program has earmarked \$1,338,347 of unrestricted net position for program improvements and to limit fee increases.
- The Medicaid program has earmarked funds to provide services to special needs students. The amount currently identified as earmarked is \$1,327,774.

At the end of the current fiscal year, the District's combined net position increased by 13.4% to \$184,526,877. This represents an overall increase of \$21,931,584. The majority of this increase is from the change in net pension liability, reduction of bond obligations and purchase of capital assets. The District's calculation of net position uses a historical cost of school buildings that may not accurately reflect the true value.

Changes in Net Position – The following table shows the changes in net position for the fiscal year 2018-2019. The District relies on state funding and federal funding for 60% and local property taxes for 37% of its governmental activities. The District had total revenues of \$285,750,987. The total revenues exceeded expenses by \$21,931,584, of which the majority of the increase was related to the reduction in expenses related to the reduced pension liability.

	FY 18-19	FY 17-18	Change 2019-2018
Revenues			
Program Revenues			
Charges for services	\$ 6,339,653	\$ 6,652,160	\$ (312,507)
Operating grants and contributions	40,050,765	38,159,893	1,890,872
Capital grants and contributions	2,367,281	1,809,638	557,643
General Revenues			
Property taxes, levied for general purposes	90,787,172	79,240,471	11,546,701
Property taxes, levied for debt services	16,348,566	14,370,429	1,978,137
State foundation revenues	127,459,727	125,978,881	1,480,846
Replacement tax	822,739	822,738	1
Federal forest	12,710	18,021	(5,311)
Interest and investment earnings	1,434,930	790,129	644,801
Miscellaneous	127,444	135,776	(8,332)
Total revenues	<u>285,750,987</u>	<u>267,978,136</u>	<u>17,772,851</u>

Independent School District of Boise City
Management's Discussion and Analysis
June 30, 2019

	FY 18-19	FY 17-18	Change 2019-2018
Expenses			
Instructional Services			
Elementary programs	56,444,221	55,075,815	1,368,406
Secondary / alternative programs	61,894,969	58,105,726	3,789,243
Exceptional child programs	23,853,430	22,634,346	1,219,084
Other programs	5,920,696	5,825,645	95,051
Support Services			
Attendance-guidance-health	10,363,240	9,621,588	741,652
Special services program	9,087,978	8,516,628	571,350
Instructional improvement	7,358,277	6,853,860	504,417
Educational media	3,355,922	3,221,316	134,606
Educational technology	6,353,406	5,498,476	854,930
Administration	4,983,025	4,522,475	460,550
School administration	13,855,078	13,179,355	675,723
Plant services	22,951,290	22,197,476	753,814
Transportation	8,366,500	8,192,749	173,751
Security	1,364,251	928,231	436,020
Non-Instructional Services			
Community service programs	1,605,637	1,797,748	(192,111)
School lunch	11,339,275	10,234,543	1,104,732
Capital outlays	1,203,994	35,707	1,168,287
Interest and other costs on long-term debt	4,915,360	5,183,427	(268,067)
Depreciation	8,602,854	8,671,634	(68,780)
Total expenses	263,819,403	250,296,745	13,522,658
Change in Net Position	\$ 21,931,584	\$ 17,681,391	\$ 4,250,193

District's Funds Financial Analysis

As noted earlier, the District uses funds to demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide balances of spendable resources and to provide data on near-term inflows and outflows.

General Fund – The general fund is the general operating fund for the District. At the end of the 2018-19 fiscal year, the general fund balance was \$23,707,767, which is up from the ending balance in fiscal year 2018 of \$22,812,670. Overall fund balance is up because the District experienced increased interest earnings, additional all day kindergarten tuition and reduced energy costs and transportation also resulted in expenditure savings. This savings amounted to a little less than \$1 million dollars. The District also had savings in custodial and maintenance programs during the year.

Expenditures for general District purposes totaled \$224,601,548, an increase of \$8,566,469 from the 2017-18 fiscal year. The majority of this increase was due to negotiated salary increases for all personnel of 3.5% and movement of personnel on the salary schedule for education and experience. Instructional services accounts for 63.6% of the general fund expenditures.

General Fund salaries totaled \$146,943,088 while the associated fringe benefits of retirement, social security, unemployment, workers' compensation, health, dental, vision and life insurance added \$49,213,379 to arrive at 87.3% of the District's general fund expenditures, excluding transfers. Health benefit costs were reduced for a one month premium holiday.

The Board of Trustees has directed that the District set aside at least 5.5% of budgeted revenues for a fund balance reserve. For school year 2019-20, committed fund balance are set at 5.5% or \$13,572,511. This undistributed reserve has been set-aside for unexpected contingencies or possible reductions in funding. In addition, parts of these funds have been set aside for cash flow purposes within the District. The funds are not to be used for negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's bond rating of Aa1 by Moody's Investors Service and an AA rating by Standard & Poor's Rating Service.

Debt Service Fund – The debt service fund is used to account for resources collected to pay for principal and interest on the long-term debt. The Debt Service Fund has \$21,092,185 in restricted fund balance to pay for principal and interest for the upcoming year.

Capital Projects Fund – The capital projects fund pays for capital construction, building repair and remodeling throughout the District. This fund is also where all bond proceeds are deposited and then expended on capital construction. At the end of the current fiscal year, the capital projects fund balance was \$17,939,208, which is down from the ending balance in fiscal year 2018 of \$58,527,324. The reason for the decrease is because the District continued to expend dollars on the facility master plan and started a number of capital construction projects in 2018-19. The District expects to expend \$38.9 million on capital construction projects in 2019-20. The District plans to sell the remaining bond authorization of \$72.5 million in bonds in July 2019 to assist with the final phase of the facility master plan.

Non-Major Special Revenue Funds – Within the non-major funds, the Strategic Plan fund has committed \$348,571 of fund balance for implementation of the 2020 Strategic Plan. A portion of these dollars will be spent in 2019-20 to continue the marketing campaign to educate the public about Boise Public Schools. The District has established a Medicaid fund to record revenues and expenditures as it pertains to billing for allowable Medicaid services related to special education. The District has assigned fund balance of \$1,327,774 to be used to pay for salaries and benefits associated with managing the Medicaid program and special education costs. The District has a Federal Forest fund that is mandated by Idaho Code. All federal forest payments are deposited in this fund. Current assigned fund balance is \$343,388. The District also has a before and after school program (Just for Kids) that charges tuition to cover the costs associated with running the program. The ending fund balance is \$1,338,347.

General Fund Budgetary Highlights

The District adopts an original budget in June for the subsequent year. The District did not amend the original budget.

The vocational program was overbudget because we reclassified staff that were previously coded to the secondary program to the vocational program since the move to the new DTEC center. The preschool program was over budget because we added a new special education preschool program during the year to deal with increased preschool enrollment. The detention center program was overbudget as a result of reduced federal funding to pay for staff at the juvenile detention center. The special services program was overbudget as we added staff to assist with special needs students. We also had to shift a portion of a social worker to the General Fund due to reduced federal funding. The school administration is overbudget because we increased a Director for half of the year and had a principal double covered for the year. Capital assets program was overbudget because we received a grant from the City of Boise to install playground equipment that was not budgeted. The transfers out were overbudget because the Board approved the transfer of \$4 million to the Capital Projects Fund to assist with implementation of the Facility Master Plan.

Capital Assets

The Capital Projects Fund is used primarily to account for the costs incurred while acquiring and improving sites, constructing and remodeling facilities, and producing equipment necessary for providing educational programs for all students within the District. The District has invested \$469,888,827 in a broad range of capital assets. The total accumulated depreciation on these assets amounts to \$151,204,507.

Asset acquisitions, net of disposals and transfers, for governmental activities totaled \$52,515,887 for the fiscal year.

The District has a number of projects currently under construction that will be completed in 2019-20. The construction work in progress is currently valued at \$75,122,038. The District completed roof replacements at Liberty, Les Bois and Riverglen. HVAC projects were completed at Capital High School and Les Bois Junior High. The District will complete the following projects in 2019-20; Whittier Elementary, Pierce Park Elementary, Mountain View Elementary and Highlands Elementary. Cafeteria additions will be completed at Taft, Maple Grove, Koelsch and Hawthorne Elementaries.

Additional information regarding the District's capital assets can be found in Note 6 to the basic financial statements.

Long-Term Debt

At year end, the District had \$127,060,000 in general obligation bonds, exclusive of bond premiums. The debt of the District is secured by an annual tax levy authorized by the patrons of the District by a two-thirds majority vote. The amount outstanding on the 2012B, 2014 and the 2017 bonds is \$33,710,000, \$8,765,000 and \$84,585,000, respectively.

The District has refunded all bonds that could be refunded prior to the issuance of the new 2017 General Obligation bonds.

Additional information regarding the District's long-term debt can be found in Notes 7 and 8 to the basic financial statements.

Economic Factors and Next Year's Budget

The District lost enrollment during the 2018-19 year; we budgeted for approximately 400 student loss which resulted in reduced funding units. The placement of staff on the career ladder was also an area that generated additional revenue because of tenure and education. The District expects to see a decrease in enrollment in the 2019-20 school year. The anticipated enrollment loss is projected to be at both the elementary and secondary level. As larger class sizes graduate out and smaller kindergarten classes move through the system, overall enrollment is anticipated to be approximately down by 400 students. The District has increased all day kindergarten programs and added four sessions of Pre-K to assist in bringing students back to the District.

Because of increased state appropriations, the District still anticipates receiving additional state dollars for the 19-20 budget year. In addition to the increased state funding related to increased appropriations, the District also has growth in taxable market value, thus resulting in additional tax revenue for the District. The Ada County Assessor estimates that market value will increase in the 2019-20 school year, thus resulting in additional tax revenue for the 2019-20 school year.

For the twelve months ended June 30, 2019, the State of Idaho experienced .1% increase in general fund revenue growth. This growth was .4% less than projected by the State's budget analyst in January. The Public Education Stabilization Fund (PESF) has approximately \$62.2 million dollars to assist with public school funding in the off chance the economic growth trend does not continue, or public-school funding estimates are inaccurate. The State did need to access this fund to balance the 2018-19 school year. The State of Idaho withdrew more than \$30 million from this fund leaving the balance at \$62.2 million. The Statewide Budget Stabilization Fund (BSF) was estimated to end the year with \$373 million to be appropriated as necessary by the Idaho Legislature. Unemployment levels in Idaho have decreased over this last year from 2.9% in June 2018 to 2.8% in June 2019. The national unemployment rate as of June 2019, was 3.7%.

