

NEW ISSUE

Rating: Moody's "Aaa" (State of Idaho Guaranty; "Baa1" underlying)
See "STATE OF IDAHO GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2020 Bonds is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2020 Bonds (the "Code"), and interest on the 2020 Bonds is not a specific preference item for the purposes of federal alternative minimum taxable income, as defined in Section 55(b)(2) of the Code. Interest on the 2020 Bonds is excluded from Idaho tax under present Idaho income tax laws. See "TAX MATTERS—Tax Exemption" herein.

The 2020 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS—Qualified Tax-Exempt Obligations" herein.



Wendell
SCHOOL DISTRICT

\$6,950,000
School District No. 232 (Wendell)
Gooding County, State of Idaho

General Obligation Refunding Bonds, Series 2020
(Sales Tax Guaranty and Credit Enhancement Programs)

The \$6,950,000 General Obligation Refunding Bonds, Series 2020 (Sales Tax Guaranty and Credit Enhancement Programs) (the "2020 Bonds"), dated the date of original issuance, are issuable by School District No. 232, Gooding County, State of Idaho (the "District"), as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (the "DTC"). DTC will act as securities depository for the 2020 Bonds.

Principal of and interest on the 2020 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2021) are payable by Zions Bancorporation, National Association, Boise Idaho, as Paying Agent (the "Paying Agent"), to the registered owners thereof, initially DTC. See "THE 2020 BONDS—Book-Entry System" herein.

The 2020 Bonds are not subject to optional redemption prior to maturity. The 2020 Bonds are subject to mandatory sinking fund redemption. See "THE 2020 BONDS—Redemption Provisions" herein.

The 2020 Bonds will be general obligations of the District payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2020 Bonds when due is further secured by the

State of Idaho

pursuant to the guaranty under the Idaho School Bond Guaranty Act and the Idaho Endowment Fund Investment Board pursuant to the Credit Enhancement Program. See "STATE OF IDAHO GUARANTY" herein.

Dated: Date of Delivery¹

Due: September 15, as shown on inside cover

See the inside front cover for the maturity schedule of the 2020 Bonds

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*[®] electronic bid submission system on December 9, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to Piper Sandler & Co., Minneapolis, Minnesota at a "true interest rate" of 0.56%.

Zions Public Finance, Inc., Boise, Idaho, acted as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated December 9, 2020, and the information contained herein speaks only as of that date.

¹ The anticipated date of delivery is Tuesday, December 22, 2020.

\$6,950,000

General Obligation Refunding Bonds, Series 2020
(Sales Tax Guaranty and Credit Enhancement Programs)

Dated: Date of Delivery¹

Due: September 15, as shown below

\$3,225,000 Serial Bonds

Due September 15	CUSIP® 382300	Principal Amount	Interest Rate	Yield
2021.....	EN7	\$425,000	5.00%	0.20%
2022.....	EP2	720,000	5.00	0.21
2023.....	EQ0	755,000	5.00	0.22
2024.....	ER8	660,000	5.00	0.25
2025.....	ES6	695,000	5.00	0.30

\$3,695,000 0.70% Term Bond due September 15, 2030—Price 100.943% (CUSIP®382300 EX5)

¹ The anticipated date of delivery is Tuesday, December 22, 2020.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the principal amount of the 2020 Bonds (as defined herein) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: School District No. 232, Gooding County, State of Idaho; Zions Public Finance, Inc., Boise, Idaho, as Municipal Advisor; Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent; the successful bidder; or any other entity. All other information contained herein has been obtained from the District, The Depository Trust Company, New York, New York, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2020 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the District, since the date hereof.

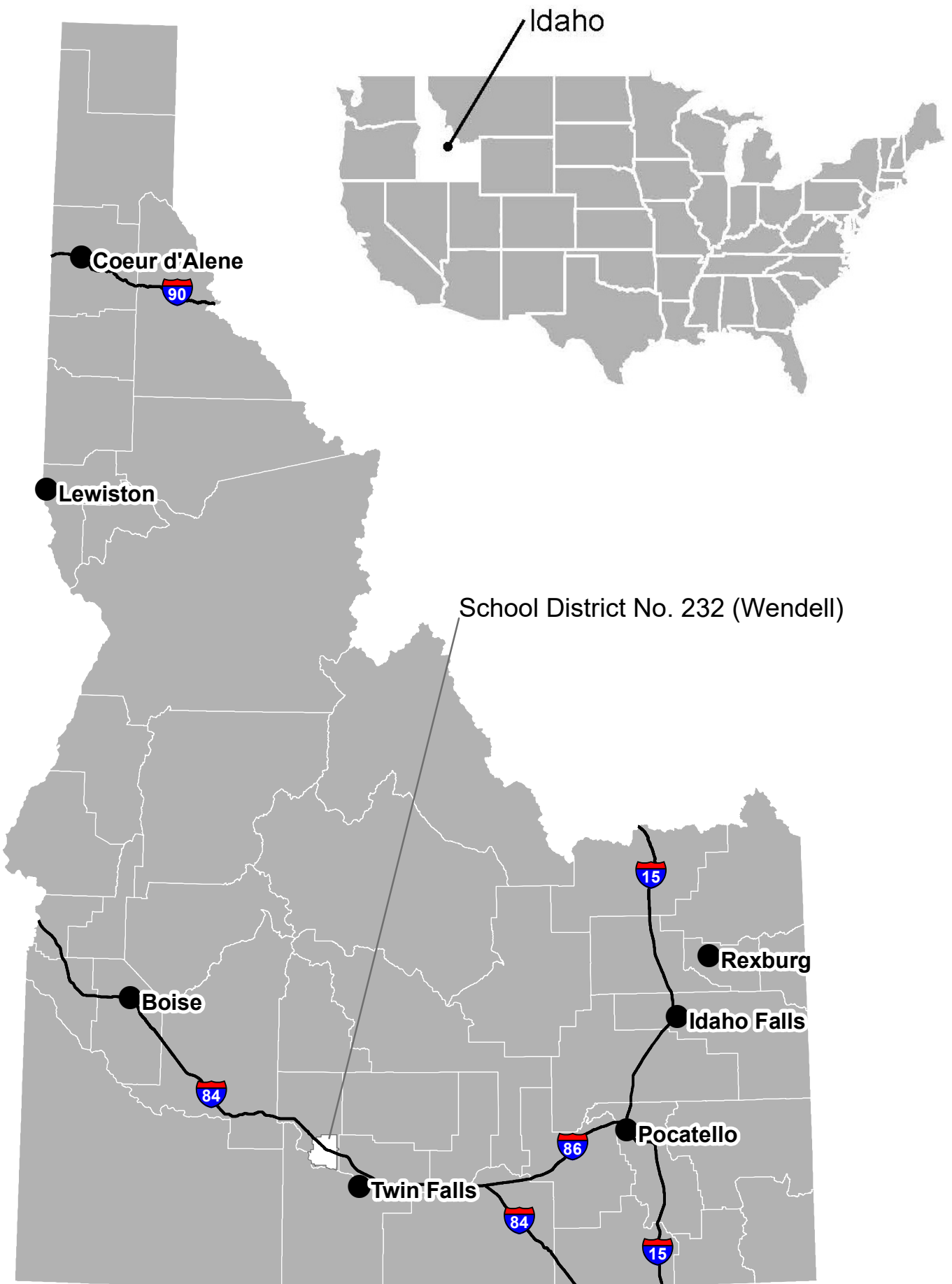
The 2020 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2020 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this OFFICIAL STATEMENT. In addition, the successful bidder may allow concessions or discounts from the initial offering prices of the 2020 Bonds to dealers and others. In connection with the offering of the 2020 Bonds, the successful bidder may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2020 Bonds. Such transactions may include overallocments in connection with the purchase of 2020 Bonds, the purchase of 2020 Bonds to stabilize their market price and the purchase of 2020 Bonds to cover the successful bidder's short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, change, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to change after the issuance of the 2020 Bonds because of subsequent actions including, but not limited to, a refunding in whole or in part of the 2020 Bonds.

The content from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2020 Bonds and is not a part of this OFFICIAL STATEMENT.



School District No. 232 (Wendell)
Gooding County, State of Idaho

OFFICIAL STATEMENT RELATED TO

\$6,950,000

School District No. 232 Gooding County, State of Idaho

General Obligation Refunding Bonds, Series 2020 (Sales Tax Guaranty and Credit Enhancement Programs)

INTRODUCTION

This introduction is only a brief description of the 2020 Bonds, as hereinafter defined, the security and source of payment for the 2020 Bonds and certain information regarding School District No. 232, Gooding County, State of Idaho (the “District”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT;” and “APPENDIX D—BOOK-ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on December 9, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to Piper Sandler & Co., Minneapolis, Minnesota at a “true interest rate” of 0.56%.

The District

The District, established in 1908, is located in Gooding County (the “County”) and serves a population of approximately 5,331, according to 2019 U.S. Census estimates. The County is located in the middle of the southern half of Idaho. The land area of the District is mostly a combination of agricultural area and federal land. The District maintains its administrative offices in the City of Wendell (the “City”). The City had a population of 2,714, according to 2019 Census estimates. The City is approximately 96 miles southeast of the City of Boise (the State capital and most populous city). The County had 15,179 residents according to 2019 Census estimates.

The District is funded from a combination of local tax sources and state funds. See “RESOURCES, TAX LEVIES, AND PROPERTY VALUES” below.

The 2020 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the District of its \$6,950,000 General Obligation Refunding Bonds, Series 2020 (Sales Tax Guaranty and Credit Enhancement Programs) (the “2020 Bonds or “2020 Bond”), initially issued in book-entry form.

Security

The 2020 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest. See “SECURITY AND SOURCES OF PAYMENT” and “RESOURCES, TAX LEVIES, AND PROPERTY VALUES—Tax Levy And Collection” below.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the State of Idaho (the “State”) pursuant to the sales tax pledge under the provisions of the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code (the “Sales Tax Guaranty Program”). See “STATE OF IDAHO GUARANTY” below.

Authority And Purpose

Authority. The 2020 Bonds are being issued pursuant to (i) Title 33, Chapter 11, Idaho Code, as amended; the Registered Public Obligations Act of Idaho, Title 57, Chapter 9, Idaho Code, as amended; the Municipal Bond Law, Title 57, Chapter 2; and the bond refunding provisions of Title 57, Chapter 5, Idaho Code (collectively, the “Act”), (ii) the Resolution of the District adopted on November 17, 2020 (the “Resolution”), which provides for the issuance of the 2020 Bonds and delegates to certain officers of the District the authority to accept the winning bid at the competitive sale of the 2020 Bonds, subject to certain limitations, and (iii) other applicable provisions of law.

Purpose. The 2020 Bonds are being issued to refund certain outstanding general obligation bonds previously issued by the District and the payment of costs associated with the issuance of the 2020 Bonds. See “THE 2020 BONDS—Plan Of Refunding,” and “—Sources And Uses Of Funds” below.

Redemption Provisions

The 2020 Bonds are not subject to optional redemption prior to maturity. The 2020 Bonds are subject to mandatory sinking fund redemption. See “THE 2020 BONDS—Redemption Provisions.”

Registration, Denominations, Manner Of Payment

The 2020 Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2020 Bonds. Purchases of 2020 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2020 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2020 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK-ENTRY SYSTEM” below.

Principal of and interest on the 2020 Bonds (interest payable March 15 and September 15 of each year, commencing March 15, 2021) are payable by Zions Bancorporation, National Association, Boise, Idaho (“Zions Bancorporation”), as paying agent (the “Paying Agent”) for the 2020 Bonds, to the registered owners of the 2020 Bonds. So long as Cede & Co. is the registered owner of the 2020 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2020 Bonds, as described under “APPENDIX D—BOOK-ENTRY SYSTEM” below.

So long as DTC or its nominee is the registered owner of the 2020 Bonds, neither the District nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2020 Bonds. Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.

Tax-Exempt Status Of The 2020 Bonds; Qualified Tax-Exempt Obligation

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2020 Bonds is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2020 Bonds (the “Code”), and interest on the

2020 Bonds is not a specific preference item for the purposes of federal alternative minimum taxable income, as defined in Section 55(b)(2) of the Code. Interest on the 2020 Bonds is excluded from Idaho tax under present Idaho income tax laws. See “TAX MATTERS—Tax Exemption” herein.

The 2020 Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX MATTERS—Qualified Tax-Exempt Obligations” herein.

Professional Services

In connection with the issuance of the 2020 Bonds, the following have served the District in the capacity indicated.

Bond Counsel

Hawley Troxell Ennis & Hawley LLP
877 Main St Ste 1000
PO Box 1617
Boise ID 83701-1617
208.344.6000 | f 208.954.5421
nmiller@hawleytroxell.com

Attorney for the District

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PO Box 190164
Boise ID 833719
208.572.3355
jsh@holinkalaw.com

Escrow Agent, Paying Agent, and Bond Registrar

Zions Bancorporation, National Association
800 W Main St Ste 700
Boise ID 83702
208.501.7496 | f 855.855.9705
jennifer.mabbott@zionsbancorp.com

Municipal Advisor

Zions Public Finance, Inc.
800 W Main St, Ste 700
Boise ID 83702
208.501.7533
christian.anderson@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder, subject to the approval of legality of the 2020 Bonds by Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the District by Holinka Law P.C., Boise, Idaho. It is expected that the 2020 Bonds, in book-entry form only, will be available for delivery in Boise, Idaho for deposit with the Paying Agent, as fast agent of DTC, on or about Tuesday, December 22, 2020.