The 2019 Legislature appropriated \$2,267,808,000 to Public Schools, including the School for Deaf and Blind for Fiscal Year 2020. Of this amount, \$264,338,500 was derived from federal funds not available for general school operations, \$105,062,300 was derived from dedicated funds, and \$1,898,407,200 was derived from general funds.

The 2019 Legislature continued to work towards implementing the career ladder funding mechanism for all teachers and pupil personnel staff. Year five of the career ladder was funded. The minimum amount a teacher must be paid in the State of Idaho is \$38,500 in 2019-20. The goal is to bring this beginning salary to \$40,000 by the year 2020-21 and the highest reimbursement for an experienced teacher would be \$50,000. The Legislature also continued funding the leadership award piece of the Education Task Force recommendations. The Master Educator Premium (MEP) will be awarded in the 2019-20 school year to teachers that met all required elements. If a teacher qualifies for MEP, they will receive a stipend of \$4,000 for three consecutive years.

The 2016 Legislature appointed an interim committee to study the Idaho public schools funding formula over a three-year period. The committee submitted recommendations and legislation during the 2019 legislative session. The stakeholders (School Boards, Superintendents, IEA) had many questions and concerns with the proposed legislation; therefore, it was not approved during the 2019 legislative session. The Legislature did approve collecting student demographic data to use in developing legislation during the 2020 legislative session. The committee contracted with the Education Commission of the States to assist in rewriting the funding formula. The committee appears to be supporting the removal of earmarks and career ladder funding to a new allocation method of paying based on a weighted factor for students.

The District approved General Fund Budget for school year 2019-20 is \$246.7 million dollars. This amount is approximately \$9 million dollars or 3.81% more than the 2018-19 school year budget. The increase is related to hiring additional elementary teachers, custodial staff and maintenance staff, special education teachers and behavioral assistants. In addition to staff increases, the budget was increased to purchase K-3 literacy materials and scholarship qualifying kindergarten students for all day kindergarten. These costs are being paid from the State allocation of literacy money. All staff were granted movement on the salary schedule for experience and education in addition to receiving a base increase of 3.0%, with a one-time payment of .5% in December.

The District utilized excess fund balance to balance the 2019-20 budget. In June 2011, the Board of Trustees reduced the fund balance reserve requirement from 6.5% of revenues to 5.5% of revenues. This policy change was necessary in order to provide flexibility during this economic downturn. The District anticipates that unreserved fund balance will be more than 5.5% of total fund balance at the end of 2019-20; however, the District plans on utilizing \$2 million in fund balance in 2019-20.

The District anticipates market values will continue to increase thus increasing revenues in 2019-20, so the need to utilize fund balance will diminish. The current 2019-20 budget also includes a number of one-time purchases that will not be included in future budgets. The budget also includes an additional transfer from the General Fund to the Capital Projects Fund to assist with implementation of the Facility Master Plan.

The District continues to follow the District's Strategic Plan and has developed programs to improve curriculum for all students. This includes the establishment of additional all day kindergarten sites throughout the District and the establishment of 4 sessions of Pre-K programs. The District is committed to increasing opportunities for students to participate in Advanced Placement courses, which includes enrolling more students in the Advancement Via Individual Determination (AVID) program at the secondary level. This program targets student in the academic middle who have a desire to go to college. The State of Idaho has also focused on improving college go on rates and has allocated funds for students to participate in dual credit and advanced placement courses. The District continues to administer the majority of the Advanced Placement tests in the State of Idaho and has continued to increase Advanced Placement offerings in each high school. The District has established literacy goals for the 2019-20 school year. The State literacy allocation will assist in providing educational materials to meet the goals established.

The District entered into a contract to have a facility master plan developed to guide the District in facility improvement decisions for the next 10 to 15 years. The final Facility Master Plan (FMP) was approved by the Board of Trustees in November 2016. The District continues to implement the Board approved FMP in 2019-20. This implementation includes the construction and remodel of a number of new schools and the design of two to three projects that are planned for construction in 2020-21.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors, with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nancy Landon at the District Services Center, 8169 W. Victory Rd., Boise, ID 83709, nancy.landon@boiseschools.org.

Independent School District of Boise City
Statement of Net Position
June 30, 2019

	Governmental Activities
Assets	
Cash and investments	\$ 23,462,779
Restricted cash and investments	42,128,924
Property taxes receivables	39,276,574
State and federal receivables	8,396,554
Receivables	212,077
Inventories	446,211
Net pension - sick leave	9,953,592
Capital assets (not subject to depreciation)	85,774,390
Capital assets (net of depreciation)	232,909,930
Total assets	442,561,031
Deferred Outflows of Resources	
Pension obligations	29,718,952
OPEB obligations - health & dental	185,758
OPEB obligations- sick leave	3,116,536
Debt charge on refunding (net of amortization)	3,368,410
	\$ 478,950,687
Liabilities	
Accounts, salaries, and other payables	\$ 40,768,322
Due to student groups	191,757
Advanced revenue	1,152,935
Accrued interest payable bonds	2,476,313
Long-term liabilities	
Due within one year - bonds	8,600,000
Due in more than one year - bonds	118,460,000
Due within one year - other liabilities	3,183,590
Due in more than one year - other liabilities	36,492,390
Net pension liability	68,104,078
Total liabilities	279,429,385
Deferred Inflows of Resources	
Employer OPEB sick leave obligations	591,259
Employer pension obligations	14,403,166
Net Position	
Net investment in capital assets	203,839,066
Restricted for	
Capital improvements	5,724,462
Debt service	21,347,396
School lunch	3,997,672
Unrestricted	(50,381,719)
Total net position	184,526,877
	\$ 478,950,687

Independent School District of Boise City
Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Governmental Activities</i>					
Instruction					
Elementary programs	\$ 56,444,221	\$ 623,305	\$ 4,151,542	\$ -	\$ (51,669,374)
Secondary/alternative programs	61,894,969	325,968	3,792,554	-	(57,776,447)
Exceptional/preschool programs	23,853,430	-	5,046,108	-	(18,807,322)
Other instructional programs	5,920,696	186,794	90,465	-	(5,643,437)
Support Services					
Attendance-guidance health	10,363,240	-	994,984	-	(9,368,256)
Special services program	9,087,978	803,954	1,300,806	-	(6,983,218)
Instructional improvement	7,358,277	-	5,184,383	-	(2,173,894)
Educational media	3,355,922	-	-	-	(3,355,922)
Educational technology	6,353,406	-	3,221,632	-	(3,131,774)
Administration	4,983,025	-	4,835	-	(4,978,190)
School administration	13,855,078	-	-	-	(13,855,078)
Plant services	22,951,290	450,560	422,050	1,582,079	(20,496,601)
Capital improvements	1,203,994	-	817,651	-	(386,343)
Pupil transportation services	8,366,500	-	6,008,776	-	(2,357,724)
Security	1,364,251	-	229,620	-	(1,134,631)
Food services	11,339,275	2,123,492	8,548,080	-	(667,703)
Community service programs	1,605,637	1,825,580	10,947	-	230,890
Interest and other costs	4,915,360	-	226,332	785,202	(3,903,826)
Depreciation unallocated	8,602,854	-	-	-	(8,602,854)
Total Governmental Activities	\$ 263,819,403	\$ 6,339,653	\$ 40,050,765	\$ 2,367,281	(215,061,704)
General revenues					
Taxes					
					90,787,172
					16,348,566
					822,739
Grants and contributions not restricted to specific programs					
					127,459,727
					12,710
					1,434,930
					127,444
					236,993,288
					21,931,584
					162,595,293
					\$ 184,526,877

Independent School District of Boise City
Balance Sheet – Governmental Funds
June 30, 2019

	General	Debt Service Fund	Capital Projects	Non Major Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 23,462,779	\$ -	\$ -	\$ -	\$ 23,462,779
Restricted cash and investments	-	15,279,278	17,494,022	9,355,624	42,128,924
Receivables					
Current property taxes	31,830,050	5,731,331	-	-	37,561,381
Delinquent property taxes	1,455,314	259,879	-	-	1,715,193
State and federal receivable	5,456,581	49,924	-	2,890,049	8,396,554
Interfund balances	1,120,031	-	7,461,253	232,570	8,813,854
Other receivables	128,745	31,652	39,614	12,066	212,077
Inventories	446,211	-	-	-	446,211
	<u>\$ 63,899,711</u>	<u>\$ 21,352,064</u>	<u>\$ 24,994,889</u>	<u>\$ 12,490,309</u>	<u>\$ 122,736,973</u>
Liabilities, Deferred Inflows and Fund Balance					
Liabilities					
Accounts payable	\$ 937,794	\$ -	\$ 7,055,681	\$ 223,547	\$ 8,217,022
Accrued payroll and related liabilities	29,869,640	-	-	2,681,660	32,551,300
Deposits from school affiliated groups	191,757	-	-	-	191,757
Interfund balances	7,693,823	-	-	1,120,031	8,813,854
Advanced revenue	43,616	-	-	1,109,319	1,152,935
Total liabilities	<u>38,736,630</u>	<u>-</u>	<u>7,055,681</u>	<u>5,134,557</u>	<u>50,926,868</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	1,455,314	259,879	-	-	1,715,193
Fund Balance					
Nonspendable					
Inventories	446,211	-	-	-	446,211
Restricted for					
Debt service	-	21,092,185	-	-	21,092,185
School lunch program	-	-	-	3,997,672	3,997,672
Maintenance and additions to facilities	-	-	17,939,208	-	17,939,208
Committed for					
Cash flow	13,572,511	-	-	-	13,572,511
Strategic plan	-	-	-	348,571	348,571
Assigned for					
Special projects	-	-	-	3,009,509	3,009,509
Budget 19-20	2,182,566	-	-	-	2,182,566
Unassigned	7,506,479	-	-	-	7,506,479
Total fund balance	<u>23,707,767</u>	<u>21,092,185</u>	<u>17,939,208</u>	<u>7,355,752</u>	<u>70,094,912</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 63,899,711</u>	<u>\$ 21,352,064</u>	<u>\$ 24,994,889</u>	<u>\$ 12,490,309</u>	<u>\$ 122,736,973</u>

Independent School District of Boise City
Reconciliation of Governmental Funds – Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balances - governmental funds		\$ 70,094,912
<p>Property taxes receivable, as recorded in the Statement of Net Position, will be collected in the next fiscal year, but are not available soon enough to pay current year expenditures and therefore are deferred in the Governmental Fund Statements.</p>		
		1,715,193
<p>The cost of capital assets (land, buildings, furniture, equipment and construction in process) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	469,888,827	
Depreciation expense to date	<u>(151,204,507)</u>	
		318,684,320
<p>The OPEB Asset for sick leave is a long-term asset and is not recognized on the Governmental Statements.</p>		
		9,953,592
<p>Losses related to bond refundings are recorded as a deferred outflow and amortized over the life of the bonds on the Statement of Net Position.</p>		
		3,368,410
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.</p>		
Balances at June 30, 2019 are:		
Long-term liabilities		
Compensated absences payable/ OPEB	(21,169,839)	
Bonds payable	(127,060,000)	
Premium on bonds	(18,506,141)	
Interest payable	<u>(2,476,313)</u>	
		(169,212,293)
<p>Some liabilities, including pension obligations (liability) are not due and payable in the current period and, therefore, are not reported in the funds but are reported on the Statement of Net Position.</p>		
		(68,104,078)
Balances at June 30, 2019 are:		
Deferred outflows of resources related to pension and OPEB obligations		
Deferred outflows for OPEB health/dental	185,758	
Deferred outflows of resources OPEB sick leave expense	1,176,641	
Deferred outflow of 2019 employer contributions related to OBEB sick leave	1,939,895	
Deferred outflows of resources pension expense	12,289,312	
Deferred outflow of 2019 employer contributions related to pensions	<u>17,429,640</u>	
		33,021,246
Deferred inflows of resources related to OPEB		
		(591,259)
Deferred inflows of resources related to pensions		
		<u>(14,403,166)</u>
Net Position		<u>\$ 184,526,877</u>

Independent School District of Boise City
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2019

	Governmental Fund Types			Total Governmental Funds	
	General	Debt Service Fund	Capital Projects		Non Major Funds
Revenues					
Local revenues					
Property taxes	\$ 90,607,890	\$ 16,311,702	\$ -	\$ -	\$ 106,919,592
Earnings on investments	1,434,931	226,331	817,651	74,188	2,553,101
Other	1,976,993	-	108,409	4,727,172	6,812,574
State revenue					
Foundation	127,459,727	-	-	-	127,459,727
Program specific	13,676,499	785,202	1,582,079	3,869,385	19,913,165
Replacement tax	722,890	99,849	-	-	822,739
Federal revenue	181,795	-	-	20,872,147	21,053,942
Total revenues	236,060,725	17,423,084	2,508,139	29,542,892	285,534,840
Expenditures					
Instructional					
Elementary school program	55,832,525	-	-	1,998,297	57,830,822
Secondary school program	55,885,686	-	-	1,543,233	57,428,919
Alternative school program	3,333,219	-	-	184,102	3,517,321
Vocational technical program	2,523,039	-	-	-	2,523,039
Exceptional school program	18,426,847	-	-	4,757,450	23,184,297
Preschool school program	975,222	-	-	242,797	1,218,019
Gifted and talented school program	2,366,290	-	-	69,040	2,435,330
Interscholastic school program	2,056,500	-	-	-	2,056,500
School activity program	704,647	-	-	-	704,647
Summer school program	597,928	-	-	-	597,928
Detention center program	250,406	-	-	21,107	271,513
Total instructional	142,952,309	-	-	8,816,026	151,768,335
Support Services					
Attendance-guidance-health	10,187,005	-	-	449,913	10,636,918
Special services program	8,287,030	-	-	1,049,107	9,336,137
Instructional improvement program	3,818,131	-	-	3,711,092	7,529,223
Educational media program	3,425,183	-	-	-	3,425,183
Educational technology program	3,828,501	-	-	2,575,312	6,403,813
School administration program	14,238,465	-	-	-	14,238,465
Administration	5,096,266	-	-	-	5,096,266
Maintenance and improvements buildings, grounds, and equipment	22,484,698	-	4,385,316	338,150	27,208,164
Security program	1,152,249	-	-	229,620	1,381,869
Pupil transportation	8,371,563	-	-	-	8,371,563
Total support services	80,889,091	-	4,385,316	8,353,194	93,627,601

Independent School District of Boise City
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2019

	Governmental Fund Types				Total Government Funds
	General	Debt Service Fund	Capital Projects	Non Major Funds	
Community services program	243,500	-	-	1,388,903	1,632,403
Food services program	295,419	-	-	11,167,626	11,463,045
Capital assets program	221,229	-	49,572,939	26,236	49,820,404
Debt services program					
Principal	-	7,170,000	-	-	7,170,000
Interest	-	6,087,800	-	-	6,087,800
Total debt service program	-	13,257,800	-	-	13,257,800
Total expenditures	224,601,548	13,257,800	53,958,255	29,751,985	321,569,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,459,177	4,165,284	(51,450,116)	(209,093)	(36,034,748)
Other Financing Sources (Uses)					
Interfund transfers	(10,552,900)	-	10,862,000	(309,100)	-
Total other financing sources (uses)	(10,552,900)	-	10,862,000	(309,100)	-
Net Change in Fund Balance	906,277	4,165,284	(40,588,116)	(518,193)	(36,034,748)
Fund Balance, Beginning of Year	22,812,670	16,926,901	58,527,324	7,873,945	106,140,840
Change in Inventory Reserves	(11,180)	-	-	-	(11,180)
Fund Balance, End of Year	<u>\$ 23,707,767</u>	<u>\$ 21,092,185</u>	<u>\$ 17,939,208</u>	<u>\$ 7,355,752</u>	<u>\$ 70,094,912</u>

Independent School District of Boise City

Reconciliation of Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities Year Ended June 30, 2019

Total net change in fund balances - governmental funds.		\$ (36,034,748)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Some property taxes will not be collected for several months after the District's fiscal year end, they are not considered available revenues in the governmental funds, but are instead counted as unavailable tax revenues. They are, however, recorded as revenues in the Statement of Activities.</p>		
		216,146
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the fiscal year:</p>		
Depreciation expense	(8,955,523)	
Capital outlays	<u>52,897,495</u>	
		43,941,972
<p>In the Statement of Activities, only the gain or loss on the disposal of assets is reported, whereas in the governmental funds, the entire proceeds from the disposal increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.</p>		
		(28,939)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Bond repayment	7,170,000	
Amortization of premium	<u>1,842,168</u>	
		9,012,168
<p>Amortization of Loss on Bond Refunding is recognized as a reduction of a deferred outflow on the Statement of Net Position.</p>		
		(789,228)
<p>In the Statement of Activities, certain operating expenses - compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation decreased (\$96,576) while the OPEB amounts earned (\$439,421) more than amounts used.</p>		
		(342,845)
<p>In the Governmental Funds, sick leave contributions are considered an expenditure, while on the Statement of Activities the contributions are considered a deferred outflow.</p>		
		1,270,994
<p>In the Governmental Funds, pension contributions are considered an expenditure, while on the Statement of Activities the contributions are considered a deferred outflow.</p>		
		4,577,744
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the governmental funds when it is due, thus requiring the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		119,500
<p>The change in inventory is recorded an expenditure on the Governmental Fund Financial Statements, however these costs are considered an asset on the Statement of Net Position.</p>		
		<u>(11,180)</u>
Change in Net Position of Governmental Activities		<u>\$ 21,931,584</u>

Independent School District of Boise City
Fiduciary Funds – Agency Fund Statement of Net Position
June 30, 2019

	<u>Agency Funds</u>
Assets	
Cash and investments	<u>\$ 1,981,302</u>
Total assets	<u><u>\$ 1,981,302</u></u>
Liabilities	
Due to student groups	<u>\$ 1,981,302</u>
Total liabilities	<u><u>\$ 1,981,302</u></u>

Independent School District of Boise City
 Fiduciary Funds – Trust Statement of Net Position
 June 30, 2019

	Dental Insurance Self Funding Trust Fund
Assets	
Cash and cash equivalents	\$ 1,059,921
Premium receivable	19,920
	1,079,841
Liabilities	
Administration fee payable	15,838
Professional services payable	22,151
Incurred but not yet reported	159,000
	196,989
Net Position	
Held in trust for	
Employees dental benefits	882,852
	\$ 1,079,841

Independent School District of Boise City
 Fiduciary Funds – Trust Statement of Changes in Net Position
 Year Ended June 30, 2019

	<u>Dental Insurance Self Funding Trust Fund</u>
Additions	
Contributions	
Plan members	\$ 595,058
Retired members	757,716
Employer	<u>1,192,143</u>
Total contributions	<u>2,544,917</u>
Deductions	
Insurance claim benefits	2,230,439
Professional services	22,465
Administrative expenses	<u>190,766</u>
Total deductions	<u>2,443,670</u>
Change in Net Position	101,247
Net Position, Beginning of Year	<u>781,604</u>
Net Position, End of Year	<u><u>\$ 882,852</u></u>

Note 1 - Summary of Significant Accounting Policies

The Independent School District of Boise City (the District) is a specially chartered school district in the State of Idaho. The District is governed by a separately elected seven-member Board of Trustees (the Board). The District is a special-purpose primary government exercising financial accountability for public education within its boundaries.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental 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:

Financial Reporting Entity

The District follows GASB Statement No.'s 14 and 39, as amended by GASB Statement No. 61, in determining the reporting entity and component units. The financial reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds and agencies of the primary government whose budgets are controlled or whose boards are appointed by the District's Board. Control or dependence on the District was determined on the basis of appointment authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District and legal standing.

The District contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho. A ten-year history is provided in PERSI's annual report.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund, debt service fund and capital projects fund are considered major funds while the remaining governmental funds are considered non-major. Governmental funds include:

General fund – the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds – account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital project fund – accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Agency and trust funds are used to account for assets that the government holds for others in an agency capacity. The District has the following agency and trust funds:

School Activity Fund – accounts for assets held by the District as an agent for the individual schools and school organizations.