Information Reporting Agreement (Disclosure Undertaking)

The District will enter into an Information Reporting Agreement (the “Disclosure Undertaking”) for the benefit of the owners of the 2020 Bonds. For a detailed discussion of the Disclosure Undertaking, previous undertakings and timing of submissions see “INFORMATION REPORTING AGREEMENT” below and “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the District’s Board of Trustees (the “Board”), the District, the 2020 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document, and references herein to the 2020 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation authorizing the issuance of the 2020 Bonds and establishing the rights and responsibilities of the District and other parties to the transaction may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Boise, Idaho, as municipal advisor to the District (the “Municipal Advisor”):

Christian Anderson, Vice President, christian.anderson@zionsbancorp.com

Cara Bertot, Vice President, cara.bertot@zionsbancorp.com

Zions Public Finance, Inc.
800 W Main St Ste 700
Boise ID 83702
208.501.7533

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the District concerning the 2020 Bonds are:

Dr. Tim Perrigot, Superintendent, tperrigot@wendellschools.org

Krissy Messick, Business Manager, kmessick@wendellschools.org

School District No. 232 (Wendell)
150 East Main Street
Wendell ID 83355
208.536.2418 | f 208.536.2629
www.sd232.k12.id.us

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the guaranty for the 2020 Bonds under the Sales Tax Guaranty Program is:

Paul Stewart, Investment Officer, paul.stewart@sto.idaho.gov

Office of the Idaho State Treasurer
700 West Jefferson Ste. 126
Boise ID 83720
208.332.2938 | f 208.332.2961
sto.idaho.gov

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Idaho Endowment Fund Investment Board concerning the guaranty for the 2020 Bonds under the Credit Enhancement Program is:

Chris Anton, Manager of Investments, chris.anton@efib.idaho.gov

Idaho Endowment Fund Investment Board
816 West Bannock Street, Suite 301
Boise ID 83720
208.334.3728

INFORMATION REPORTING AGREEMENT

The District will enter into a Disclosure Undertaking for the benefit of the Beneficial Owners of the 2020 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF INFORMATION REPORTING AGREEMENT.”

The Disclosure Undertaking requires the District to submit its annual financial report (Fiscal Year Ending June 30) and other operating and financial information on or before December 27 (180 days from the end of the Fiscal Year). The District will submit the Fiscal Year 2021 financial report and other operating and financial information for the 2020 Bonds on or before December 27, 2021, and annually thereafter on or before each December 27.

A failure by the District to comply with the Disclosure Undertaking will not constitute a default under the Resolution, and Bondowners of the 2020 Bonds are limited to the remedies provided in the Disclosure Undertaking. A failure by the District to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2020 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2020 Bonds.

STATE OF IDAHO GUARANTY

The Guaranty; Pledge of State Sales Tax

School districts are eligible to apply for a guarantee by the Idaho State School Bond Guaranty Program pursuant to the provisions of the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code (the “Sales Tax Guaranty Program”) and may apply for further credit enhancement by the Credit Enhancement Program supported by the public school’s endowment fund, pursuant to section 57-728, Idaho Code (the “Credit Enhancement Program”) (the Sales Tax Guaranty Program and the Credit Enhancement Program, collectively referred to herein as the “Programs”). School districts may have outstanding up to \$40 million of school bonds guaranteed by both the Programs and may obtain a guaranty solely by the Sales Tax Guaranty Program if bonds to be guaranteed or already guaranteed are more than \$40 million.

As of the date of this OFFICIAL STATEMENT, Moody’s has assigned its “Aa1” rating to bonds that are guaranteed by the Sales Tax Guaranty Program. Moody’s has assigned its “Aaa” rating to bonds that are guaranteed by the Credit Enhancement Program and the Sales Tax Guaranty Program. ***The 2020 Bonds are guaranteed by both Programs.***

The Sales Tax Guaranty Program

General. Any school district may apply to the Idaho State Treasurer (the “State Treasurer”) for the State’s guaranty of its eligible bonds. Pursuant to the Sales Tax Guaranty Program, the sales tax of the State is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, refunding bonds issued on and after March 1, 1999, which meet certain requirements detailed below, for voter-approved bonds which were voted on by the electorate prior to March 1, 1999, and voter-approved bonds for new projects which were voted on by the electorate on and after March 1, 1999, as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) (the “Guaranty”). The Guaranty is good for the life of the bond, even if the State Treasurer later determines a district is ineligible for future guaranties. See in this section “State Treasurer to Monitor District’s Fiscal Solvency” below.

On November 5, 2020, the State Treasurer issued to the District a Certificate of Eligibility for the Sales Tax Guaranty Program for the 2020 Bonds (the “Certificate of Eligibility”).

The Certificate of Eligibility evidences the District’s eligibility for the Sales Tax Guaranty Program for 90 days from the date of issuance. Once the 2020 Bonds are issued pursuant to the Certificate of Eligibility, the Guaranty is in effect for so long as the 2020 Bonds are outstanding.

In addition, the Sales Tax Guaranty Program provides that the State pledges to and agrees with the holders of bonds that the State will not alter, impair, or limit the rights vested by the program with respect to bonds until the bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

Program Limitations. Bonds issued by the Idaho Bond Bank Authority (“IBBA”) and the Sales Tax Guaranty Program are both secured by State sales tax. The State implemented a debt capacity policy that caps the Sales Tax Guaranty Program at the combined “maximum annual debt service” of bonds issued thereunder and the IBBA’s revenue bonds/municipal loan program can be no greater than 20% of prior Fiscal Year audited State sales tax revenue. The State’s sales tax revenue for Fiscal Year 2019 was \$1.899 billion. The combined maximum annual debt service under the Sales Tax Guaranty Program and IBBA’s revenue bonds/municipal program as of June 2020 was \$192.77 million, resulting in a percentage of 10.15%.

As of the date of this OFFICIAL STATEMENT, the following District bonds outstanding are guaranteed by the Sales Tax Guaranty Program.

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2020 (1)	Refunding	\$6,950,000	September 15, 2030	\$6,950,000
2011	Refunding	2,265,000	August 15, 2021	320,000
2010A (2).....	Building/BABS	9,800,000	March 1, 2021 (3)	<u>0</u>
Total principal amount of outstanding guaranteed				<u>\$7,270,000</u>

- (1) As of the date of this OFFICIAL STATEMENT, these bonds are considered issued and outstanding.
- (2) The outstanding 2010A Bonds, in the amount of \$7,145,000, are being refunded by the 2020 Bonds. As of the date of this OFFICIAL STATEMENT, the 2010A Bonds will be considered refunded.
- (3) Final maturity date after these bonds are refunded by the 2020 Bonds.

Credit Enhancement Program

If approved to participate in the Sales Tax Guaranty Program, a school district may also apply to the Credit Enhancement Program. Pursuant to the Credit Enhancement Program, the endowment fund investment board (the “Endowment Board”) is mandated to purchase notes issued by the State for the purpose of making debt service payments under the Sales Tax Guaranty Program.

Under the Credit Enhancement Program, the following shall take effect in the event moneys from the sales tax are insufficient to pay a school district’s debt service payment under the Sales Tax Guaranty Program: (i) the Endowment Board may purchase on behalf of the public school endowment fund, or from other funds administered by the Endowment Board, notes from the State issued by the State Treasurer under such terms as are negotiated between the Endowment Board and the State Treasurer; or (ii) upon the request of the State Treasurer, the Endowment Board shall purchase on behalf of the public school endowment fund notes issued by the State Treasurer, the proceeds of which shall be sufficient to pay debt service payments as they become due (the “Notes”).

The Notes shall bear interest at a rate equal to the annual rate of one year treasury bills, as published by the federal reserve, plus 400 basis points, plus, for the first six months of the term of the Notes, an amount, as determined by the Endowment Board, up to a maximum of 50 basis points, to cover all additional administrative and transaction costs related to the purchase of the Notes. The Notes will have a maximum term of one year and may be renewed at the request of the State Treasurer; the Notes shall be repaid from a school district’s reimbursement payments pursuant to the Sales Tax Guaranty Program and the State may make additional payments on the Notes. The Endowment Board may require the State Treasurer to compel a school district to modify its fiscal practices and its general operations if the Endowment Board determines that there is a substantial likelihood that a school district will not be able to make future payments.

Pursuant to the provisions of the Credit Enhancement Program, the Endowment Board shall make available \$300 million from the public-school endowment fund for the purposes of purchasing Notes under this program, and the principal amount of bonds guaranteed by the Credit Enhancement Program shall not be greater than \$1.2 billion. The aggregate principal amount of school district bonds outstanding that may be guaranteed by the Credit Enhancement Program shall not exceed \$40 million per district.

On November 9, 2020, the Endowment Board issued to the District its Certificate of Approval of Credit Enhancement for the 2020 Bonds. The Certificate of Approval evidences the District’s eligibility for the Credit Enhancement Program for 90 days following the issuance of the certificate.

As of the date of this OFFICIAL STATEMENT, the following District bonds outstanding are guaranteed by the Credit Enhancement Program.

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2020 (1)	Refunding	\$6,950,000	September 15, 2030	\$6,950,000
2011	Refunding	2,265,000	August 15, 2021	320,000
2010A (2).....	Building/BABS	9,800,000	March 1, 2021 (3)	0
Total principal amount of outstanding guaranteed				<u>\$7,270,000</u>

- (1) As of the date of this OFFICIAL STATEMENT, these bonds are considered issued and outstanding.
- (2) The outstanding 2010A Bonds, in the amount of \$7,145,000, are being refunded by the 2020 Bonds. As of the date of this OFFICIAL STATEMENT, the 2010A Bonds will be considered refunded.
- (3) Final maturity date after these bonds are refunded by the 2020 Bonds.

Guaranty Procedures

The Sales Tax Guaranty Program is for the protection of the bondholders. Ultimate liability for the payment of the 2020 Bonds remains with the District. Accordingly, the Sales Tax Guaranty Program contains provisions, including interception of State aid to the District, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its Guaranty, and various oversight provisions to assure that the District, and not the State, will ultimately be responsible for debt service on the 2020 Bonds.

Under the Sales Tax Guaranty Program, the District's Superintendent is required to transfer moneys sufficient for scheduled debt service payments on the 2020 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2020 Bonds. If the Superintendent is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Superintendent must immediately notify the Paying Agent and the State Treasurer. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2020 Bonds the Paying Agent must notify the State Treasurer in writing at least 10 days prior to the payment date. The Sales Tax Guaranty Program further provides that if sufficient moneys have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2020 Bonds discharges the obligation of the District to the bondholders for that payment to the extent of the State's payment and transfers the District's obligation for that payment to the State.

If one or more payments are made by the State Treasurer pursuant to the Sales Tax Guaranty Program, the State Treasurer shall immediately intercept any payments from any sources of operating moneys provided by the State to the District that would otherwise be paid to the District, and apply these intercepted payments to reimburse the State until all obligations of the District to the State arising from these payments are paid in full, including interest and penalties payable pursuant to the Sales Tax Guaranty Program. The State has no obligation to replace any moneys intercepted. The Sales Tax Guaranty Program obligates the District to reimburse all moneys drawn by the State Treasurer on its behalf, pay interest to the State on all moneys paid at not less than the average prime rate for national money center banks plus 1%, and to pay any additional penalties, which may be imposed by the State Treasurer pursuant to the Sales Tax Guaranty Program at a rate of not more than 5% of the amount paid by the State pursuant to its Guaranty, for each instance payment is made. If the State Treasurer determines amounts obtained pursuant to the Sales Tax Guaranty Program will not be sufficient to reimburse the State within one year from a payment the State makes, the State Treasurer must pursue any legal action against the District necessary to compel it to levy and provide tax revenues sufficient to pay debt service and to meet its repayment obligations to the State.

The District may use property taxes or other moneys to replace intercepted funds if the moneys are derived from taxes originally levied to make the payment, but which were not timely received by the District; taxes from a supplemental levy made to make the missed payment or to replace the intercepted moneys; moneys transferred from the undistributed reserve, if any, of the District, or any other source of money on hand and legally available. The District may not replace operating funds intercepted by the State with moneys collected and held to make payments on the 2020 Bonds if that replacement would divert moneys from the payment of future debt service on the 2020 Bonds and increase the risk that the Guaranty would be called upon an additional time.

Since the inception of the Programs, the State has not been called upon to pay the principal of or interest on any bonds guaranteed under the Programs.

State Treasurer to Monitor District's Fiscal Solvency

The Sales Tax Guaranty Program also charges the State Treasurer with the responsibility to monitor, evaluate and, at least annually, report his or her findings as to the fiscal solvency of each school district. Pursuant to the Sales Tax Guaranty Program, the State Treasurer will receive annual statements of the financial condition of the District and a copy of the complete audit of the financial statements of the District, which is prepared pursuant to Idaho Code § 33-701. The State Treasurer is also required to report his conclusions regarding the fiscal solvency of the District at least annually to the Governor, the Idaho State Legislature (the "State Legislature"), the Endowment Fund Investment Board and the State Superintendent of Public Instruction. In addition, the State Treasurer must immediately report any circumstances suggesting that the District will be unable to meet its debt service obligations and immediately recommend a course of remedial action.

Status Of The Programs

As of the date of this OFFICIAL STATEMENT (November 25), the State has the following bonds guaranteed under the Programs:

	Sales Tax Guaranty Program (1)	Sales Tax Guaranty and Credit Enhance- ment Programs
Number of school districts with bonds outstanding.....	60	59
Number of outstanding bond issues.....	116	82
Outstanding principal guaranteed	\$1,187,665,802	\$591,641,548

(1) Districts included in the Sales Tax Guaranty Program column may also have bonds that are secured by both Programs. Does not include the 2020 Bonds.

(Source: Office of the Idaho State Treasurer.)

State Of Idaho—Financial And Operating Information

The State produces a Comprehensive Annual Financial Report ("CAFR") in accordance with generally accepted accounting principles as defined by the Government Accounting Standards Board. The State's Fiscal Year 2019 CAFR may be found at <http://www.sco.idaho.gov>. The State's most recent official statement for its tax anticipation notes (base CUSIP®451434) is currently on file with EMMA. Such information contained on websites shall not be considered to be a part of this OFFICIAL STATEMENT and is not provided in connection with the offering of the 2020 Bonds.

BOND LEVY EQUALIZATION SUPPORT PROGRAM

Bond Levy Subsidy Program

In 2002, the State created a Bond Levy Equalization Support Program (the "Bond Levy Subsidy Program"). The Bond Levy Subsidy Program provides for a subsidy payment (the "Levy Subsidy Payments") from the State's Bond Levy Equalization Fund to school districts to offset a portion of the costs of annual bond interest and redemption payments made on bonds approved at elections occurring on or after September 15, 2002.

Availability Of The Levy Subsidy

To determine the amount of the average payment, the Idaho State Department of Education (the "DOE") calculates a value index (the "Value Index") annually for each school district based upon the following three components: (i) the district's market value per support unit for equalization divided by two; (ii) the average annual seasonally adjusted unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property (the "Taxable Assessed Value") is located; and (iii) the per capita income in the county in which a plurality of the school district's Taxable Assessed Value is located.

The Levy Subsidy Payment to a district is determined by multiplying one, minus the district's Value Index, times the district's average annual principal and interest on bonded indebtedness, subject to the provisions that every school district with a Value Index of less than 1.50 will receive a minimum payment of no less than 10% of its interest payments. School districts with a Value Index of 1.50 or greater receive no Levy Subsidy. The DOE disburses Levy Subsidy Payments no

later than September 1 of each year for school districts in which voters have approved the issuance of qualifying bonds by no later than January 1 of that calendar year.

To be entitled to a Levy Subsidy Payment from the DOE, a district is required to annually report the status of all qualifying bonds to the DOE by January 1 of each year, including bonds approved by the voters that have not been issued. Information submitted includes the following: (1) the actual or estimated bond interest and redemption payment schedule; (2) any qualifying bond that has been paid in full; and (3) other information as may be required by the DOE.

The 2020 Legislature appropriated \$25,406,500 for Levy Subsidy payments for Fiscal Year 2021 disbursement, which were disbursed to qualifying school districts on or about September 1, 2020. Amounts available for Levy Subsidy in future years are subject to appropriation by the State Legislature each year. Fiscal Year 2021 disbursements were funded from a mix of sources: \$8,796,600 from the General Fund (transferred from cigarette tax revenue), \$1,484,900 of carry over in the Levy Subsidy fund, and \$15,125,000 of Idaho Lottery proceeds, which are directed by statute to the Levy Subsidy. These appropriations are exempt from the holdback announced by the Governor in response to COVID-19. See “FINANCIAL INFORMATION REGARDING THE DISTRICT—Impacts of the Coronavirus (COVID-19)—State Budget and Appropriation Effects.”

The District has been receiving Levy Subsidy Payments on its outstanding bonds. The District expects to receive a Levy Subsidy Payment for the 2020 Bonds beginning in September 2021. The DOE recalculates a bond’s average annual principal and interest payments in circumstances where a bond is refunded to be measured by the average annual principal and interest on the refunding bonds. The District has covenanted in the Resolution to comply with the information requirements of the DOE to receive Levy Subsidy Payments. The District has complied with the information requirements of the DOE and expects to be able to continue to do so.

The Value Index is recalculated annually. There can be no assurance that the District will qualify to receive Levy Subsidy Payments from the State or that there will be sufficient funds in the Bond Levy Equalization Fund of the State to make payments to all eligible districts. Further, there can be no assurance that the Bond Levy Subsidy Program will not be altered, amended or discontinued in the future.

Benefit Of Levy Subsidy To The District

Based on information provided by the DOE, the District’s Value Index for Fiscal Year 2021 is approximately 0.8466 which would entitle the District to receive an annual Levy Subsidy Payment equal to approximately 15% of the average annual debt service on qualifying bonds. The Value Index for future fiscal years (beginning with Fiscal Year 2021) will be recalculated annually by the DOE and provided in July, shortly after the beginning of the applicable fiscal year. Based on information provided by the District, the District’s value index for Fiscal Year 2021 is not expected to exceed the 1.50 index cap. If the District’s Value Index is above 1.50 for any fiscal year during the repayment of the 2020 Bonds, the District will not receive a subsidy payment for that fiscal year.

THE 2020 BONDS

General

The 2020 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on September 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2020 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2020 Bonds is payable semiannually on each March 15 and September 15, commencing March 15, 2021. Interest on the 2020 Bonds will be computed on the basis of a 360-day year comprised of 12, 30-day months. Zions Bancorporation is the bond registrar and Paying Agent for the 2020 Bonds under the Resolution (in such respective capacities, the initial “Bond Registrar”).

The 2020 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

¹ The anticipated date of delivery is Tuesday, December 22, 2020.

Plan Of Refunding

The District issued \$9,800,000 General Obligation Bonds (Federally Taxable–Issuer Subsidy–Build America Bonds), Series 2010A on November 3, 2010 (the “2010A Bonds”). The original proceeds of the 2010A Bonds were used to finance the costs of construction, expansions, and renovations to District school buildings and property and to pay the costs of issuance of the 2010A Bonds.

A portion of the proceeds of the 2020 Bonds will be used to refund all outstanding maturities of the 2010A Bonds (referred to herein as the “Refunded Bonds”). Refundings of outstanding general obligation school bonds may be issued without a vote of the electorate in the District.

Pursuant to an escrow agreement (the “Escrow Agreement”) between the District and Zions Bancorporation, National Association, Boise, Idaho, serving in its role as the escrow agent for the Refunded Bonds (the “Escrow Agent”), a portion of the proceeds of the 2020 Bonds will be used to defease and pay the Refunded Bonds maturing on and after September 1, 2021, in the principal amount of \$7,145,000. Although defeased upon funding of the Escrow Agreement at the time of closing of the 2020 Bonds, the Refunded Bonds are not retired until March 1, 2021 (the “Redemption Date”).

The Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (September 1)	Redemption Date	CUSIP® 382300	Principal Amount	Interest Rate	Redemption Price
2021	March 1, 2021	DT5	\$ 350,000	3.75 %	100%
2022	March 1, 2021	DU2	695,000	3.875	100
2023	March 1, 2021	DV0	685,000	4.00	100
2024	March 1, 2021	DW8	730,000	4.25	100
2025	March 1, 2021	DX6	750,000	4.50	100
2026	March 1, 2021	DY4	740,000	4.625	100
2027	March 1, 2021	DZ1	765,000	4.875	100
2030	March 1, 2021	EB3	<u>2,430,000</u>	5.00	100
Totals			<u>\$7,145,000</u>		

Sources And Uses Of Funds

The sources and uses of funds in connection with the issuance of the 2020 Bonds are estimated to be as follows:

Sources:

Par amount of 2020 Bonds	\$6,950,000.00
Original issue premium	<u>477,093.55</u>
Total	<u>\$7,427,093.55</u>

Uses:

Deposit to Cash Funded Escrow Account	\$7,307,625.00
Costs of Issuance (2)	92,801.16
Underwriter's discount	<u>26,667.39</u>
Total	<u>\$7,427,093.55</u>

- (1) The District has accumulated funds in its bond fund not needed for principal and interest payments on its outstanding bonds.
- (2) Includes legal fees, Municipal Advisor fees, rating agency fees, credit enhancement application fees, Bond Registrar and Paying Agent fees, Escrow Agent fees, rounding amounts, and other miscellaneous costs of issuance.

Redemption Provisions

No Optional Redemption. The 2020 Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. The 2020 Bonds maturing on September 15, 2030 (the “Term Bond”) are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the Principal amount to be redeemed, plus accrued interest thereon to the date of redemption, on the dates and in the Principal amounts as set forth below:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
September 15, 2026.....	\$ 725,000
September 15, 2027.....	735,000
September 15, 2028.....	740,000
September 15, 2029.....	745,000
September 15, 2030 (stated maturity)	<u>750,000</u>
Total.....	<u>\$3,695,000</u>

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry system is discontinued, any 2020 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2020 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully–registered 2020 Bond or 2020 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

The 2020 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully–registered 2020 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2020 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2020 Bonds.

Record Date. The term “Record Date” means with respect to each interest payment date, the day that is 15 days immediately preceding such interest payment date. The Bond Registrar will not be required to transfer or exchange any 2020 Bond after the Record Date with respect to any interest payment date to and including such interest payment date.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully–registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully–registered bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX D—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

The District, the Bond Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the 2020 Bonds registered in its name for the purpose of payment of the principal of and interest on the 2020 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of 2020 Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The District, the Bond Registrar and the Paying Agent shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the 2020 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the District.

So long as Cede & Co. is the registered owner of the 2020 Bonds, as nominee of DTC, references herein and in the Resolution to the Bondowners or registered owners of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.

Neither the District, the Bond Registrar nor the Paying Agent will have any responsibility or obligation to any Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice to the Participants, or Beneficial Owners of the 2020 Bonds.

In the event the book-entry system is discontinued, interest on the 2020 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the District kept for that purpose by the Bond Registrar. The principal of all 2020 Bonds will be payable at the principal office of the Paying Agent.

Debt Service On The 2020 Bonds

Payment Date	The 2020 Bonds		Period Total	Fiscal Total
	Principal	Interest		
March 15, 2021.....	\$ 0.00	\$ 43,486.24	\$ 43,486.24	\$ 43,486.24
September 15, 2021	425,000.00	94,307.50	519,307.50	
March 15, 2022.....	0.00	83,682.50	83,682.50	602,990.00
September 15, 2022	720,000.00	83,682.50	803,682.50	
March 15, 2023.....	0.00	65,682.50	65,682.50	869,365.00
September 15, 2023	755,000.00	65,682.50	820,682.50	
March 15, 2024.....	0.00	46,807.50	46,807.50	867,490.00
September 15, 2024	660,000.00	46,807.50	706,807.50	
March 15, 2025.....	0.00	30,307.50	30,307.50	737,115.00
September 15, 2025	695,000.00	30,307.50	725,307.50	
March 15, 2026.....	0.00	12,932.50	12,932.50	738,240.00
September 15, 2026	725,000.00 (1)	12,932.50	737,932.50	
March 15, 2027.....	0.00	10,395.00	10,395.00	748,327.50
September 15, 2027	735,000.00 (1)	10,395.00	745,395.00	
March 15, 2028.....	0.00	7,822.50	7,822.50	753,217.50
September 15, 2028	740,000.00 (1)	7,822.50	747,822.50	
March 15, 2029.....	0.00	5,232.50	5,232.50	753,055.00
September 15, 2029	745,000.00 (1)	5,232.50	750,232.50	
March 15, 2030.....	0.00	2,625.00	2,625.00	752,857.50
September 15, 2030	750,000.00 (1)	2,625.00	752,625.00	752,625.00
Totals.....	<u>\$6,950,000.00</u>	<u>\$668,768.74</u>	<u>\$7,618,768.74</u>	

(1) Mandatory sinking fund principal payments from a \$3,695,000 0.70% term bond due September 15, 2030.

SECURITY AND SOURCES OF PAYMENT

The 2020 Bonds are general obligations of the District and the full faith, credit and resources of the District are pledged for the punctual payment of the principal of and interest on the 2020 Bonds. The 2020 Bonds are secured by ad valorem taxes to be levied against all taxable property within the District. More specifically, for the purpose of paying the principal of and interest on the 2020 Bonds as the same will become due, the District will levy on all taxable property located within the District, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the 2020 Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the 2020 Bonds and for no other purpose. See “RESOURCES, TAX LEVIES, AND PROPERTY VALUES—Ad Valorem Tax System” below.

The District may, subject to applicable laws, apply other funds available to make payments with respect to the 2020 Bonds and thereby reduce the amount of future tax levies for such purpose.

The 2020 Bonds also have the benefit of the Programs as described above under the caption: “STATE OF IDAHO GUARANTY,” and are eligible for Levy Subsidy Payments as described above under the caption “BOND LEVY EQUALIZATION SUPPORT PROGRAM.”

The Levy Subsidy Payments are appropriated on an annual basis by the State Legislature and therefore do not constitute security for the 2020 Bonds because Bondowners cannot compel appropriation of such Levy Subsidy Payments. However, in the Resolution the District covenants to deposit all Levy Subsidy Payments into the Bond Fund (defined below) for the 2020 Bonds and to use them for no other purpose. Accordingly, Levy Subsidy Payments provide an additional source of payment for the Bonds and once received by the District, are irrevocably pledged as security for the 2020 Bonds.

The 2020 Bonds do not constitute a debt or indebtedness of the County, the State (except as described under “STATE OF IDAHO GUARANTY”), or any political subdivision thereof other than the District.

Bond Fund For The 2020 Bonds

The Resolution creates a bond fund for the deposit of revenues and disbursement of payments of debt service on the 2020 Bonds (the “Bond Fund”). In the Resolution, the District covenants to levy and collect property taxes sufficient, together with other funds, to pay debt service on the 2020 Bonds, to deposit such revenues into the Bond Fund and to use the funds on deposit in the Bond Fund for no other purpose than for payment of principal and interest on the 2020 Bonds as they become due. The District maintains its Bond Fund in an account separate and apart from the other funds of the District and has adopted a board policy requiring this separation.

The Idaho system of ad valorem tax collection and disbursement does not require counties to segregate tax collections dedicated to pay principal and interest on bonded indebtedness of political subdivisions from the other revenues the county collects on behalf of the political subdivision. In addition to the revenues collected from the dedicated ad valorem tax levy for the District’s bonds, such revenues may include revenues from the District’s other available levies. See “RESOURCES, TAX LEVIES, AND PROPERTY VALUES—Ad Valorem Tax System” and “RESOURCES, TAX LEVIES, AND PROPERTY VALUES—School District Levies” herein. The District maintains certain policies and internal controls to ensure that monies received from the County are properly allocated to their intended purposes, and that monies received from the bond levy are promptly deposited into the Bond Fund. The District also has policies and internal controls in place to prevent withdrawals from the Bond Fund for any purpose other than payment of principal and interest on the 2020 Bonds.