Dental Insurance Self Insurance Trust Fund - accounts for assets held by the District as an agent for District employees to cover employee dental costs.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *“Accounting and Financial Reporting for Nonexchange Transactions.”*

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District’s taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues. Program revenues include charges to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is not specifically identified by function and is considered an unallocated indirect expense. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. With this measurement focus, only current assets, current liabilities, and deferred inflows/outflows of resources are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Cash and Cash Equivalents

The District pools cash of all funds into common bank accounts. The accounting records of each fund reflect its interest in the pooled cash. Any deficiencies in cash of individual funds represent liabilities to other funds for cash borrowed. Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Idaho law.

Restricted Cash and Investments

The restricted cash and investments are comprised of restricted deposits for specific program expenditures, unexpended bond proceeds, capital projects deposits, and debt services funds that are restricted for use on specifically identified programs, capital projects and debt service payments.

Local Government Investment Pool

The Joint Powers Investment Pool was established as a cooperative endeavor to enable public entities of the State of Idaho to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Local Government Investment Pool (the Pool) is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

An annual audit of Joint Powers Investment Pool is conducted by the State Legislative Auditors Office or an Independent accounting firm. The Legislative Auditor of the State of Idaho has full access to the records of the Pool.

Short-term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified interfund balances on the fund financial statements balance sheet.

Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Encumbrances

Purchase orders, contracts, and other commitments for the expenditure of funds are considered to be encumbrances for budgeting control purposes during the year. Outstanding encumbrances at year-end do not constitute expenditures and are either charged to an appropriation the following year or the contractual commitment is canceled.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the actuarial assumptions made in the other post-employment benefit liability and the net pension liability and related deferred inflows and outflows. It is at least reasonably possible that the significant estimates used will change within the next year.

Property Taxes

Property tax revenues are recognized when received or, if received within the two-month period subsequent to year-end, are accrued on the fund financial statements. Property tax revenues are recognized when levied with appropriate accrual made at year-end on the Government-Wide Financial Statements. The District's property taxes, levied on the Thursday prior to the second Monday in September on a market value basis, are billed to the taxpayers in November. Half of the real, personal, and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Occupancy taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year.

Delinquent property tax receivable is recognized as revenue in the Government-Wide Financial Statements. Only the portion that meets the revenue recognition criteria is recognized as revenue on the Fund Financial Statements.

Under State law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Ada County bills and collects property taxes for the District.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no material allowance for uncollectible taxes.

Inventories

School operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. School operating supplies are recorded as inventory and charged to expenditures at the time of use (consumption method). All other inventory items are charged to expenditures at the time of purchase (purchase method).

Inventories on hand at year end are reflected as assets and are fully reserved in the Fund Financial Statements indicating the inventories are unavailable for appropriation even though they are a component of reported assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category: the pension obligation, OPEB obligation sick leave and deferred charge on debt refunding, both reported on the government-wide Statement of Net Position. The pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the District's net pension liability. The OPEB obligation sick leave results from contributions to the OPEB plan subsequent to the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category: the employer pension assumption and the employer OPEB assumption. The employer pension assumption results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the District's net pension liability. The employer OPEB assumption results from changes in assumptions used in the actuarial calculation of the District's OPEB liability. On the fund level financial statements, the District has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category: unavailable revenues from property taxes. These amounts are deferred and recognize as an inflow of resources in the period that the amounts become available.

Capital Assets

The District's policy is to capitalize capital assets in excess of \$20,000. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful lives are management's estimate of how long the asset is expected to meet service demands. Large equipment purchases associated with the construction of new schools are capitalized if the proceeds to construct the schools came from the issuance of long-term debt.

Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Modular buildings	30 years
Furniture and equipment	3-10 years

Depreciation expense for buildings, furniture and equipment relate to multiple programs, for which allocating among programs is not easily identifiable. As such, depreciation expense is not allocated. The costs of land and buildings acquired before 1988 are recorded at estimated historical cost. Land and buildings acquired after 1988 are recorded at historical cost. The cost of equipment acquired prior to 1978 is based primarily on an independent appraisal taken in 1977 of estimated original cost. Equipment acquired from 1977 through 1987 is valued at estimated historical cost; equipment acquired after 1988 is valued at historical cost.

The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

The District does not possess any material amounts of infrastructure capital assets (e.g. roads, bridges, parking lots, and sewer). Amounts expended for such items prior to June 30, 2001, were considered part of the cost of the buildings or other immovable property. Subsequent to June 30, 2001, there have been no such items built or constructed that appear to be material in cost compared to all capital assets. To the extent future infrastructure capital assets are material, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Long-Term Liabilities

For government-wide reporting, material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized in the period that the bonds are issued.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

Fund Balances of Fund Financial Statements

classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has inventories as being Nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the general obligations and are restricted through debt covenants. The Capital Projects Fund and the Food Service Fund resources are restricted for their respective purpose.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board delegating this responsibility to the Superintendent or his designee through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Interfund Transfers

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers.

Unavailable and Advanced Revenue

The District reports unavailable and advanced revenues on its Statement of Net Position and Fund Balance Sheet. Advanced revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for advanced revenue is removed from the balance sheet and the revenue is recognized. On the governmental fund financial statements, property taxes that are delinquent are recorded as unavailable revenue since they are not available within 60 days of the fiscal year end; however, in the government-wide financial statements all property taxes are recognized in the year they are measurable.

Compensated Absences

All 12-month or full-time employees earn vacation and sick leave in amounts varying with tenure and classification. Employees cannot accumulate more than 32 days of vacation leave. Upon retirement, unused vacation leave up to 32 days is paid to employees. No reimbursement or accrual is made for unused sick leave.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- a) The employees' right to receive compensation is attributable to services already rendered.
- b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the Government-Wide Financial Statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability health/dental, deferred outflows of resources and deferred inflows of resources related to OPEB health/dental, and OPEB health/dental expense, information about the fiduciary net position of the District and additions to/deductions from District's fiduciary net position have been determined on the same basis as they are reported by District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

For purposes of measuring the net OPEB asset sick leave, deferred outflows of resources and deferred inflows of resources related to OPEB sick leave, and OPEB sick leave 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.

Grants and Other Intergovernmental Revenues

Federal and State reimbursement-type grants are recorded as intergovernmental revenues when the related expenditures/expenses are incurred and, in the Governmental Funds, when the revenues meet the availability criterion. For programs that are supported by multiple funding sources, federal and state grant monies are applied to expenditures first.

Significant Contracts

The District has a contract with Boise Education Association (BEA). The contract was ratified in May 2018 and expired on June 30, 2019. Approximately 90% of the District's certified teachers are members of the BEA. The contract was approved by 99.4% of the voting members. A new contract was ratified in May 2019 and expires on June 30, 2020. The contract was approved by 99.6% of the voting members.

Note 2 - Cash and Investments

Investments are reported at fair market value for investments with quoted market prices. Investments in government pools are reported at net asset value (NAV). All investment income, including changes in fair market value of investments is reported as revenue in the statements of revenues, expenditures, and changes in fund balances.

Idaho Code 67-1210 and 67-1210A provides authorization for the investment of funds as well as to what constitutes an allowable investment.

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure fair value of the asset. As of June 30, 2019, all investments are held with the LGIP and are valued at NAV and are not required to be leveled in the fair value hierarchy.

Custodial Credit Risk

For deposits and investments, 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 deposits, investments, or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk outside of the deposit and investment agreements.

Credit Risk

Credit risk is the risk that an issuer of debt securities or another counterparty to an investment will not fulfill its obligation is commonly expressed in terms of the credit quality rating issued by a nationally recognized statistical rating organization such as Moody's, Standard & Poor's and Fitch's. The District's policy is to only invest in instruments with at least an A quality credit rating.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5% of the total entity's investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has no investment policy limiting the amount it may invest in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rates. At June 30, 2019, the District is not subject to interest rate risk as all investments are held in the Pool. The District's investment policy is not limited to specific duration, but is structured to meet the District's anticipated cash flows and spending rate.

The District's cash, cash equivalents and investments are comprised of the following at June 30, 2019:

	Bank Deposit Balance	Carrying Amount
Cash Insured or collateralized	\$ 4,523,178	\$ 1,769,790
Investments at NAV (LGIP)	-	63,821,913
	<u>\$ 4,523,178</u>	<u>65,591,703</u>
Total cash and investments	<u>\$ 4,523,178</u>	<u>\$ 65,591,703</u>

Note 3 - Interfund Receivables, Payables, and Transfers

As of June 30, 2019, the General Fund has the following outstanding interfund receivables and payables:

Due to General Fund from various Special Revenue Funds	
Non Major Funds	<u>\$ 1,120,031</u>
Total due to General Fund	<u>\$ 1,120,031</u>
Due from General Fund	
Non Major Funds	\$ 232,570
Capital Projects Fund	<u>7,461,253</u>
Total due from General Fund	<u>\$ 7,693,823</u>

The interfund receivables and payables are the result of the General Fund advancing funds to the other non-major funds to cover expenditures until reimbursement occurs. The District collects \$3 million annually for the Capital Projects Fund and this money is transferred from the General Fund to the Capital Projects Fund as the General Fund assesses those monies. During the current year, the Board approved additional transfers from the General Fund to the Capital Projects Fund. The General Fund owes the Strategic Plan Fund (Non-Major Funds) for monies that are assessed as they are utilized.

The net transfers presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance relate to funds committed to capital projects in the amount of \$10,862,000, and indirect cost charges of \$309,100.