Similarly, Levy Subsidy Payments received from the State are direct deposited to the District in the same manner as other state funds. In the Resolution, the District covenants to deposit the Levy Subsidy Payments into the Bond Fund, and the District’s internal controls verify that Levy Subsidy Payments are properly allocated to the payment of debt service and promptly recorded into the Bond Fund.

The Resolution pledges the revenues from the bond levy, Levy Subsidy Payments once received, and all funds on deposit in the Bond Fund for the payment of principal and interest on the 2020 Bonds.

The 2020 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest. See “RESOURCES, TAX LEVIES, AND PROPERTY VALUES—Ad Valorem Tax System” and “STATE OF IDAHO SCHOOL FINANCE” below.

THE DISTRICT

General

The District, established in 1908, is located in the County and serves a population of approximately 5,331, according to 2018 U.S. Census estimates. The County is located in the middle of the southern half of Idaho. The land area of the District is mostly a combination of agricultural area and federal land. The District maintains its administrative offices in the City. The City had a population of 2,714, according to 2019 Census estimates. The City is approximately 96 miles southeast of the City of Boise (the State capital and most populous city). The County had 15,179 residents according to 2019 Census estimates.

The County has 15,464 residents according to the 2010 Census. The County, created in 1913, consists of approximately 733 square miles. The County adjoins the Snake River plain in south-central Idaho. It ranks 22nd among Idaho counties in population and 36th in area. The federal government owns over 50% of the land within the County. Agriculture and food processing are the primary industries, with additional employment provided by government, trade, and services.

District Enrollment For 2020–21 School Year—Financial Effects

The District’s enrollment has remained steady over the last several years, and in the absence of the effects of COVID–19, the District had expected enrollment to remain the same. In an exercise of caution, the District adopted a budget for Fiscal Year 2021 that assumed no growth in enrollment compared to the end of the 2020 school year. The District opened schools on August 24, with actual enrollment of 1,092, which is a decline of 29 students or 9% from the end of the 2020 school year.

Average Daily Attendance

State funding for Idaho school districts is determined, in part, by support units calculated for each school district. The support units are calculated largely based on the Average Daily Attendance (“ADA”) for each school district. In the event a school district’s annual ADA drops by more than three percent in one year, Idaho Code § 33–1003 limits the decrease in funding to three percent to allow a school district one year to adjust to the lower ADA. As noted above, the District expects a shortfall in ADA funding in excess of the three percent provision of Idaho Code § 33–1003. In response to COVID—19, on August 27, 2020, the Idaho State Board of Education (“SBOE”) issued a temporary rule for the 2020–2021 school year providing that ADA funding will be paid to school districts for enrolled students regardless of whether students attend in person or on-line.

Following is a table showing the historical ADA for the District, calculated in accordance with Idaho statutes.

Historical Average Daily Attendance and Enrollment

Fiscal Year (1)	Elementary (P–4)	Middle (5–8)	Secondary (9–12)	Total	% Change	ADA
2020.....	468	378	296	1,142	5.1	1,062
2019.....	459	350	278	1,087	(3.3)	1,003
2018.....	485	351	288	1,124	(3.7)	1,040
2017.....	484	368	315	1,167	1.1	1,074
2016.....	503	338	313	1,154	(1.2)	1,094
2015.....	522	328	318	1,168	1.0	1,074
2014.....	495	347	315	1,157	1.7	1,074
2013.....	470	359	309	1,138	(1.6)	1,061
2012.....	478	364	314	1,156	1.6	1,070

(1) Historical enrollment as of fall each year, except otherwise indicated.

(Source: The Idaho State Department of Education.)

Competition From Charter Schools

There is one K–12 charter school in the District’s service area that enrolled approximately 242 students in Fall 2019. The District believes that it competes well with charter school providers based on cost, breadth of curricular and extra-curricular offerings and public accountability. The charter school has limited facilities and typically have waiting lists, so the District does not expect an increased migration to charter schools resulting from the District’s plans for accommodating students in response to COVID–19, see “FINANCIAL INFORMATION REGARDING THE DISTRICT—Impacts Of Coronavirus (COVID–19)—Actions of the District for 2020–2021 School Year.” However, the District believes the decline in Fall 2020 enrollment is attributable primarily to students availing themselves of on–line school alternatives.

Form Of Government

Board of Trustees. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into five representative zones, and a member of the Board is elected from each of the five zones. Members serve three–year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum, (ii) administer tests which measure the progress of each student, and create plans to improve the student’s progress, (iii) implement training programs for school administrators, (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the “Superintendent”) is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget

itemizing anticipated revenues and expenditures for the next school year. The current Superintendent is employed by the Board for a three-year term.

Business Manager. The Business Manager (the “Business Manager”) is appointed by the Board and reports to the Superintendent. The duties of the Business Manager, among others, are to (i) countersign all warrants drawn upon the District treasury, (ii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iii) have custody of the records and papers of the Board. The Business Manager is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Manager’s office.

Current members of the Board, the Superintendent, the Business Manager and their respective terms in office are as follows:

Office	Person	Years in Service	Expiration of Current Term/Contract
Chairperson.....	Tessa Yon	5	December 2023
Trustee	Casey Bird	4	December 2021
Trustee	Doyle Hope	20	December 2023
Trustee	Jack Lancaster	1	December 2021
Trustee	Quin Young	5	December 2021
Superintendent.....	Dr. Tim Perrigot	3	Appointed
Business Manager.....	Krissy Messick	16	Appointed
Clerk	Carol Case	13	Appointed

District Staff

The District employs approximately 166 persons in the following capacities: 67 certified staff (including teachers); 4 administrators; 61 classified staff; 10 adjunct coaches; and 12 substitutes.

Pension System

Pension System. The District is a member of the Idaho State Public Employees’ Retirement System (“PERSI”). PERSI is the administrator of a multiple employer cost-sharing defined benefit public employee retirement system. A retirement board (the “PERSI Board”), appointed by the governor and confirmed by the legislature, manages the system which includes selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (“PERSI Base Plan”), the Firefighters’ Retirement Fund, and the Judge’s Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers. The District’s required and paid contributions to PERSI for Fiscal Years 2020, 2019, and 2018 were \$583,858, \$495,645, and \$493,385, respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by State law.

With the implementation of GASB 68 in 2015, the District is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI. The District’s proportion of the net pension liability is 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. On June 30, 2020, the District’s proportion was \$1,572,791.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information and may be found at <http://www.persi.idaho.gov>. For additional information about the District’s retirement plan, see “APPENDIX A—FINANCIAL REPORT OF SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Notes to Financial Statements—Note 4. Retirement Plan” (audit page 19).

Risk Management And Cybersecurity

General. The District manages its risks through the purchase of individual insurance policies through a commercial insurance company. The District has earthquake protection included in its insurance policies. As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The District believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the District provides and settled claims have not exceeded insurance coverage in any of the previous three years. See “APPENDIX A—FINANCIAL REPORT OF SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Notes to Financial Statements—Note 5. Other Information—Risk Management” (audit page 24).

Cybersecurity. The District employs a complex technology environment to conduct its operations and faces multiple cyber security threats such as hacking, phishing, viruses, malware, ransomware and other attacks to its computing and other electronic platforms and systems. As a recipient and provider of personal, private, or sensitive information, the District may be the target of cybersecurity incidents that could result in adverse consequences to information and systems. Cybersecurity incidents could result from unintentional events or from deliberate attacks. To mitigate the risks and consequences of cybersecurity incidents or cyberattacks the District has invested in technological safeguards and has adopted policies and procedures to protect information as well as ensure compliance with state and federal regulations. In addition, the District maintains cybersecurity coverage in its insurance policies. The costs of remedying any damage from a cyber-attack or protecting against future attacks could be substantial and expose the District to material litigation and other legal risks. To date, the District has not experienced a material breach of cybersecurity.

Investment Of Funds

Chapter 12 of Title 67, Idaho Code, provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. District procedures are consistent with the Idaho Code. The Idaho Code limits investments to the following general types: (i) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of State and local governmental entities; (ii) time deposits accounts and tax anticipation and interest-bearing notes; (iii) bonds, treasury bills, debentures or other similar obligations issued or guaranteed by agencies or instrumentalities of the government of the State of Idaho or the United States; and (iv) repurchase agreements.

The District is governed by Idaho Code 67–1210 and 67–1210A. Local governments, including the District, are also authorized to invest in the Local Government Investment Pool (“LGIP”), established as cooperative endeavors to enable public entities of the State to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The LGIP is managed by the State Treasurer’s Office. Information about the LGIP investments is available from the Idaho State Treasurer at <http://sto.idaho.gov>. The District does invest in the LGIP.

Investments are stated at cost, except for investments in the deferred compensation agency fund, which are reported at market value. Interest income on such investments is recorded as earned in the General Fund of the District unless otherwise specified by law.

See APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Notes To The Financial Statements—Note 3. Detailed Notes On All Funds—A. Deposits And Investments” (audit page 15).

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DEMOGRAPHIC INFORMATION ABOUT THE DISTRICT

Population

The following historical population information is provided for the City of Wendell and the County.

	<u>City of Wendell</u>	<u>% Over Prior Period</u>	<u>The County</u>	<u>% Over Prior Period</u>
2019 Estimate (1).....	2,714	(2.4)	15,169	(1.9)
2010 Census.....	2,782	19.0	15,464	9.2
2000 Census.....	2,338	19.1	14,155	21.7
1990 Census.....	1,963	(0.6)	11,633	(2.0)
1980 Census.....	1,974	75.9	11,874	37.4
1970 Census (2).....	1,122	(8.9)	8,645	(9.4)

(1) 2019 estimate percent change as compared to the 2010 Census.

(2) 1970 percent change as compared to 1960 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

Economic Indicators of the County

Per Capita, Total Personal Income and Median Income

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Per Capita Income (1)					
Gooding County.....	\$52,875	\$53,995	\$53,588	\$52,688	\$58,373
% change from prior year.....	(2.1)	0.8	1.7	(9.7)	19.6
State of Idaho.....	43,901	42,094	40,670	39,857	37,896
% change from prior year.....	4.3	3.5	2.0	5.2	4.5
Total Personal Income (1)					
Gooding County (\$ in thousands).....	\$803,483	\$819,106	\$812,714	\$801,485	\$881,431
% change from prior year.....	(1.9)	0.8	1.4	(9.1)	19
State of Idaho (\$ in millions).....	77,012	72,355	68,444	65,825	61,616
% change from prior year.....	6.4	5.7	4.0	6.5	5.8
Median Income (2)					
Gooding County.....	\$51,302	\$46,218	\$46,948	\$48,950	\$44,669
% change from prior year.....	11.0	(1.6)	(4.1)	9.6	8.1
State of Idaho.....	55,524	52,280	51,647	48,311	47,572
% change from prior year.....	6.2	1.2	8.6	(1.5)	3.6

(1) Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(2) Source: U.S. Census Bureau, Small Area Income and Poverty Estimates.

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Largest Employers

The following is a list of the largest employers in the County:

Firm (1)	Business	Employees
Glambia Foods, Inc.....	Manufacturing	400–499
North Canyon Medical Center.....	Health care and social assistance	200–299
Bettencourt Dairies LLC.....	Agriculture, forestry, fishing, and hunting	200–299
Clear Springs Foods, Inc.	Manufacturing	100–199
Joint School District No. 231.....	Educational services	100–199
Wendell School District No. 232.....	Educational services	100–199
Idaho School For The Deaf And The Blind.....	Educational services	100–199
Idaho Power Company	Other services	100–199
Gooding County	Government	100–199
Apex Adventure Therapy.	Health care and social assistance	50–99
Hagerman School District No. 233.....	Educational services	50–99
D&D Transportation Services, Inc.	Transportation and warehousing	50–99
Hatfield Services Inc.	Manufacturing	25–50
Goolsby Inc.	Retail trade	25–50
Bennett Hills Center	Health care and social assistance	25–50

(1) Some employers may not be included on this list because they have not signed a consent form.

(Source: Idaho Department of Labor, Communications and Research, Quarterly Report of Employment and Wages 2nd Quarter 2020; information gathered October 2020.)

Labor Market Data Of The County And Employment By Industry

	2019	2018	2017	2016	2015
Total civilian work force	8,222	8,096	8,021	8,012	7,982
Unemployed	217	198	199	246	272
Percent of labor force unemployed.....	2.6	2.4	2.5	3.1	3.4
Total employment.....	8,005	7,898	7,822	7,766	7,710
Average covered wage.....	\$38,168	\$36,538	\$35,516	\$34,528	\$33,800
Average covered employment	5,159	4,930	4,918	4,964	4,775
Utilities	42	42	40	42	37
Construction	230	210	176	187	184
Manufacturing	850	858	855	836	810
Wholesale trade	195	200	204	206	203
Retail trade.....	445	433	437	430	417
Transportation and warehousing.....	147	129	131	145	148
Finance and insurance	105	123	65	68	70
Professional and technical services.....	92	97	133	125	126
Management of companies and enterprises.....	15	18	14	13	13
Administration and waste services	55	59	17	17	22
Arts, entertainment, and recreation.....	81	72	78	76	75
Accommodation and food services.....	238	234	255	242	247
Other services, except public administration	188	182	224	210	189

(Source: Report of Employment & Wages, Idaho Department of Labor; information gathered October 2020; annual average. Information contains only data from private-owned businesses within the County.)

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Annual New Privately–Owned Residential Building Permits Within The County

<u>Year</u>	<u>Buildings</u>	<u>Units</u>	<u>Construction Cost</u>
2019	40	40	\$6,708,639
2018	36	36	6,469,193
2017	34	34	5,542,391
2016	19	19	3,375,534
2015	15	15	2,422,107

(Source: U.S. Census Bureau.)

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>The County</u>	<u>State of Idaho</u>	<u>United States</u>
2020 (1)	3.2%	4.2%	8.4%
2019	2.6	2.9	3.7
2018	2.4	2.9	3.9
2017	2.5	3.2	4.3
2016	3.1	3.8	4.9
2015	3.4	4.1	5.3

(1) Preliminary; subject to change. August 2020 only, seasonally adjusted.

(Source: U.S Bureau of Labor Statistics.)

DEBT STRUCTURE OF THE DISTRICT

Outstanding General Obligation Bonded Indebtedness

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2020 (1)	Refunding	\$6,950,000	September 15, 2030	\$6,950,000
2011	Refunding	2,265,000	August 15, 2021	320,000
2010A (2)	Building/BABS	9,800,000	March 1, 2021 (3)	0
Total principal amount of outstanding				<u>\$7,270,000</u>

(1) As of the date of this OFFICIAL STATEMENT, these bonds are considered issued and outstanding. Rated “Aaa” by Moody’s (State of Idaho Guaranty; underlying “Baa1”) as of the date of this OFFICIAL STATEMENT.

(2) The outstanding 2010A Bonds, in the amount of \$7,145,000, are being refunded by the 2020 Bonds. As of the date of this OFFICIAL STATEMENT, the 2010A Bonds will be considered refunded.

(3) Final maturity date after these bonds are refunded by the 2020 Bonds.

No Debt Obligations

The District has no other debt obligations outstanding, as of the date of this OFFICIAL STATEMENT.

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Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year

Fiscal Year Ending June 30	Series 2020 \$6,950,000		Series 2011 \$2,265,000		Series 2010A \$9,800,000		Totals		
							Total	Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest (1)	Principal	Interest (1)	Debt Service
2020.....	\$ 0	\$ 0	\$ 300,000	\$ 20,125	\$ 340,000	\$ 343,063	\$ 640,000	\$ 363,188	\$ 1,003,188
2021.....	0	43,486	305,000	11,813	345,000	331,288	650,000	386,586	1,036,586
2022.....	425,000	177,990	320,000	4,000	0	0 (3)	745,000	181,990	926,990
2023.....	720,000	149,365	—	—	0	0 (3)	720,000	149,365	869,365
2024.....	755,000	112,490	—	—	0	0 (3)	755,000	112,490	867,490
2025.....	660,000	77,115	—	—	0	0 (3)	660,000	77,115	737,115
2026.....	695,000	43,240	—	—	0	0 (3)	695,000	43,240	738,240
2027.....	725,000	23,328 (2)	—	—	0	0 (3)	725,000	23,328	748,328
2028.....	735,000	18,218 (2)	—	—	0	0 (3)	735,000	18,218	753,218
2029.....	740,000	13,055 (2)	—	—	0	0 (3)	740,000	13,055	753,055
2030.....	745,000	7,858 (2)	—	—	0	0 (3)	745,000	7,858	752,858
2031.....	750,000	2,625 (2)	—	—	0	0 (3)	750,000	2,625	752,625
Totals.....	<u>\$ 6,950,000</u>	<u>\$ 668,769</u>	<u>\$ 925,000</u>	<u>\$ 35,938</u>	<u>\$ 685,000</u>	<u>\$ 674,350</u>	<u>\$ 8,560,000</u>	<u>\$ 1,379,056</u>	<u>\$ 9,939,056</u>

(1) Federally taxable Building America Bonds. Does not include the 35% federal interest subsidy payments on the Bonds.

(2) Mandatory sinking fund principal payments from a \$3,695,000 0.70% term bond due September 15, 2030.

(3) Principal and interest were refunded by the 2020 Bonds.

(Source: the Municipal Advisor.)

Other Financial Considerations; Future Issuance Of Debt

Short-term borrowing. Under Idaho Code, the District is permitted to issue notes for a period of up to one year in anticipation of taxes, State funds and other revenues receivable in the current fiscal year. The District does not currently have any notes outstanding.

The cycle for receiving State funds and local tax revenues places the greatest potential stress on the District's general fund cash flow in June and July of each year until State funds are received in mid-August. The District monitors its budget and cash flow monthly and maintains a contingency plan for short-term bank financing in the June-August time frame if needed.

Leases and Other Obligations. Idaho Code provides broad authority for the District to purchase personal property and equipment for school purposes. The District may finance such purchases over more than one year if such purchases constitute "ordinary and necessary" expenses as interpreted under the Idaho Constitution. The District may also finance such purchases under lease-purchase agreements that give the District the right to non-renew the lease on an annual basis as part of its budget and appropriation process and the right to cancel the lease without penalty.

Capital Leases. In July 2011, the District entered into a capital lease agreement with Mercedes Benz Financial Services for the purchase of buses for transporting students. As of June 30, 2020, the District has \$315,379 outstanding and \$102,856 due within one year. For additional information regarding the District's capital leases, see "APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Notes To The Financial Statements—Note 3—Detailed Notes On All Funds —D. Long Term Debt" (audit page 19).

Future issuance of debt. Other than the issuance of the 2020 Bonds the District does not anticipate the issuance of any other debt within the next three years.

Overlapping General Obligation Debt

General obligation debt of taxing entities that overlap the District is called "overlapping debt." As of the date of this OFFICIAL STATEMENT, there is no overlapping debt within District's boundaries. (Source: Office of the County Treasurer.)

Debt Ratios

The following table sets forth the ratios of general obligation debt that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the market value of property within the District and the population of the District. The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.

	To 2020 Taxable Assessed Value (1)	To 2020 Full Market Value (2)	To 2018 Population Estimate Per Capita (3)
Direct general obligation debt	1.78%	1.53%	\$1,364
Direct and overlapping general obligation debt.....	1.78	1.53	1,364

(1) Based on a 2020 Taxable Assessed Value of \$409,286,732, which value excludes homeowners' exemptions. Taxable Assessed Value is the Full Market Value less statutory exemptions and is the value against which tax levies are applied.

(2) Based on a 2020 Market Value of \$475,988,355, which value includes homeowners' exemptions and urban renewal value.

(3) Based on a 2018 population estimate of 5,331 by the U.S. Census Bureau.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

Section 33-1103, Idaho Code, establishes limits on bonded indebtedness for school districts in Idaho. An elementary school district that employs not less than six teachers, or a school district operating an elementary school or schools, and a secondary school or schools, or issuing bonds for the acquisition of a secondary school or schools, may issue bonds in an amount not to exceed 5% of the Taxable Assessed Value plus all taxable property excluded from taxation pursuant to Idaho Code § 63-602G (the "Full Market Value") plus the value of any urban renewal within the District, less the Current Out-

standing Indebtedness (hereinafter defined). “Current Outstanding Indebtedness” means the sum of unredeemed outstanding bonds, minus all moneys in the bond interest and redemption funds, and minus the sum of all taxes levied for the redemption of such principal of the bonds. The Current Outstanding Indebtedness and the unexhausted debt-incurring power of a district shall each be determined as of the date of approval by the electors in the school bond election. The 2020 Bonds are general obligation bonds subject to this debt limitation.

The legal debt limit and additional debt incurring capacity of the District are based on the Full Market Value for 2020, and are calculated as follows:

2020 Full Market Value.....	<u>\$475,988,355</u>
“Full Market Value” times 5% equals the (“Debt Limit”)	23,799,418
Less: current outstanding general obligation debt (1)	<u>(7,270,000)</u>
Estimated additional debt incurring capacity	<u>\$16,529,418</u>

(1) Represents voter-approved general obligations of the District, and the effects of the 2020 Bond issue.

(Source: Idaho State Tax Commission, September 2020 (market values); the District (debt information).)

No Defaulted Obligations

The District has never failed to pay principal of and interest on its bond obligations when due.

FINANCIAL INFORMATION REGARDING THE DISTRICT

Impacts Of Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus known as COVID-19 (“COVID-19”) began spreading throughout the world and has been characterized by the World Health Organization as a pandemic disease.

Actions of the State. In response to evidence of community spread of COVID-19, in March 2020, the Governor proclaimed a state of emergency throughout the State and subsequently issued a further declaration and an Order to Self-Isolate, requiring that people cease leaving their home or place of residence except to conduct or participate in essential activities, essential government functions, or to operate essential business through April 2020 (the “Stay Home Order”).

In April 2020, the Governor announced a phased plan for allowing economic activity to increase. The plan occurs over four stages and sets forth specific criteria for the State to meet before moving into each of the four stages, as well as business protocols that must be followed for certain business to open in the various stages. As of November 14, 2020, the State is in stage 2, allows for all businesses to operate with restricted capacity, gatherings of no more than ten people, both public and private, are prohibited, including extracurricular activities such as sporting events, face coverings required at long-term health facilities, patrons at dining establishments are required to remain seated, as well as high risk people are strongly encouraged to stay home and limit movement outside their place of residence. County officials are allowed to move back one or more stages as they deem appropriate. Currently Gooding County is in stage 2.

State Budget and Appropriation Effects. In connection with the Stay Home Order the Governor announced several strategies to address the expected financial effects on State agencies and public schools. Public schools were asked to absorb a 1% reduction from the public-school appropriations for the 2019–2020 year.

In accordance with Executive Order 2020–14, on July 16, 2020 a letter from the Division of Financial Management (the “DFM”) written to State Board of Examiners, on July 1, 2020, the Governor announced a 5% holdback for Fiscal Year 2021 appropriations, which amounts to approximately \$99 million state-wide and approximately \$360,307 for the District.

Actions of the Idaho State Board of Education. In response to the Stay Home Order, the SBOE, issued operational guidance to public schools, prescribing a “soft closure,” defined as a “shift from in-person school operations to school operations that use on-line, virtual, or distance learning to provide instruction to students and allow them to meet the Centers for Disease Control social distancing guidance.”

Actions of the District for 2020–2021 School Year. On July 9, 2020, the Governor, the SBOE, and the State Department of Education, with guidance from the Department for Health and Welfare, issued a memorandum titled Idaho Back to School Framework 2020, setting forth guidelines and expectations for local governance and re-entry to in-person classroom instruction. Following these guidelines, the District adopted a plan that designates green, yellow, red or online instruction only for conditions in relation to the extent of the spread of COVID–19 in the surrounding community utilizing metrics created by South Central Public Health District (“SCPHD”). Green will indicate a traditional schedule with implementing reasonable procedures in accordance with health guidelines, while yellow and red designations will indicate additional modifications to student interactions, short-term closure of schools or utilization of a hybrid A/B schedule that will limit the number of students in District facilities. An online only designation will mean the District will be prepared to deliver full distance learning. Any change in level will be determined in conjunction with SCPHD and announced with as much preparation time for parents, students, and staff as is possible with safety being the highest priority.

Upon evaluating the situation specific to the community the District serves, the Board of Trustees placed the District in the yellow category to begin the school year on August 24, 2020. The Board moved the District to the orange category effective October 12, 2020. This means secondary schools (6–12) operate on an A/B schedule Tuesday/Thursday and Wednesday/Friday with Mondays all e-learning. Elementary students have e-learning on Mondays but attend in-person learning the remainder of the week. Additionally, the District operates in-person school hours from 8:00 a.m. with an early release at 1:00 p.m. Teachers are contracted to be online until 4:00 p.m. Parents who seek an alternative are offered 100% e-learning for the full school year for both elementary and secondary students. The District has implemented the requirement of masks while on school property for students and staff as well as social distancing protocols and enhanced sanitation.

The District continues to closely monitor the proclamations from the Governor’s Office, the SBOE, and recommendations from the federal, State, and local authorities regarding actions the District can or must take to address COVID-19. The District cannot predict if the Governor, or other federal, State, or local authority will issue additional proclamations that can be expected to adversely impact the financial condition of the District, either directly or indirectly.

Effect on the 2020 Bonds. The 2020 Bonds are secured by and payable from a property tax levy dedicated exclusively to the repayment of the 2020 Bonds which the District may assess without limitation as to rate or amount. The 2020 Bonds are further secured by the Sales Tax Guaranty Program and the Credit Enhancement Program. Accordingly, notwithstanding the uncertainty of the effects and consequences of COVID–19, the District does not expect any adverse effect on the security and payment of the 2020 Bonds.

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State’s school districts’ accounting policies in particular. The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered to be a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Notes To The Financial Statements—Note 1—Summary of Significant Accounting Policies” (audit page 15).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction.

No later than 28 days prior to its annual meeting (the annual meeting is the date of its regular July meeting in each year) the board of trustees of each school district shall have prepared a budget, in form prescribed by the state superintendent of public instruction, and shall have called and caused to be held a public hearing thereon, and at such public hearing, or at a special meeting held no later than 14 days after the public hearing, shall adopt a budget for the ensuing year.

Financial Management

Fund Accounting System (GASB Statement 54). The Board adopted a formal fund balance policy designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District will maintain adequate fund balances and reserves in order to:

(i) provide sufficient cash flow for daily financial needs; (ii) secure and maintain investment grade bond ratings; (iii) offset significant economic downturns or revenue shortfalls; and (iv) provide funds for unforeseen expenditures related to emergencies.

Undistributed Reserve In School District Budget. A board of trustees of any school district may create and establish a general fund contingency reserve within the annual school district budget. The general fund contingency reserve may not exceed 5% of the total general fund budget, or the equivalent value of one “support unit” as defined and described under the Idaho Code. Disbursements from said fund may be made by resolution from time to time as the board of trustees determines necessary for contingencies that may arise. The balance of said fund shall not be accumulated beyond the budgeted fiscal year. If any money remains in the contingency reserve, it shall be treated as an item of income in the following year’s budget.