Note 4 - Due from Other Agencies and Units of Governments

Amounts due from other agencies and units of government were as follows as of June 30, 2019:

State agencies	\$ 5,506,505
Federal agencies	<u>2,890,049</u>
	8,396,554
County agencies	<u>39,276,574</u>
Total	<u><u>\$ 47,673,128</u></u>

Note 5 - Unavailable and Advanced Revenues

Certain revenues are considered unavailable in accordance with the modified accrual basis of accounting for the fund financial statements. The following revenues are measurable but do not represent available expendable resources for the Fund Financial Statements or were received in advance before the District has legal claim to them for the fiscal year ended June 30, 2019:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non Major Fund</u>
Delinquent taxes	\$ 1,455,314	\$ 259,879	\$ -
Advanced revenue	<u>43,616</u>	<u>-</u>	<u>1,109,319</u>
	<u><u>\$ 1,498,930</u></u>	<u><u>\$ 259,879</u></u>	<u><u>\$ 1,109,319</u></u>

Note 6 - Capital Assets

A summary of activity in the capital assets is as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Governmental Activities					
Land	\$ 10,652,352	\$ -	\$ -	\$ -	\$ 10,652,352
Land improvements	12,086,390	61,641	-	-	12,148,031
Buildings	332,389,975	6,179,769	-	22,623,075	361,192,819
Furniture and equipment	10,950,489	204,706	(381,608)	-	10,773,587
Construction in progress	<u>51,293,734</u>	<u>46,451,379</u>	<u>-</u>	<u>(22,623,075)</u>	<u>75,122,038</u>
Total at historical cost	<u>417,372,940</u>	<u>52,897,495</u>	<u>(381,608)</u>	<u>-</u>	<u>469,888,827</u>
Less accumulated depreciation					
Land improvements	(4,795,527)	(302,194)	-	-	(5,097,721)
Buildings	(129,512,971)	(8,257,124)	-	-	(137,770,095)
Furniture and equipment	<u>(8,293,155)</u>	<u>(396,205)</u>	<u>352,669</u>	<u>-</u>	<u>(8,336,691)</u>
Total depreciation	<u>(142,601,653)</u>	<u>(8,955,523)</u>	<u>352,669</u>	<u>-</u>	<u>(151,204,507)</u>
Governmental Activities					
Capital Assets, net	<u>\$ 274,771,287</u>	<u>\$ 43,941,972</u>	<u>\$ (28,939)</u>	<u>\$ -</u>	<u>\$ 318,684,320</u>

Total fund balance in the Capital Projects Fund is \$17,939,208 which is reserved for maintenance and additions to facilities. The projects to be funded from the Capital Projects Fund include: construction of multiple elementary schools, remodel and additions to a number of facilities and deferred maintenance projects throughout the District.

Note 7 - Long-Term Debt

A summary of activity in the long-term debt is as follows:

	<u>Balance at June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>	<u>Amount Due in One Year</u>
General obligation bonds payable	\$ 134,230,000	\$ -	\$ 7,170,000	\$ 127,060,000	\$ 8,600,000
Premium on 2012B refunded bonds	4,207,816	-	827,772	3,380,044	827,772
Premium on 2014 refunded bonds	1,116,868	-	183,600	933,268	183,600
Premium on 2017 bonds	<u>15,023,625</u>	<u>-</u>	<u>830,796</u>	<u>14,192,829</u>	<u>830,796</u>
Totals	<u>\$ 154,578,309</u>	<u>\$ -</u>	<u>\$ 9,012,168</u>	<u>\$ 145,566,141</u>	<u>\$ 10,442,168</u>

Due to employees – Benefits amounts not expected to be paid from expendable and available resources include vested compensated absences in the amount of \$1,341,422 for the year ended June 30, 2019.

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. Vacation and other post-employment benefits will be paid by the fund in which the employee works.

Note 8 - General Obligation Bonds Payable

General obligation bonds payable as of June 30, 2019, consist of the following:

Series 2017 General Obligation Bonds in the original principal amount of \$84,585,000 maturing through August 1, 2036. Principal payments are due annually on August 1 starting in 2019, and interest is payable semi-annually on February 1, and August 1 of each year. Interest rates on the bonds range from 2% to 5% on the outstanding bonds. Bonds maturing on or after August 1, 2027 are callable on February 1, 2027.	\$ 84,585,000
Series 2014 Refunding Bonds in the original principal amount of \$11,510,000 maturing through August 1, 2024. Principal payments are due annually on August 1 starting in 2016, and interest is payable semi-annually on February 1, and August 1 of each year. Interest rates on the bonds range from 2% to 5% on the outstanding bonds. The bonds are not subject to redemption prior to their stated maturities.	8,765,000
Series 2012B Refunding Bonds in the original principal amount of \$46,095,000 maturing through August 1, 2023. Principal payments are due annually on August 1 starting in 2017, and interest is payable semi-annually on February 1, and August 1 of each year. Interest rates on the bonds range from 3% to 5% on the outstanding bonds. The bonds are not subject to redemption prior to their stated maturities.	<u>33,710,000</u>
Subtotal Bonds Outstanding	<u>127,060,000</u>
Premium paid on 2017 Bonds	14,192,829
Premium paid on 2014 Refunded Bonds	933,268
Premium paid on 2012B Refunded Bonds	<u>3,380,044</u>
Subtotal Premium Paid	<u>18,506,141</u>
	<u><u>\$ 145,566,141</u></u>

The annual requirements to pay principal and interest on outstanding general obligation bonds payable are as follows:

Fiscal Year Ending June 30	GO 2017 Bonds	Refunded 2014 Bonds	Refunded 2012B Bonds	Interest	Total
2020	\$ 1,190,000	\$ 875,000	\$ 6,535,000	\$ 5,783,050	\$ 14,383,050
2021	1,215,000	910,000	6,795,000	5,456,695	14,376,695
2022	-	945,000	7,070,000	5,139,600	13,154,600
2023	-	965,000	7,355,000	4,785,575	13,105,575
2024	-	1,005,000	5,955,000	4,413,425	11,373,425
2025-2029	28,775,000	4,065,000	-	17,287,050	50,127,050
2030-2034	36,410,000	-	-	8,514,500	44,924,500
2035-2037	16,995,000	-	-	1,246,125	18,241,125
	<u>\$ 84,585,000</u>	<u>\$ 8,765,000</u>	<u>\$ 33,710,000</u>	<u>\$ 52,626,020</u>	<u>\$ 179,686,020</u>

The general obligation bonded debt of the District is limited by State law to 5% of the market value for assessment purposes, less the aggregate outstanding indebtedness. Thus, the debt limit and additional debt-incurring capacity of the District as of September 2018, is \$28,428,309,092 x 5% = \$1,421,415,455 less outstanding debt of \$127,060,000 which is \$1,294,355,455.

Note 9 - General Information about the OPEB Plan – Health and Dental

Plan Description. Independent School District of Boise City’s Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by Regence Blue Shield of Idaho. Regence Blue Shield provides medical and prescription drug insurance benefits to eligible retirees and their eligible dependents. A retiree who retires with the Public Employee Retirement System of Idaho (PERSI) is eligible to keep the District’s health insurance as a retiree until age 65, or until the retiree is eligible for coverage under Medicare. Retirement eligibility is determined based on a minimum of reaching age 55 with at least 5 years of membership service with a PERSI employer. The retiree is on the same medical plan as the District’s active employees.

The District’s Post-Retirement Dental Plan is a single-employer dental plan administered by Delta Dental or Willamette Dental. The retired employee has the option to choose one of the two providers that offer Dental coverage to employees. Delta Dental and Willamette provide dental benefits as outlined in the District’s agreed upon plan to eligible retirees and their eligible dependents. A retiree who retires from the District is eligible to keep the District’s dental coverage until death. The retiree is responsible for paying the premiums to maintain coverage.

Plan membership

At June 30, 2018, District membership consisted of the following:

Active Plan Members	3,084
Retired employees receiving medical benefits	284
Retired employees receiving dental benefits	998

Funding Policy. The contribution requirement of retirees is established by the District’s insurance committee in conjunction with our insurance provider. The required contribution is based on projected pay-as-you-go financing requirements. Retirees are required to pay 100% of the premiums for both the retiree and the dependent coverage based on the combined active and retiree pool. Monthly contribution rates in effect for retirees from September 1, 2018 through August 31, 2019, were as follows:

	Under 65			
	Delta Dental	Willamette Dental	Wellness	Standard
Single	\$ 44	\$ 48	\$ 608	\$ 648
No Spouse W/Child	\$ 88	\$ 97	\$ 778	\$ 818
No Spouse W/Children	\$ 140	\$ 156	\$ 948	\$ 988
W/ Spouse	\$ 88	\$ 97	\$ 1,216	\$ 1,256
W/Spouse + Child	\$ 140	\$ 156	\$ 1,386	\$ 1,426
W/Spouse + Children	\$ 140	\$ 156	\$ 1,556	\$ 1,596

Total OPEB Liability

The District’s total OPEB liability of \$19,828,417 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary Increases	3.0 percent
Discount Rate	3.5 percent

The discount rate was based on Bond Buyer 20-Bond GO Index. Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender specific basis. The retirement and termination tables were taken from the most recent PERSI valuation (available as of June 30, 2016).

The health care cost trend assumptions are used to project the cost of health care in future years. The annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis. Select trends are reduced 0.5% each year until reaching the ultimate trend rate.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 18,780,477
Changes for the year:	
Service cost	1,072,916
Interest	741,425
Changes of assumptions or other inputs	623,849
Benefit payments	<u>(1,390,250)</u>
Net change in total OPEB liability	<u>1,047,940</u>
Balance OPEB liability June 30, 2019	<u><u>\$ 19,828,417</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 22,309,000	\$ 19,828,417	\$ 17,486,000

Sensitivity of the total OPEB liability to changes in the medical trend. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a medical trend that is 1-percentage-point lower or 1-percentage-point higher than the medical trend rate:

	1% Decrease	Medical Current Trend	1% Increase
Total OPEB Liability	\$ 17,793,000	\$ 19,828,417	\$ 21,890,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$439,422. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of	Deferred Inflows of
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions and other inputs	<u>185,758</u>	<u>-</u>
Total	<u><u>\$ 185,758</u></u>	<u><u>\$ -</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2020	\$	15,330
2021	\$	15,330
2022	\$	15,330
2023	\$	15,330
2024	\$	15,330
Thereafter	\$	109,108

Note 10 - PERSI OPEB – Sick Leave

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. The District's contributions were \$1,939,895 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, 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, 2018, the District's proportion was 12.0002391 percent and was 12.1471742 percent at June 30, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense (expense offset) of \$1,270,994. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,442	\$ -
Changes in assumptions or other inputs	1,126,199	-
Net difference between projected and actual earnings on pension plan investments	-	591,259
District contributions subsequent to the measurement date	1,939,895	-
Total	<u>\$ 3,116,536</u>	<u>\$ 591,259</u>

The \$1,939,895 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2020.

The amortization period is based on the remaining expected service lives of all employees that are provided with OPEB through the System determined at the beginning of the measurement period. The amortization period was calculated at 7.4 years. The amortization of the net difference between projected and actual investment earnings on OPEB plan investments is amortized over a closed 5 year period inclusive of this fiscal year.