Financial Reporting

The financial statements of the District (the “Financial Statements”) are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), as prescribed by the Governmental Accounting Standard Board (“GASB”). In addition to presenting the financial position, results of operations and changes in financial position of the District’s funds, the Financial Statements reconcile differences in reporting activities between the budgetary basis, as presented in the annual approved budget, and the generally accepted accounting principles as is used in the preparation of the financial report.

Financial Summaries

The summaries contained herein were extracted from the District’s basic financial statements and required supplementary information for Fiscal Years 2016 through 2020. The summaries have not been audited. See “APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020” below.

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Wendell School District No. 232

Statement of Net Position

Governmental Activities

(This summary has not been audited)

	As of June 30				
	2020	2019	2018	2017	2016
Assets and deferred outflows of resources					
Assets					
Cash and cash equivalents.....	\$ 818,769	\$ 392,026	\$ 223,608	\$ 88,532	\$ 470,222
Investments.....	1,234,112	1,066,581	1,199,489	1,369,689	982,159
Prepaid expenses.....	—	—	—	—	10,019
Net receivables.....	1,047,592	1,048,430	686,244	801,567	676,312
Capital assets					
Buildings.....	\$ 19,237,917	\$ 19,197,121	\$ 19,197,121	\$ 18,851,873	\$ 18,351,976
Equipment.....	2,600,123	2,474,053	2,458,744	2,589,594	2,319,603
Infrastructure.....	1,471,790	1,288,279	1,288,279	1,288,279	1,288,279
Land and construction in progress.....	193,912	238,918	169,068	238,117	169,068
Accumulated depreciation.....	(8,254,658)	(7,833,511)	(7,304,867)	(6,845,813)	(6,304,051)
Total capital assets.....	15,249,084	15,364,860	15,808,345	16,122,050	15,824,875
Total assets.....	18,349,557	17,871,897	17,917,686	18,381,838	17,963,587
Deferred outflows of resources:					
Pension obligations.....	199,549	817,847	762,991	1,857,447	1,202,217
Total deferred outflows of resources.....	199,549	817,847	762,991	1,857,447	1,202,217
Total assets and deferred outflows of resources.....	<u>\$ 18,549,106</u>	<u>\$ 18,689,744</u>	<u>\$ 18,680,677</u>	<u>\$ 20,239,285</u>	<u>\$ 19,165,804</u>
Liabilities, deferred inflows of resources and net position					
Liabilities					
Accounts payable.....	\$ 62,946	\$ 24,255	\$ 176,272	\$ 340,445	\$ 54,343
Salaries and benefits payable.....	952,253	864,493	854,170	820,679	728,224
Accrued interest.....	118,300	125,502	132,901	133,391	139,652
Lease payable—long—term.....	263,857	111,621	163,142	214,664	110,530
Lease payable—current.....	51,522	51,522	51,522	165,857	106,936
Bonds payable—long—term.....	7,465,000	8,115,000	8,755,000	9,350,000	9,925,000
Bonds payable—current.....	650,000	640,000	595,000	575,000	565,000
Net pension liability.....	1,572,791	1,842,823	2,025,741	2,762,947	1,544,561
Total liabilities.....	11,136,669	11,775,216	12,753,748	14,362,983	13,174,246
Deferred inflows of resources					
Pension sources.....	590,918	405,460	303,874	903,653	1,201,827
Total deferred inflows of resources.....	590,918	405,460	303,874	903,653	1,201,827
Net position					
Invested in capital assets, net of related debt.....	6,818,705	6,446,717	6,243,681	5,816,529	5,117,409
Restricted for debt service.....	1,198,904	857,337	798,492	1,051,791	1,222,431
Restricted for capital projects.....	304,601	200,451	10,557	(131,990)	1
Restricted for legislation.....	(57,052)	21,574	(2,611)	6,613	—
Unassigned.....	(1,443,639)	(1,017,011)	(1,427,064)	(1,770,294)	(1,550,110)
Total net position.....	6,821,519	6,509,068	5,623,055	4,972,649	4,789,731
Total liabilities, deferred inflows of resources and net position.....	<u>\$ 18,549,106</u>	<u>\$ 18,689,744</u>	<u>\$ 18,680,677</u>	<u>\$ 20,239,285</u>	<u>\$ 19,165,804</u>

(Source: Information extracted from the District's audited financial statements compiled by the Municipal Advisor.)

Wendell School District No. 232

Statement of Activities

Total Governmental Activities

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets				
	As of June 30				
	2020	2019	2018	2017	2016
Governmental activities					
Instructional.....	\$ (5,727,532)	\$ (4,717,873)	\$ (4,830,081)	\$ (4,433,379)	\$ (3,722,685)
Support services					
Administration.....	(1,129,877)	(982,766)	(964,585)	(928,192)	(903,867)
Operation of plant.....	(466,039)	(468,357)	(483,765)	(530,654)	(517,123)
Support services.....	(332,113)	(331,096)	(362,635)	(426,585)	(347,947)
Interest and fiscal charges.....	(247,203)	(265,894)	(290,432)	(302,425)	(320,557)
Maintenance of plant.....	(231,717)	(274,806)	(130,103)	(88,058)	(50,384)
Transportation.....	3,096	(35,627)	(70,440)	(77,174)	(37,893)
Food service.....	(30,046)	7,314	(29,246)	(38,019)	(28,562)
Grounds and security.....	(6,282)	(3,341)	(6,165)	(9,529)	(4,475)
Total governmental activities.....	<u>(8,167,713)</u>	<u>(7,072,446)</u>	<u>(7,167,452)</u>	<u>(6,834,015)</u>	<u>(5,933,493)</u>
General revenues					
Federal and state aid not restricted to specific purposes...	6,578,089	6,267,877	6,656,858	5,701,279	5,278,651
Property taxes					
Levied for debt services.....	1,124,383	950,784	430,158	617,106	912,085
Levied for facilities.....	337,516	352,033	441,696	436,955	—
Levied for general purposes.....	224,684	246,545	161,801	152,309	155,964
Local programs.....	113,434	48,973	54,093	56,427	87,736
Other miscellaneous revenue.....	69,575	48,507	49,863	39,667	94,470
Earnings on investments.....	32,483	42,740	23,390	14,095	5,254
Total general revenues and transfers.....	<u>8,480,164</u>	<u>7,957,459</u>	<u>7,817,859</u>	<u>7,017,838</u>	<u>6,534,160</u>
Change in net assets.....	<u>312,451</u>	<u>885,013</u>	<u>650,407</u>	<u>183,823</u>	<u>600,667</u>
Net position—beginning (restated).....	<u>6,509,068</u>	<u>5,624,055</u>	<u>4,972,648</u>	<u>4,788,826</u>	<u>4,189,064</u>
Net position—ending.....	<u>\$ 6,821,519</u>	<u>\$ 6,509,068</u>	<u>\$ 5,623,055</u>	<u>\$ 4,972,649</u>	<u>\$ 4,789,731</u>

(Source: Information extracted from the District's audited financial statements compiled by the Municipal Advisor.)

Wendell School District No. 232

Balance Sheet—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Assets					
Cash on deposit.....	\$ 828,613	\$ 567,032	\$ 592,895	\$ 434,489	\$ 288,486
Receivables					
Interfund receivable.....	386,091	548,489	288,862	232,851	189,584
State apportionment.....	234,863	217,713	167,258	157,803	147,517
Property tax.....	84,837	89,885	56,569	51,628	55,411
Payment in lieu of taxes.....	5,820	5,821	5,821	5,821	5,821
Miscellaneous receivable.....	—	—	—	40,000	39,813
Investments.....	—	—	—	—	10,019
Total assets.....	\$ 1,540,224	\$ 1,428,940	\$ 1,111,405	\$ 922,592	\$ 736,651
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Salaries payable.....	\$ 809,735	\$ 732,391	\$ 701,314	\$ 696,477	\$ 602,151
Accounts payable.....	58,940	12,642	31,009	47,314	50,462
Benefits payable.....	—	(3,025)	—	—	13,631
Interfund payable.....	7,043	149,757	—	—	—
Total liabilities.....	875,718	891,765	732,323	743,791	666,244
Deferred inflows of resources					
Deferred inflows from property tax.....	4,216	9,403	11,915	6,516	7,225
Total deferred inflows of resources...	4,216	9,403	11,915	6,516	7,225
Fund balances					
Unassigned.....	660,290	52,772	367,001	172,285	63,182
Total fund balances.....	660,290	52,772	367,001	172,285	63,182
Total liabilities, deferred inflows of resources and fund balances.....	\$ 1,540,224	\$ 953,940	\$ 1,111,239	\$ 922,592	\$ 736,651

(Source: Information extracted from the District's audited financial statements compiled by the Municipal Advisor.)

Wendell School District No. 232

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Revenues					
State sources.....	\$ 6,881,228	\$ 6,515,026	\$ 6,356,477	\$ 6,184,614	\$ 5,894,705
Property taxes.....	230,434	249,057	156,402	153,018	157,310
Local and intermediate sources.....	113,390	64,884	60,188	37,219	64,141
Total revenues.....	<u>7,225,052</u>	<u>6,828,967</u>	<u>6,573,067</u>	<u>6,374,851</u>	<u>6,116,156</u>
Expenditures					
Instructional.....	4,617,219	4,321,060	3,921,032	3,873,536	3,648,876
Administration.....	1,032,849	906,914	884,853	862,509	833,767
Operation of plant.....	466,039	468,357	473,283	530,654	517,123
Support services.....	373,833	330,319	352,763	411,522	346,467
Transportation.....	247,442	282,776	275,165	295,527	278,090
Capital outlay.....	135,224	57,371	171,486	114,243	114,243
Maintenance of plant.....	205,867	178,010	148,876	160,269	131,080
Food service.....	7,779	8,178	10,280	7,959	8,420
Grounds and security.....	6,282	3,341	6,165	9,529	4,475
Total expenditures.....	<u>7,092,534</u>	<u>6,556,326</u>	<u>6,243,903</u>	<u>6,265,748</u>	<u>5,882,541</u>
Revenues over (under) expenditures.....	<u>132,518</u>	<u>272,641</u>	<u>329,164</u>	<u>109,103</u>	<u>233,615</u>
Other financing sources (uses)					
Transfers in/(out).....	—	(111,870)	(134,448)	—	—
Total other financing sources (uses)....	<u>—</u>	<u>(111,870)</u>	<u>(134,448)</u>	<u>—</u>	<u>—</u>
Net change in fund balance.....	132,518	160,771	194,716	109,103	233,615
Fund balance, beginning of year.....	527,772	367,001	172,285	63,182	(170,433)
Fund balance, end of year.....	<u>\$ 660,290</u>	<u>\$ 527,772</u>	<u>\$ 367,001</u>	<u>\$ 172,285</u>	<u>\$ 63,182</u>

(Source: Information extracted from the District's audited financial statements compiled by the Municipal Advisor.)

RESOURCES, TAX LEVIES, AND PROPERTY VALUES

Overview

This section describes the process for levying and collecting taxes as well as receipt of State resources. State funding sources in more detail under the heading entitled “STATE OF IDAHO SCHOOL FINANCE.”

Operating Resources. The District receives revenues from three primary sources for operations: local sources, State sources, and federal sources. In Fiscal Year 2020, State sources represented approximately 95% of the District’s total General Fund revenue, local sources (from property taxes) represented approximately 5%, and federal sources represented 0%. The District’s tax levy is certified to the Boards of County Commissioners in September. The County Treasurer from the County disburses tax receipts to the District approximately one month after the statutory payment dates.

Resources for Capital Projects. The District may pay for capital improvements from unappropriated resources, voter-approved general obligation bonds, voter-approved special plant facilities levies, and donations. General obligation bond levies and special plant facilities levies are property tax levies that are certified above and beyond all other amounts certified to be levied and collected.

Tax Levy And Collection

The District’s taxes are collected by the County. Prior to the second Monday in September, the District certifies its levy for all funds, including the debt service fund, to the Board of County Commissioners of the County. These levies are based on the equalized or adjusted valuations assessed within the District. These levies are then incorporated within the total levy for all local government units for each property owner. Taxes become due on December 20 but may be paid in installments on December 20 and June 20. Payment is made to the treasurer of each county and transmitted to the District monthly. A penalty of 2% is applied to taxes paid after the December 20 and June 20 payment dates plus interest at the rate of 1% per month, calculated from January 1 of the year following the date of the levy, on the amount of the unpaid installment plus the penalty. Delinquent taxes on property outstanding for three years subject the property to a county tax deed and said property can be auctioned off for tax purposes.

Ad Valorem Tax System

Property taxes are established and collected by individual counties and taxing districts to provide local services and do not generate revenue for State use. The State has the responsibility of overseeing property tax procedures to make sure they comply with State laws. In addition, the Idaho State Tax Commission is responsible for valuing public utilities, railroad car companies and railroads which, collectively, are called operating property.

Idaho law provides that all real and personal property is subject to assessment as of January 1 each year at 100% of market value, unless exempt or otherwise provided by law. All taxes upon real property shall be in a lien upon the real property assessed. All taxes levied upon personal property shall be a lien upon the real property of the owner.

Timberland is taxed per the acreage involved and rural electrical associations pay a 3 ½% tax on adjusted gross revenue instead of property tax. Counties collect the tax, which is computed by the State Tax Commission and apportioned on a wire mile basis.

Complaints or disagreement concerning assessed values of real or personal property are taken to the assessors of the respective county. If differences are not resolved at this level, a property owner may proceed through the County Board of Equalization, State Board of Tax Appeals or District Court, and the Idaho State Supreme Court. Operating property assessments must be appealed to the State Tax Commission, then through the courts.