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

Years Ended June 30,	
2020	\$ 36,035
2021	36,035
2022	36,035
2023	36,036
2024	183,850
Thereafter	<u>257,391</u>
Total	<u>\$ 585,382</u>

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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%
Salary inflation	3.75%
Investment rate of return	7.05%, net of OPEB plan investment expenses
Health care trend rate	N/A*

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

The long-term expected rate of return on OPEB 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.

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.

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, 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 Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

Discount Rate

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

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 1-percentage-point higher (8.05 percent) than the current rate:

	<u>1% Decrease (6.05%)</u>	<u>Current Discount Rate (7.05%)</u>	<u>1% Increase (8.05%)</u>
Employer's proportionate share of the net OPEB liability (asset)	\$ (8,788,705)	\$ (9,953,592)	\$ (11,047,595)

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.

Payables to the OPEB plan

At June 30, 2019, the District did not have any payables for the defined benefit OPEB plan or any employer contributions withheld from employee wages but not yet remitted to PERSI.

Note 11 - Pension Plan

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

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

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

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

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2018, it was 6.79% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees. The District's contributions were \$17,429,640 for the year ended June 30, 2019.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the District's proportion was 4.6171710 percent, and was 4.5864286 percent at June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense (revenue) of \$12,851,895. At June 30, 2019, 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	\$ 7,475,894	\$ 5,143,505
Changes in assumptions or other inputs	4,431,516	-
Net difference between projected and actual earnings on pension plan investments	-	7,566,747
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions 2016	-	553,911
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions 2017	-	780,993
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions 2018	-	358,010
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions 2019	381,902	-
District contributions subsequent to the measurement date	<u>17,429,640</u>	<u>-</u>
Total	<u>\$ 29,718,952</u>	<u>\$ 14,403,166</u>

The \$17,429,640 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, 2020.

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, 2017, the beginning of the measurement period ended June 30, 2018, is 4.9, and 4.9 years for the measurement period June 30, 2017.

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:

Year Ended June 30,	
2020	\$ 4,730,144
2021	72,199
2022	(5,593,824)
2023	(1,322,374)

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

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases, including inflation	3.75
Investment rate of return	7.05%, net of pension plan investment expense
Cost of Living (COLA) Adjustments	1.00%

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

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

An experience study was performed for the period 2011 through 2017 for the PERSI Base Plan. This study reviewed demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2018 for the period July 1, 2013 through June 30, 2017 for the Base Plan. The Total Pension Liability as of June 30, 2018, is based on the results of an actuarial valuation date July 1, 2018.

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

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

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

Capital Market Assumptions

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, 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 Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

Discount Rate - The discount rate used to measure the total 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 (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$ 170,479,916	\$ 68,104,078	\$ (16,667,314)

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

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

Payables to the pension plan - At June 30, 2019, the District reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 12 - Commitments

The District has outstanding 2018-19 purchase orders totaling \$27,979,046 representing goods or services not received as of June 30, 2019. These amounts are encumbrances of 2018-19 budgeted funds and are not reflected in the accompanying financial statements. The above amount includes multiple contracts with contractors and Construction Managers for projects in process that are identified in the Facility Master Plan.

Note 13 - Fund Balance

The District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by the Board or resolution.
- Assigned - Amounts that are designated by the Board for a specific purpose but are not spendable until a budget resolution is passed by Board.
- Unassigned - All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet. As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Board or delegated to the Superintendent. Decreases to the general fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund has an Unassigned Fund Balance of \$7,506,479 at June 30, 2019. Nonspendable Fund Balance is \$446,211 of inventory items. The Board has committed \$13,572,511 for cash flow purposes and has Assigned Funds consisting of the use of fund balance to balance the 2019-20 budget of \$2,182,566.

The District also has a Board Contingency to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions.

Capital Project Fund

The Capital Projects Fund has Restricted Funds of \$17,939,208 at June 30, 2019, consisting primarily of unspent bond proceeds.

Debt Service Fund

The Debt Service Fund has \$21,092,185 of restricted fund balance to be used to pay principal and interest on general obligation debt service.

Non-Major Funds

The Strategic Plan Fund which was established by the Board has \$348,571 of committed fund balance to be used to further the goals of the District's Strategic Plan.

The School Lunch Fund, Just for Kids Fund, Medicaid and the Federal Forest Fund have \$3,009,509 of Assigned fund balance and \$3,997,672 of restricted fund balance.

Note 14 - Self-Insurance Trust Fund

In August 2006, the District created a trust fund for its dental insurance costs. Plan assets are dedicated to provide benefits to District employees and participating retirees, and are legally protected from creditors. Employer contributions to the plan are irrevocable. The trust has entered into an agreement with Delta Dental of Idaho to process and pay all claims.

Note 15 - Operating Leases

The District has entered into a lease agreement for copier service and pays a rental fee per machine and a per copy charge for all copies run. The estimated annual charge for the 60-month contract is \$460,000. The lease covers 121 machines. The lease period is through June 30, 2021.

Note 16 - Subsequent Event

The District sold the remaining bonds that were authorized by voters in March 2017. The amount sold was \$64,640,000 in July 2019. Principal payments will begin in August 2020 and final maturity will be in August 2036. The proceeds will be used to complete the capital projects outlined to the public in the bond campaign in 2017.



Required Supplementary Information
June 30, 2019

Independent School District of Boise City

Independent School District of Boise City
Schedule of Changes in the Total OPEB Liability Health/Dental
Year Ended June 30, 2019

**Schedule of Changes in the District's Total OPEB Liability
Last 10 - Fiscal Years ***

	2018	2019
Service Cost	\$ 1,032,941	\$ 1,072,916
Interest	741,260	741,425
Changes of assumptions or other inputs	(469,320)	623,849
Benefit payments	(1,290,993)	(1,390,250)
Net change in total OPEB liability	13,888	1,047,940
Total OPEB liability- beginning	18,766,589	18,780,477
Total OPEB liability- ending	\$ 18,780,477	\$ 19,828,417
Employer covered payroll	\$ 148,545,506	\$ 153,973,725
Total OPEB liability as a percentage of covered payroll	12.64%	12.88%

*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 30th of each fiscal year. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

Independent School District of Boise City
Schedule of Changes in the Net OPEB Asset Sick Leave
Year Ended June 30, 2019

**Schedule of Employer's Share of Net OPEB Asset
PERSI - Sick Leave
Last 10 - Fiscal Years ***

	Reported as of measurement date of June 30,	
	2017	2018
Employer's portion of the net OPEB asset	12.1471742%	12.0002391%
Employer's proportionate share of the net OPEB asset	\$ 9,324,527	\$ 9,953,592
Employer's covered payroll	\$ 142,451,308	\$ 148,545,506
Employer's proportionate share of the net OPEB asset as a percentage of its covered payroll	6.55%	6.70%
Plan fiduciary net position as a percentage of the total OPEB asset	137%	136%

*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.

**Schedule of Employer's Contributions
PERSI - Sick Leave
Last 10 - Fiscal Years ***

	Reported as of year-end date of June 30,	
	2018	2019
Statutorily required contribution	\$ 1,883,348	\$ 1,939,895
Contributions in relation to the statutorily required contribution	\$ 1,883,348	\$ 1,939,895
Contribution (deficiency) excess	\$ -	\$ -
Employer's covered payroll	\$ 148,545,506	\$ 153,973,725
Contributions as a percentage of the covered payroll	1.26%	1.26%

*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.

Independent School District of Boise City
 Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
 Year Ended June 30, 2019

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years *

	Reported as of measurement date of June 30,				
	2014	2015	2016	2017	2018
Employer's portion of the net pension liability	4.8664960%	4.7461962%	4.6229036%	4.5864286%	4.6171710%
Employer's proportionate share of the net pension liability	\$ 35,825,027	\$ 62,499,683	\$ 93,713,356	\$ 72,090,779	\$ 68,104,078
Employer's covered payroll	\$ 131,898,389	\$ 132,937,833	\$ 135,271,071	\$ 142,451,308	\$ 148,545,506
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	27.16%	47.01%	69.28%	50.61%	45.85%
Plan fiduciary net position as a percentage of the total pension liability	95%	91%	87%	91%	92%

*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.

Independent School District of Boise City
 Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
 Year Ended June 30, 2019

Schedule of Employer's Contributions
PERSI - Base Plan
Last 10 - Fiscal Years *

	Reported as of year-end date of June 30,				
	2015	2016	2017	2018	2019
Statutorily required contribution	\$ 15,048,378	\$ 15,312,507	\$ 16,125,304	\$ 16,815,458	\$ 17,429,640
Contributions in relation to the statutorily required contribution	\$ 15,048,378	\$ 15,312,507	\$ 16,125,304	\$ 16,815,458	\$ 17,429,640
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 132,937,833	\$ 135,271,071	\$ 142,451,308	\$ 148,545,506	\$ 153,973,725
Contributions as a percentage of the covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%

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

Independent School District of Boise City
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual – General Fund
Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Local revenues				
Property taxes	\$ 90,619,697	\$ 90,619,697	\$ 90,607,890	\$ (11,807)
Earnings on investments	611,000	611,000	1,434,931	823,931
Other	1,594,949	1,594,949	1,976,993	382,044
State revenue	142,470,126	142,470,126	141,859,116	(611,010)
Federal revenue	69,194	69,194	181,795	112,601
	<u>235,364,966</u>	<u>235,364,966</u>	<u>236,060,725</u>	<u>695,759</u>
Expenditures				
Instructional				
Elementary school program	57,049,366	57,042,366	55,832,525	1,209,841
Secondary school program	56,443,331	56,170,165	55,885,686	284,479
Alternative school program	3,481,690	3,515,134	3,333,219	181,915
Vocational Professional school program	2,125,761	2,429,716	2,523,039	(93,323)
Exceptional school program	18,741,381	18,720,585	18,426,847	293,738
Preschool school program	876,050	876,050	975,222	(99,172)
Gifted and talented school program	2,506,985	2,506,753	2,366,290	140,463
Interscholastic school program	2,468,107	2,467,256	2,056,500	410,756
School activity program	752,277	752,277	704,647	47,630
Summer school program	1,015,701	1,015,701	597,928	417,773
Detention center program	198,896	218,896	250,406	(31,510)
	<u>145,659,545</u>	<u>145,714,899</u>	<u>142,952,309</u>	<u>2,762,590</u>
Support Services				
Attendance-Guidance-Health	10,426,081	10,379,803	10,187,005	192,798
Special services program	8,257,463	8,267,463	8,287,030	(19,567)
Instructional improvement program	4,018,224	4,170,505	3,818,131	352,374
Educational media program	3,524,777	3,529,422	3,425,183	104,239
Instructional technology program	3,940,552	4,113,430	3,828,501	284,929
School administration program	14,182,173	14,187,463	14,238,465	(51,002)
Administration	5,553,758	5,558,554	5,096,266	462,288
Maintenance and improvements buildings, grounds, and equipment	23,288,226	23,713,075	22,484,698	1,228,377
Security program	1,013,988	1,163,003	1,152,249	10,754
Pupil transportation	9,240,268	8,912,264	8,371,563	540,701
	<u>83,445,510</u>	<u>83,994,982</u>	<u>80,889,091</u>	<u>3,105,891</u>