Certain property acts in the Idaho Code provide that all real and personal property within the District are to be subject to assessment as of January 1 of each year, unless otherwise provided by law. All taxes levied upon real property shall be a lien upon the real property assessed. All taxes levied upon personal property shall be a lien upon the real property of the owner.

Property Tax Exemptions

Idaho law includes many full or partial exemptions, including inventories, livestock, stored property in transit, pollution control facilities, household belongings, clothing, property licensed motor or recreational vehicles, and most property

belonging to religious, fraternal, and educational organizations and institutions. Partial exemptions are available for residential improvement and speculative value of agricultural land. Partial tax credits are available to elderly, widowed, and disabled homeowners. Other major exemptions include the following:

Homeowner's Property Tax Exemption. The homeowner's property tax exemption provides a permanent exemption from ad valorem taxation for 50% of the market value for assessment purposes of a homeowner's primary residence including up to one acre of the land value, up to a maximum of \$100,000 (the "Homeowner's Exemption").

Business Investment Property Tax Exemption: Under Idaho Code § 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new manufacturing facilities valued at a minimum of \$500,000 and land is not eligible for the exemption. Any existing buildings are not eligible for the exemption and approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption ("Business Exemption") only exempts the collection of property taxes on new business investment and does not impact the District's ability to repay the 2020 Bonds. Following the expiration of the Business Exemption the value of the new investment of property will be included in the District's Taxable Assessed Value for future tax levy certifications.

Personal Property Tax Exemption: The 2020 Bonds are secured by an unlimited tax on taxable property in the District. Taxable property includes real property and personal property. Idaho currently has a \$3,000 exemption on a de minimus item of personal taxable property, a \$100,000 exemption on business personal property, and an exemption on agricultural machinery and equipment. The State appropriates funds from the State sales tax receipts to taxing districts to replace revenues lost through these exemptions. Because of the replacement provision, the District does not expect these exemptions to influence the District's finances. However, there is no assurance the State Legislature will appropriate sufficient moneys in future years to replace the lost revenues.

School District Levies

Tax Levy Procedure. Prior to the commencement of each Fiscal Year, the Board adopts a resolution to adopt its annual budget and approve submission of its property tax levies to the Board of County Commissioners of the County. The budget and tax levy process is described under "FINANCIAL INFORMATION REGARDING THE DISTRICT—Budgets and Budgetary Accounting" above. The District's tax levy is certified to the Boards of County Commissioners in September. The treasurer of each county disburse tax receipts to the District approximately one month after the statutory payable dates. The District may levy the following ad valorem taxes for the following purposes:

Supplemental M&O Levy. Subject to voter approval school districts can levy and collect a supplemental maintenance and operation levy (the "Supplemental M&O Levy"). The Supplemental M&O Levy may be authorized for up to two years for a non-charter district through an election approved by a simple majority of the district electors voting in such an election. *The District currently levies a Supplemental Levy.* The District's Supplemental Levy for Fiscal Year 2021 is estimated at \$600,000.

Emergency Levy; Tort Levy; Judgment Levy. Taxes may be levied and collected for the purpose of paying for a specific, unanticipated expenditure, judgment, or legal claim for which funds were not budgeted in the prior year (a "Emergency, Tort, or Judgment Levy"). *The District currently levies a Tort levy, but not an Emergency or Judgment Levy.* The District's Tort Levy for Fiscal Year 2021 is estimated at \$893.

Tuition Levy. When a pupil leaves the school district of his residence to attend a nonresident school, the receiving district is authorized to charge for the tuition of its nonresident pupils where tuition has not been waived. The District is authorized to levy (above the regular maintenance and operation levy, if levied) for the purpose of paying tuition costs of students who, under the authorization of the board of trustees of the district, attend school in another district either in or out of the State (the "Tuition Levy"). *The District does not levy a Tuition Levy.*

Bond Levy. Subject to voter approval and debt limitations the District may levy a tax for the purposes of repaying voter approved debt for specific capital projects (the "Bond Levy"). *The District has levied a Bond Levy for the last five years.* The District's Bond Levy for Fiscal Year 2021 is estimated at \$837,027.

Plant Facilities Levy. A plant facilities levy must be authorized by voter approval. The annual dollar amount of the levy requested is limited to an amount that does not exceed 0.4% of the taxable market value of a school district

as of December 31 of the year immediately prior to the year of election (the “Plant Facilities Levy”). The collection term of a Plant Facilities Levy is limited to 10 years. *The District does not levy a Plant Facilities Levy.*

Historical Tax Rates

	Tax Rate				
	2020–21*	2019–20	2018–19	2017–18	2016–17
Maintenance and operation.....	.000000000	.000000000	.000000000	.000000000	.000000000
Supplemental maintenance and operation .....	.001465965	.001477169	.001760464	.001990504	.002079077
Emergency.....	.000000000	.000000000	.000000000	.000000000	.000000000
Tort liability.....	.000002182	.000000000	.000000000	.000000000	.000000000
Judgment.....	.000000000	.000000000	.000007800	.000000000	.000000000
Total maintenance and operation fund.....	.001468147	.001477169	.001760464	.001990504	.002079077
Bond levy.....	.002045087	.002949540	.002795467	.001419836	.002180831
Plant.....	.000000000	.000000000	.000000000	.000000000	.000000000
Total All Funds.....	<u>.003513234</u>	<u>.004426709</u>	<u>.004555931</u>	<u>.003410340</u>	<u>.004259908</u>

* Preliminary; subject to change. Estimated by the District; levy not certified.

(Source: *Tax Levies for School Purposes*, State Superintendent of Public Instruction.)

Comparative Total School District Tax Rates

Tax Levying District	Tax Rate				
	2019–20	2018–19	2017–18	2016–17	2015–16
<i>The District</i>.....	.004426709	.004555931	.003410340	.004259908	.003926053
Jerome No.261 .....	.003261550	.003231085	.003462312	.003479669	.003474475
Gooding No. 231 .....	.002533162	.002493592	.002533162	.002533163	.002776188
Buhl No. 412 .....	.002435877	.002323077	.002334544	.002461441	.002663328
Hagerman No.233.....	.002207564	.002128603	.002469661	.002566848	.002697801
Bliss No.234 .....	.001282935	.001384320	.003821247	.001607455	.001724469

(Source: *Tax Levies for School Purposes*, State Superintendent of Public Instruction.)

Market Value Of Property Of The District

The Assessor of the County annually assign “valuation of market value for assessment purposes” to all taxable real and personal property within the County. The following table shows the history of the values for the District during the last five years:

Tax Year	Full Market Value (1) (2)	% Change	Homeowner’s Exemption	Taxable Assessed Value (3)	% Change
2020.....	\$475,988,355	8.2	\$66,701,623	\$409,286,732	7.8
2019.....	439,732,044	11.3	59,927,088	379,804,956	11.4
2018.....	395,168,192	11.9	54,348,864	340,819,328	13.1
2017.....	353,295,223	4.5	51,863,979	301,431,244	4.4
2016.....	338,170,306	5.8	49,580,731	288,589,575	6.7

(1) Each year all taxable property must be assessed at 100% of the current market value.

(2) Includes Urban Renewal value.

(3) Taxable Assessed Value is the Full Market Value less statutory exemption.

(Source: Idaho State Tax Commission.)

Tax Collection Record Of The District

<u>Tax Year (1)</u>	<u>Tax Levy In Dollars</u>	<u>Amount Collected</u>	<u>% Collected</u>
2019	\$1,686,754	\$1,667,858	98.9
2018	1,551,895	1,540,269	99.5
2017	1,031,954	1,029,515	99.8
2016	1,221,059	1,220,835	100.0
2015	1,067,799	1,067,388	100.0

(1) As of September 30, 2020.

(Source: Gooding County Treasurer.)

The Largest Taxpayers Of The District

The following list represents some of the largest taxpayers in the District.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2020 Taxable Value</u>	<u>% of District's 2020 Tax- able Value</u>
L & S Land Holdings, LLC	Agricultural	\$ 45,294,085	11.1
Idaho Power Company.	Electric utility	33,220,853	8.1
Southfield Land & Livestock, LLC	Agricultural	13,824,090	3.4
Box Canyon Land Holdings, LLC	Agricultural	11,405,035	2.8
Verbree Land Holdings, LLC	Agricultural	8,777,354	2.1
Riverbend Dairy	Agricultural	8,749,997	2.1
Hurtodo Farms LP	Agricultural	8,612,908	2.1
Triple S Farms	Agricultural	5,344,416	1.3
Double V, LLC	Agricultural	4,478,569	1.1
K&K Real Estate LLC	Agricultural	4,059,699	1.0
Totals		<u>\$143,767,006</u>	35.1

(Source: Gooding County Assessor.)

STATE OF IDAHO SCHOOL FINANCE

General

The Legislature appropriates state and federal moneys for support of public school districts (the “Schools Appropriations”). The Schools Appropriations are deposited into the “Public School Income Fund” for further distribution by the DOE to school districts pursuant to a formula set forth in Idaho Code § 33–1002 and accompanying rules and regulations of the DOE. See “State Support to the District” below. The amount of State funding provided to each school district is determined, in part, by support units calculated for each district, which units are calculated largely based on ADA at each district. ADA is calculated in accordance with Idaho Code § 33–1003A, based on the entire school year except that the twenty-eight weeks having the highest ADA, not necessarily consecutive, may be used. Accordingly, an increase or decrease in a District’s ADA will affect the level of state funding received by the district. See “The District – Average Daily Attendance” herein for a discussion of the District’s ADA. See “THE DISTRICT—Average Daily Attendance” herein for a discussion of the District’s ADA.

The ADA funding formula system has been in effect, with certain modifications, since 1994. The last several Legislative sessions have considered changes to this system, culminating in a report in 2018 of an interim legislative committee that recommended the formula system transition from “counting students based on average daily attendance to counting students based on enrollment.” The 2019 legislative session did not enact any changes to the system but did enact HB 293 which adds definitions and requires school districts to report enrollment data so that a comparison between and ADA system and an enrollment-based system could be evaluated. The 2020 Legislature took no action with respect to changing the current system.

The State sets an annual budget based on the State's Fiscal Year which begins on July 1 and ends on the following June 30. Both the executive and legislative branches play a role in the budget setting process. All State agencies, including the DOE, submit a budget request to the DFM in the Governor's office and to the Legislative Services Office not later than September 1 of each year. The Governor, through DFM, then prepares a proposed budget for the subsequent fiscal year, and the Governor submits this budget recommendation to the State Legislature within five days after the commencement of the annual legislative session in early January. The Governor's budget recommendation is based on revenue projections developed by DFM.

The Joint Finance–Appropriations Committee (“JFAC”), a joint committee composed of the Senate Finance Committee and the House Appropriations Committee then initiates legislative action on the state budget. Considering the Governor's recommendation, JFAC hears presentations of, or reviews without hearings, budget requests of all State agencies and drafts a series of appropriation bills that are sent to the entire legislative body. The JFAC budget is based on the revenue projections of a joint legislative economic outlook committee. Upon passage by each legislative body, the appropriation bills for each agency are sent to the Governor for signature. The Governor has “line–item” veto power for distinct appropriations. The Idaho Constitution requires a balanced budget, stating that appropriations must match the projected revenues currently provided for by law.

The State Legislature usually adjourns before April 15, once it has adopted a budget, set appropriations for the upcoming fiscal year, and, if necessary, revised the current fiscal year's budget. The appropriations, as enacted by the State Legislature, constitute the limit for each agency's authorized expenditures, subject to limited flexibility for emergency situations and/or unanticipated revenue.

Reserve Fund

Beginning July 1, 2003, the State established a series of budget reserve funds, including principally a Public Education Stabilization Fund (the “Education Stabilization Fund”) and a general budget reserve fund (the “General Reserve Fund”). Both funds act as reserve accounts from which the State can draw funds to make up revenue shortfalls and into which funds are deposited in times of surplus. The Education Stabilization Fund is dedicated only for public education. In Fiscal Years 2009–2011 almost the entire balances in both the Education Stabilization Fund and the General Reserve Fund were drawn down to support budgets for those years. Beginning in Fiscal Year 2012 the State Legislature has appropriated surplus funds for deposit in these funds, resulting in increased balances each year. At June 30, 2020, the Education Stabilization Fund balance was approximately \$62.4 million, and the General Reserve Fund balance was \$393.2 million. Shortly after the beginning of the 2021 Fiscal Year on July 1, 2020, an additional \$30 million was transferred to the General Reserve Fund from the surplus for the Fiscal Year ended June 30, 2020 that resulted from revenues above projection, raising the balance to \$423.2 million. For the entire Fiscal Year 2020 State budget, actual expenditures were less than appropriations, such that in addition to the General Reserve Fund and the Education Stabilization Fund, the State begins the Fiscal Year 2021 with an unobligated opening General Fund balance of \$186.3 million.

Appropriations To Public Schools

The State Legislature convened its 2020 session on January 6, 2020 and adjourned on March 20, 2020 having set the appropriations and budgets for Fiscal Year 2021. The Legislature approved an increase of approximately 4.6% for public school support appropriations from the General Fund and a 3.2% increase from all funds for Fiscal Year 2021 compared to Fiscal Year 2020 Schools

Appropriations for Fiscal Year 2017 through Fiscal Year 2020 and the budgeted appropriation for Fiscal Year 2021 are presented in the table below.

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Historical and Budgeted State Appropriations

	Fiscal Year (\$ In Thousands)				
	2021 (1)	2020	2019	2018	2017
General Fund	\$1,985,451	\$1,898,407	\$1,785,265	\$1,685,262	\$1,584,669
Dedicated Funds (2).....	105,718	105,062	91,011	91,637	77,496
Federal Funds	<u>250,223</u>	<u>264,339</u>	<u>264,339</u>	<u>264,339</u>	<u>264,339</u>
Total State appropriation.....	<u>\$2,341,392</u>	<u>\$2,267,808</u>	<u>\$2,140,615</u>	<u>\$2,041,238</u>	<u>\$1,926,504</u>
% change over previous year	3.2	5.9	4.9	6.0	6.2

(1) Budgeted amounts for Fiscal Year 2021.