Independent School District of Boise City
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual – General Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Community services program	295,967	280,967	243,500	37,467
Food services program	305,000	305,000	295,419	9,581
Capital assets program	650,000	165,095	221,229	(56,134)
Total expenditures	<u>230,356,022</u>	<u>230,460,943</u>	<u>224,601,548</u>	<u>5,859,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,008,944	4,904,023	11,459,177	6,555,154
Other Financing Uses Interfund Transfers	<u>(7,047,162)</u>	<u>(7,047,162)</u>	<u>(10,552,900)</u>	<u>(3,505,738)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	<u>\$ (2,038,218)</u>	<u>\$ (2,143,139)</u>	906,277	<u>\$ 3,049,416</u>
Fund Balance, Beginning of Year			22,812,670	
Change in Reserves for Inventories			<u>(11,180)</u>	
Fund Balance, End of Year			<u>\$ 23,707,767</u>	

Note 1 - Budgets and Budgetary Accounting

Basis of Budgeting

During May, the Superintendent submits to the Board a proposed budget for the General and Debt Service Funds. The budget includes proposed expenditures and the sources of financing them. A special public hearing is held to obtain public comments, after which the budget is revised if appropriate and formally adopted by the Board. The Deputy Superintendent is authorized to approve transfers among expenditure categories up to \$50,000. The Board must approve transfers greater than \$50,000 and any modifications to expenditures for any program of at least 5% and \$100,000. For purposes of administrative control, budgets are also prepared for the Special Revenue Fund and the Capital Projects Fund.

Note 2 - Amended Budget

The Fiscal Year 2019 budget was not formally amended during the year; however, the Trustees approved various budget transfers and budget modifications throughout the year.



Single Audit
June 30, 2019

Independent School District of Boise City



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

To the Board of Trustees
Independent School District of Boise City
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District of Boise City (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated September 27, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 the District'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 "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 27, 2019



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Independent School District of Boise City
Boise, Idaho

Report on Compliance for Each Major Federal Program

We have audited Independent School District of Boise City's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal program 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 the major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Boise, Idaho
September 27, 2019

Independent School District of Boise City
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	Pass - through Entity Identifying Number	Federal CFDA Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Education</u>				
Passed Through State Superintendent of Public Instruction				
Title I Local Program	S010A180012	84.010	\$ 4,828,786	\$ -
Title I Delinquent	S010A180012	84.013	21,425	-
Title VI-B	H027A180088	84.027	5,206,006	42,740
Title VI-B Preschool	H173A180030	84.173	246,455	-
Total Special Education Cluster (IDEA)			<u>5,452,461</u>	<u>42,740</u>
Carl Perkins	V048A180012	84.048	303,937	-
Title II EESA	S367A180011	84.367	727,443	-
Title III- English Language	S365A180012	84.365	365,874	-
Title IV- Student Support and Enrichment	S424A180013	84.424	262,012	-
Education of Homeless	S196A180013	84.196	12,489	-
Passed Through the Division of Vocational Rehabilitation				
Workforce Innovation Opportunity Act	H126A170016	84.126	49,485	-
Total U.S. Department of Education			<u>12,023,912</u>	<u>42,740</u>
<u>U.S. Department of Health and Welfare</u>				
Passed Through State Health & Welfare				
Refugee Grant	S196A100016	93.576	62,371	-
Total U.S. Department of Health and Welfare			<u>62,371</u>	<u>-</u>
<u>U. S. Department of Agriculture</u>				
Direct Program - Cash in lieu of commodities				
Passed Through State Superintendent of Public Instruction	N/A	10.555	705,563	-
Commodities		10.555	2,905	-
School Lunch/Snack Program	2019IN109947	10.555	4,434,026	-
School Breakfast Program	2019IN109947	10.553	2,431,018	-
Summer Food Service Program	2018IN109947	10.559	299,436	-
Total Child Nutrition Cluster			<u>7,872,948</u>	<u>-</u>
Fresh Fruits and Vegetables	201818L160347	10.582	296,349	-
Supper Food Service Program	2019N109947	10.558	286,679	-
Passed Through Ada County				
Forest Service Schools and Roads Cluster				
Federal Forest Program	N/A	10.665	12,710	-
Total U. S. Department of Agriculture			<u>8,468,686</u>	<u>-</u>

Independent School District of Boise City
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

	Pass - through Entity Identifying Number	Federal CFDA Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U. S. Environmental Protection Agency</u>				
Passed through Idaho Department of Environmental Quality				
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State				
Revolving Fund	WW1902	66.468	338,150	-
Total U.S. Environmental Protection Agency			<u>338,150</u>	<u>-</u>
<u>U. S. Department of Housing and Urban Development</u>				
Passed through the City of Boise				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	B17MC160001	14.218	83,900	-
Total U. S. Department Housing and Urban Development			<u>83,900</u>	<u>-</u>
<u>National Endowment for the Humanities</u>				
Passed through the Idaho Commission of Arts				
Promotion of the Arts Partnership Agreement	18098326118	45.025	1,378	-
Total National Edowment for the Humanities			<u>1,378</u>	<u>-</u>
<u>Other Federal Financial Assistance</u>				
U.S. Department of the Army ROTC Program	N/A	N/A	75,545	-
Total Other Federal Financial Assistance			<u>75,545</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 21,053,942</u>	<u>\$ 42,740</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Independent School District of Boise City (the District) under programs of the federal government for the year ended June 30, 2019. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weakness(es)?	None Reported
Type of auditor’s report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with the Uniform Guidance 2 CFR 200.516	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Title VI-B	84.027
Title VI-B - Preschool	84.173
Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Schedule of Findings and Questioned Costs

None



Financial Statements
June 30, 2019

Associated Student Body Funds
Independent School District of Boise
City

Associated Student Body Funds
Independent School District of Boise City
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June 30, 2019

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Independent Auditor's Report

To the Board of Trustees
Independent School District of Boise City
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying statements of cash receipts and disbursements of the Associated Student Body Funds (ASB Funds) of the Independent School District of Boise City (the District), for the year ended June 30, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and disbursements basis of accounting. Management is also responsible for 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 District'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 District'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 opinion.

Opinion

In our opinion, the statements of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of the ASB Funds for the year ended June 30, 2019, on the basis of accounting described in the following paragraph.

Basis of Accounting

These financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The statements of cash receipts and disbursements are summaries of the cash activity of the ASB Funds and do not present transactions that would be included in the financial statements of the ASB Funds presented on the accrual basis of accounting, nor are they intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management has elected to omit all the disclosures ordinarily included in financial statements prepared in accordance with the cash receipts and disbursements basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the ASB Funds' revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The statements of cash receipts and disbursements present only the receipts and disbursements associated with the ASB Funds and do not purport to, and do not, present fairly the financial position and the results of its operations and cash flows of the Independent School District of Boise City for the period presented.



Boise, Idaho
September 27, 2019

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Boise High School
Year Ended June 30, 2019

Cash July 1, 2018 \$ 402,704

Receipts

General	83,634
Athletics and athletic activities	192,006
Clubs and organizations	79,806
Donations/grants/scholarships	5,560
Music	72,641
Publications	61,041
Class fees	43,873
Holding accounts	3,053
Sales tax	14,373
Fines	2,541
Special clearing accounts	2,399
Building/general	60,029
Classes	59,181

680,137

Disbursements

General	47,746
Athletics and athletic activities	193,432
Clubs and organizations	104,778
Donations/grants/scholarships	16,896
Music	75,806
Publications	66,092
Class fees	46,605
Holding accounts	1,137
Sales tax	14,403
Fines	2,958
Special clearing accounts	2,399
Building/general	219,687
Classes	38,983

830,922

Cash June 30, 2019 \$ 251,919

Comprised of

Cash on hand	\$ 13,758
Investments	238,161

\$ 251,919

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Borah High School
Year Ended June 30, 2019

Cash July 1, 2018		\$ 230,950
Receipts		
General	73,736	
Athletics and athletic activities	405,825	
Clubs and organizations	53,910	
Donations/grants/scholarships	1,686	
Music	76,187	
Publications	49,463	
Class fees	42,157	
Holding accounts	55,912	
Sales tax	17,019	
Fines	4,649	
Special clearing accounts	42,835	
Building/general	5,116	
Classes	<u>13,916</u>	
		842,411
Disbursements		
General	60,019	
Athletics and athletic activities	450,893	
Clubs and organizations	70,508	
Donations/grants/scholarships	10,997	
Music	80,202	
Publications	34,974	
Class fees	32,164	
Holding accounts	27,233	
Sales tax	17,197	
Fines	1,913	
Special clearing accounts	24,287	
Building/general	12,702	
Classes	<u>14,886</u>	
		<u>837,975</u>
Cash June 30, 2019		<u><u>\$ 235,386</u></u>
Comprised of		
Cash on hand		\$ 96,252
Investments		136,134
Advanced change		<u>3,000</u>
		<u><u>\$ 235,386</u></u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Capital High School
Year Ended June 30, 2019

Cash July 1, 2018		\$ 228,024
Receipts		
General	57,025	
Athletics and athletic activities	446,155	
Clubs and organizations	131,418	
Donations/grants/scholarships	5,860	
Music	60,747	
Publications	45,277	
Class fees	47,351	
Holding accounts	4,131	
Sales tax	23,444	
Fines	4,561	
Special clearing accounts	39,249	
Classes	46,806	
Building/general	5,891	
		917,915
Disbursements		
General	30,870	
Athletics and athletic activities	461,427	
Clubs and organizations	134,928	
Donations/grants/scholarships	13,074	
Music	63,308	
Publications	54,543	
Class fees	43,059	
Holding accounts	2,420	
Sales tax	21,692	
Fines	5,415	
Special clearing accounts	41,163	
Classes	29,813	
Building/general	8,538	
		910,250
Cash June 30, 2019		\$ 235,689
Comprised of		
Cash on hand		\$ 101,210
Investments		131,481
Advanced change		2,998
		\$ 235,689

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Timberline High School
Year Ended June 30, 2019

Cash July 1, 2018 \$ 458,996

Receipts

General	153,700
Athletics and athletic activities	398,051
Clubs and organizations	157,803
Classes	52,378
Donations/grants/scholarships	8,240
Music	228,318
Publications	51,677
Class fees	5,696
Holding accounts	13,112
Sales tax	17,662
Fines	5,158
Special clearing accounts	20,758
	-

1,112,553

Disbursements

General	53,157
Athletics and athletic activities	457,143
Clubs and organizations	122,865
Classes	55,492
Donations/grants/scholarships	14,664
Music	253,791
Publications	29,627
Class fees	30,159
Holding accounts	10,023
Sales tax	17,669
Fines	2,263
Special clearing accounts	12,920
Building/general	7,164
	1,066,937

1,066,937

Cash June 30, 2019 \$ 504,612

Comprised of

Cash on hand	\$ 10,411
Investments	494,201
	<u>504,612</u>

\$ 504,612

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – East Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	58,274
Receipts			
General	23,633		
Athletics and athletic activities	23,309		
Clubs and organizations	16,837		
Donations/grants/scholarships	282		
Music	11,748		
Publications	16,396		
Holding accounts	2,350		
Sales tax	2,649		
Fines	1,084		
Special clearing accounts	3,826		
Resale	14,814		
			116,928
Disbursements			
General	23,461		
Athletics and athletic activities	26,882		
Clubs and organizations	18,075		
Donations/grants/scholarships	226		
Music	10,611		
Publications	23,039		
Holding accounts	2,166		
Sales tax	2,649		
Fines	952		
Special clearing accounts	3,371		
Building/general	4,343		
Resale	14,394		
			130,169
Cash June 30, 2019		\$	45,033
Comprised of			
Cash on hand		\$	14,797
Investments			29,785
Petty cash			451
		\$	45,033

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Fairmont Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	49,743
Receipts			
General	32,302		
Athletics and athletic activities	6,641		
Clubs and organizations	1,556		
Donations/grants/scholarships	33,147		
Music	4,537		
Publications	10,690		
Holding accounts	3,195		
Sales tax	1,531		
Fines	1,037		
Building/general	487		
Classes	<u>3,820</u>		
			98,943
Disbursements			
General	10,300		
Athletics and athletic activities	14,538		
Clubs and organizations	2,888		
Donations/grants/scholarships	14,724		
Music	16,323		
Publications	10,389		
Holding accounts	2,535		
Sales tax	1,906		
Fines	705		
Resale	7,760		
Building/general	7,299		
Classes	<u>3,342</u>		
			<u>92,709</u>
Cash June 30, 2019		\$	<u>55,977</u>
Comprised of			
Cash on hand		\$	48,531
Investments			<u>7,446</u>
		\$	<u>55,977</u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Hillside Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	23,809
Receipts			
General	13,117		
Athletics and athletic activities	3,169		
Clubs and organizations	5,240		
Donations/grants/scholarships	330		
Music	6,774		
Publications	10,357		
Holding accounts	7,206		
Sales tax	815		
Fines	706		
Classes	2,527		
Resale	<u>7,930</u>		
			58,171
Disbursements			
General	8,413		
Athletics and athletic activities	7,195		
Clubs and organizations	5,807		
Donations/grants/scholarships	5		
Music	6,761		
Publications	9,951		
Holding accounts	7,056		
Sales tax	815		
Fines	865		
Building/general	3,334		
Classes	3,626		
Resale	<u>7,515</u>		
			<u>61,343</u>
Cash June 30, 2019		\$	<u><u>20,637</u></u>
Comprised of			
Cash on hand		\$	1,833
Investments			<u>18,804</u>
		\$	<u><u>20,637</u></u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Les Bois Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	4,912
Receipts			
General	15,838		
Athletics and athletic activities	19,432		
Clubs and organizations	6,215		
Donations/grants/scholarships	1,323		
Music	17,468		
Publications	15,021		
Holding accounts	3,611		
Sales tax	3,096		
Fines	413		
Special clearing accounts	1,000		
Building/general	1,111		
Resale	<u>13,617</u>		
			98,145
Disbursements			
General	9,074		
Athletics and athletic activities	19,243		
Clubs and organizations	5,458		
Donations/grants/scholarships	993		
Music	15,775		
Publications	13,564		
Holding accounts	4,225		
Sales tax	3,281		
Fines	372		
Building/general	9,743		
Resale	<u>8,729</u>		
			<u>90,457</u>
Cash June 30, 2019		\$	<u><u>12,600</u></u>
Comprised of			
Cash on hand		\$	12,350
Petty cash			<u>250</u>
		\$	<u><u>12,600</u></u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – North Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$ 95,019
Receipts		
General	9,923	
Athletics and athletic activities	27,223	
Clubs and organizations	20,786	
Donations/grants/scholarships	6,460	
Music	20,327	
Publications	18,547	
Holding accounts	9,279	
Sales tax	2,866	
Fines	905	
Building/general	4,053	
Resale	<u>24,234</u>	
		144,603
Disbursements		
General	15,974	
Athletics and athletic activities	42,984	
Clubs and organizations	19,871	
Donations/grants/scholarships	7,472	
Music	27,170	
Publications	17,316	
Holding accounts	8,631	
Sales tax	2,836	
Fines	316	
Building/general	8,021	
Resale	<u>23,562</u>	
		<u>174,153</u>
Cash June 30, 2019		<u><u>\$ 65,469</u></u>
Comprised of		
Cash on hand		\$ 53,371
Investments		<u>12,098</u>
		<u><u>\$ 65,469</u></u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Riverglen Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	26,086
Receipts			
General	11,775		
Athletics and athletic activities	10,127		
Clubs and organizations	1,965		
Donations/grants/scholarships	4,852		
Music	20,911		
Publications	13,108		
Holding accounts	9,606		
Sales tax	2,434		
Fines	350		
Special clearing accounts	179		
Building/general	795		
Resale	10,047		
			86,149
Disbursements			
General	9,074		
Athletics and athletic activities	9,820		
Clubs and organizations	4,319		
Donations/grants/scholarships	878		
Music	25,911		
Publications	12,956		
Holding accounts	11,087		
Sales tax	2,418		
Fines	251		
Building/general	2,908		
Resale	9,197		
			88,819
Cash June 30, 2019		\$	23,416
Comprised of			
Cash on hand		\$	7,185
Investments			15,900
Petty cash			331
		\$	23,416

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – South Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	71,765
Receipts			
General	9,604		
Athletics and athletic activities	15,378		
Clubs and organizations	25,027		
Donations/grants/scholarships	5,969		
Music	4,814		
Publications	11,217		
Holding accounts	1,188		
Sales tax	2,512		
Fines	1,805		
Building/general	1,331		
Resale	<u>11,160</u>		
			90,005
Disbursements			
General	9,884		
Athletics and athletic activities	17,452		
Clubs and organizations	23,868		
Donations/grants/scholarships	6,816		
Music	3,451		
Publications	10,931		
Holding accounts	921		
Sales tax	2,513		
Fines	3,003		
Building/general	7,403		
Resale	<u>9,374</u>		
			<u>95,616</u>
Cash June 30, 2018		\$	<u><u>66,154</u></u>
Comprised of			
Cash on hand		\$	55,801
Investments			10,253
Petty cash			<u>100</u>
		\$	<u><u>66,154</u></u>

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – West Junior High School
Year Ended June 30, 2019

Cash July 1, 2018		\$ 67,500
Receipts		
General	28,217	
Athletics and athletic activities	11,568	
Clubs and organizations	1,231	
Donations/grants/scholarships	2,246	
Music	4,390	
Publications	3,287	
Holding accounts	3,948	
Sales tax	2,193	
Fines	1,230	
Special clearing accounts	1,366	
Building/general	899	
Classes	3,009	
Resale	13,689	
		77,273
Disbursements		
General	17,699	
Athletics and athletic activities	13,246	
Clubs and organizations	1,277	
Donations/grants/scholarships	2,169	
Music	5,814	
Publications	4,333	
Holding accounts	3,970	
Sales tax	1,934	
Fines	1,527	
Special clearing accounts	1,430	
Building/general	5,994	
Classes	9,048	
Resale	9,170	
		77,611
Cash June 30, 2019		\$ 67,162
Comprised of		
Cash on hand		\$ 37,751
Investments		29,111
Petty cash		300
		\$ 67,162

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Frank Church High School
Year Ended June 30, 2019

Cash July 1, 2018		\$	23,850
Receipts			
General	12,305		
Clubs and organizations	231		
Publications	638		
Holding accounts	657		
Sales Tax	364		
Fines	698		
Building/general	933		
Classes	4,636		
Resale	2,516		
			22,978
Disbursements			
General	11,619		
Clubs and organizations	435		
Publications	1,693		
Holding accounts	2,384		
Sales tax	395		
Fines	591		
Building/general	1,205		
Classes	5,096		
Resale	3,037		
			26,455
Cash June 30, 2019		\$	20,373
Comprised of			
Cash on hand		\$	20,367
Investments			6
		\$	20,373

Independent School District of Boise City
Statement of Cash Receipts and Disbursements – Professional Technical Education
Year Ended June 30, 2019

Cash July 1, 2018		\$	58,133
Receipts			
General	30,629		
Clubs and organizations	31,463		
Holding accounts	1,855		
Sales tax	3,585		
Building/general	1,020		
Classes	72		
Resale	<u>76,057</u>		
			144,681
Disbursements			
General	30,813		
Clubs and organizations	29,679		
Holding accounts	1,855		
Sales tax	3,593		
Building/general	6,280		
Classes	72		
Resale	<u>65,242</u>		
			<u>137,534</u>
Cash June 30, 2019		\$	<u><u>65,280</u></u>
Comprised of			
Cash on hand		\$	57,251
Investments			<u>8,029</u>
		\$	<u><u>65,280</u></u>