(2) Includes Lottery Receipts, Endowment Fund Receipts, Miscellaneous Receipt Balances, and Cigarette Taxes & Lottery Income.

(Source: Idaho State Legislature, Sine Die Report for each Fiscal Year.)

The State funding schedule for distributions is as follows:

Payment Date	Payment Amount
August 15	50%
November 15	20%
February 15	20%
May 15	10%
July 15	Final payment adjustment (1)

Percentages approximate the distribution to be received, final amounts may vary.

(1) For the Fiscal Year ending the previous June 30.

Budget Holdback Authority And Fiscal Year 2021 Holdback

If during the course of a fiscal year the Governor determines anticipated revenues expected to be available fail to meet the Legislature's authorized expenditures, the Governor may issue an executive order to temporarily reduce the spending authority on file in the office of the State Controller for any department, agency, or institution of the State, and the Governor may request that the Board of Examiners approve a reversion which makes the temporary holdback permanent and the appropriations are returned to the General Fund.

On July 1, 2020, the first day of the 2021 Fiscal Year, the Governor announced a 5% holdback (the "Holdback") in response to the expected revenue effects of the COVID-19 and the Holdback was made permanent by action of the Board of Examiners on July 21, 2020. The Governor's Holdback order cites the existence of the Education Stabilization Fund and the General Reserve Fund as enabling the Holdback to be limited to 5%, and the expectation that the economic effects of COVID-19 may extend over several budget years during which the reserve balances may need to be drawn upon to compensate for revenue shortfalls.¹ See "FINANCIAL INFORMATION REGARDING THE DISTRICT—Impacts of the Coronavirus (COVID-2019)—State Budget Appropriation Effects." A 5% holdback amounts to approximately \$99 million state-wide and \$360,307 for the District.

The District's Fiscal Year 2021 budget is balanced and includes expenditure reductions that address the 5% Holdback. The District anticipates absorbing the Holdback through freezing salaries on the salary schedule and a 20% reduction in discretionary expense budget.

On September 11, 2020, the Governor announced an allocation of an additional \$99 million of federal relief funds to be distributed to K-12. Although in the same amount as the Holdback, the restrictions on use of relief funds may not enable the District to fully offset the effects of the Holdback.

Legislation Affecting Public School Appropriations

The Legislature annually reviews the overall framework for funding of public schools. Generally, these actions relate to operations funding and do not affect the District's ability to pay debt service on the Bonds, which is funded from local

¹ Source: Executive Order 2020-14, July 16 Letter from DFM to State Board of Education.

property tax revenues allowed to be levied without limitation as needed to pay debt service on the Bonds. The District cannot predict the outcome of proposals regarding education funding, programs, or requirements, all of which are subject to the plenary authority of the Legislature to consider and approve or reject.

The 2020 Legislature enacted HB 501 which provides that all qualified electors in a school district are eligible to vote if property in that district is proposed to be annexed by another district pursuant to a statutory process initiated by petition of qualified electors wishing to have their property in a different adjoining district. Previously, an annexation was subject to the vote only of the qualified electors in the specific area sought to be annexed. The District has not experienced significant annexation activity but believes that HB 501 will make adding property to the District more difficult even when favored by affected patrons.

State Support To The District

In Fiscal Year 2020, the dedicated and appropriated funding sources from the State account for approximately 95% of the District's budgeted General Fund revenue. A summary of funds the District has received from the State over the past five years follows:

	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
August	\$3,036,351	\$2,972,464	\$2,942,539	\$2,865,924	\$2,780,264
November	1,218,086	1,187,465	1,176,557	1,144,769	1,114,436
February	1,259,434	1,158,577	1,076,324	1,029,716	1,069,659
May	629,182	558,556	621,064	631,085	528,417
July	<u>234,863</u>	<u>217,713</u>	<u>167,258</u>	<u>157,803</u>	<u>147,517</u>
Total	<u>\$6,377,916</u>	<u>\$6,094,775</u>	<u>\$5,983,742</u>	<u>\$5,829,297</u>	<u>\$5,640,293</u>
% change over prior year	4.6	1.9	6.1	3.4	—

(Source: The District.)

See "FINANCIAL INFORMATION REGARDING THE DISTRICT—Summaries" above.

Special Session

On August 19, 2020, the Governor issued a proclamation (the "Proclamation") calling the Legislature into a special session which convened on August 24, 2020 and adjourned on August 25, 2020. Under the Idaho Constitution and pursuant to the Proclamation, the scope of the legislation allowed to be considered at a special session is limited to those topics identified in the Proclamation. The Proclamation proposed three items of legislation, two dealing with the mechanics of voting for the November 3, 2020 general election, and one measure proposing limitations on liability for claims relating to contracting COVID-19. The Legislature enacted the voting provisions bill that allows early processing of absentee ballots, but did not enact the voting provision bill that allowed for large scale voting centers to reduce the need for staffing precinct polling places. The Legislature enacted the liability limitation bill. Both bills were signed by the Governor on August 27, 2020 with an immediate effective date. The Proclamation did not identify, and the special session did not consider, any legislation with respect to budgeting and appropriations.

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two-thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State's office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

To be placed on a general election ballot, not less than four months prior to the election, the proponents must submit to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of the qualified electors in at least a majority of the State's 35 legislative districts, and the total number of signatures must be 6% of the total registered voters of the State.

Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, there were four initiative petitions and three referendums that qualified for the ballot between 2006 and 2016. No initiatives or referenda qualified for the November 3, 2020 general election.

LEGAL MATTERS

Absence Of Litigation Concerning The 2020 Bonds

To the best of the District's knowledge there is no litigation pending questioning the validity of the 2020 Bonds or the power and authority of the District to issue the 2020 Bonds. To the best of the District's knowledge there is no litigation pending which would materially affect the finances of the District or affect the District's ability to meet debt service requirements on the 2020 Bonds. The attorneys for the District, Holinka Law P.C., Boise, Idaho, have advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2020 Bonds.

Municipal Reorganization

Idaho Code § 67-3903 permits school districts, as taxing districts of the State, to file a petition for federal bankruptcy relief, in accordance with Chapter 9 of the United States Bankruptcy Code, which permits municipalities to file a voluntary petition for the adjustment of debts. Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of moneys payable under bonds, warrants or other obligations; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation or reduction in taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

Bankruptcy proceedings, if initiated by the District, could have an adverse effect on the owners of the 2020 Bonds, including but not limited to delay in the enforcement of their remedies, subordination of their claims to those supplying goods or services to the District and to the administrative expenses of the bankruptcy proceedings and the imposition of a plan of reorganization reducing or delaying payment of the 2020 Bonds. The District has not and does not expect to file a petition for federal bankruptcy relief.

General

The authorization and issuance of the 2020 Bonds are subject to the approval of Hawley Troxell Ennis & Hawley LLP, Boise, Idaho, Bond Counsel. Certain legal matters will be passed upon for the District by Holinka Law P.C., Boise, Idaho. The approving opinion of Bond Counsel will be delivered with the 2020 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL” of this OFFICIAL STATEMENT will be made available upon request from the contact person as indicated under “INTRODUCTION—Contact Persons” above.

Bond Counsel has reviewed this document only to confirm that the portions of it describing the 2020 Bonds and the authority to issue the 2020 Bonds, the security for the 2020 Bonds and tax matters relative to the 2020 Bonds present a fair summary of such matters.

TAX MATTERS

Tax Exemption

In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2020 Bonds is excluded from gross income pursuant to the Code, as amended to the date of delivery of the 2020 Bonds, and interest on the 2020 Bonds is not a specific preference item for the purposes of federal alternative minimum taxable income, as defined in Section 55(b)(2) of the Code. Interest on the 2020 Bonds is excluded from Idaho tax under present Idaho income tax laws. The Code imposes several requirements that must be met with respect to the 2020 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations).

Certain of these requirements must be met on a continuous basis throughout the term of the 2020 Bonds. These requirements include: (i) limitations as to the use of proceeds of the 2020 Bonds, and (ii) limitations on the extent to which the proceeds of the 2020 Bonds may be invested in higher yielding investments. The Board will covenant that they will take all steps to comply with the requirements of the Code to the extent necessary to maintain the exclusion of interest on the 2020 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under present federal income tax laws. Bond Counsel’s opinion as to the exclusion of interest on the 2020 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the 2020 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance.

The Code contains numerous provisions that may affect an investor's decision to purchase the 2020 Bonds. Beneficial Owners should be aware that the ownership of tax exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “Subchapter S” corporations, may result in adverse federal tax consequences. Bond Counsel’s opinion relates only to the exclusion of interest on the 2020 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on ownership of the 2020 Bonds. Beneficial Owners should consult their own tax advisors as to the applicability of these consequences.

Amendments to the federal tax laws could be proposed or enacted in the future, and there can be no assurance that any such future amendments which may be made to the federal tax laws will not adversely affect the value of the 2020 Bonds, the exclusion of interest on the 2020 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2020 Bonds or any other date or result in other adverse federal tax consequences.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the 2020 Bonds. If an audit is commenced, under current procedures the IRS may treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2020 Bonds until the audit is concluded, regardless of the ultimate outcome. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds is difficult, obtaining an

independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2020 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2020 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

The opinions expressed by Bond Counsel are based on existing law as of the date of delivery of the 2020 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed litigation. Amendments to the federal or state laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2020 Bonds, the exclusion of interest on the 2020 Bonds or any other from gross income or alternative minimum taxable income or both from the date of issuance of the 2020 Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the market value of the 2020 Bonds. For example, although the U.S. Supreme Court recently decided that the U.S. Constitution does not preclude the current practice that states grant more favorable tax treatment to bonds issued by issuers inside the state than bonds issued outside that state, the pendency of such case caused uncertainty until it was decided. There can be no assurance that other cases may from time to time create uncertainty or could result in a change in the treatment for state tax purposes of obligations such as the 2020 Bonds, or a change in the market value of the 2020 Bonds. Owners of the 2020 Bonds are advised to consult with their own tax advisors with respect to such matters.

Premium Bonds

The initial public offering price of certain maturities of the 2020 Bonds (the “Premium Bonds”), as shown on the inside front cover, are issued at original offering prices more than their original principal amount. The difference between the amount of the Premium Bonds at the original offering price and the principal amount payable at maturity represents “bond premium” under the Code. As a result of requirements of the Code relating to the amortization of bond premium, under certain circumstances an initial owner of a Bond may realize a taxable gain upon disposition of such a bond, even though such bond is sold or redeemed for an amount equal to the original owner’s cost of acquiring such bond. All owners of 2020 Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning and disposing of 2020 Bonds, whether the disposition is pursuant to a sale of the 2020 Bonds or other transfer, or redemption.

Qualified Tax-Exempt Obligations

The District intends to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, which affords banks and thrift institutions purchasing the Bonds more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code for taxable years of such financial institutions ending after December 31, 1986.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the 2020 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the 2020 Bonds. Prospective purchasers of the 2020 Bonds should consult with their own tax advisors with respect to the effects of any proposed or future legislation.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2020 Bonds have been rated “Aaa” by Moody’s based upon the guaranty of the 2020 Bonds under the Programs. Moody’s rates all bond issues guaranteed under the Programs “Aaa.” An explanation of the above ratings may be obtained from Moody’s. The District has not directly applied to S&P or Fitch Ratings for a rating on the 2020 Bonds.

The 2020 Bonds have a “Baa1” underlying rating from Moody’s.

Such ratings do not constitute a recommendation by the rating agencies to buy, sell or hold the 2020 Bonds. Such ratings reflect only the views of Moody’s and any desired explanation of the significance of such ratings should be obtained

from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the ratings given 2020 Bonds will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2020 Bonds.

Municipal Advisor

The District has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the District with respect to preparation for sale of the 2020 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors; Qualified Opinion

Independent Auditors. All State school districts, pursuant to Idaho Code § 33-701, must obtain an audit annually. The required audit may be performed by independent public accountants certified by the State as capable of auditing municipal corporations. The District's audit reports for Fiscal Years 2016 through 2020 fairly represent the District's financial condition and results of its operations and the cash flows of its proprietary fund types are in conformance with GAAP.

The financial statements of the District as of June 30, 2020 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Poulsen VanLeuven & Catmull, PA, Burley, Idaho ("Poulsen VanLeuven & Catmull") as stated in its report in "APPENDIX A—ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020." The District's audits for Fiscal Years 2016 through 2020 were performed by Poulsen VanLeuven & Catmull.

Poulsen VanLeuven & Catmull has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Qualified Opinion. As noted in the Independent Auditor's Report, the Governmental Accounting Standard Board ("GASB") Statement No. 75 was not implemented in the government-wide statements; thus, resulting in a qualified opinion. However, it should also be noted that except for the departure of the GASB Statement No. 75, it is the opinion of Poulsen VanLeuven & Catmull that all aspects of the District's 2020 Annual Financial Report is presented fairly, in all material respects. For additional information regarding the District's qualified opinion, please see "APPENDIX A—ANNUAL FINANCIAL STATEMENTS FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020—Independent Auditor's Report" (page 1).

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the District.

**Board of Trustees of School District No. 232,
Gooding County, State of Idaho**

APPENDIX A

ANNUAL FINANCIAL REPORT FOR SCHOOL DISTRICT NO. 232 FOR FISCAL YEAR 2020

The annual financial statements for Fiscal Year 2020 are contained herein. Copies of current and prior financial statements are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” above.

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WENDELL SCHOOL DISTRICT NO. 232

BASIC FINANCIAL STATEMENTS
With Supplemental Information

For the Year Ended June 30, 2020

WENDELL SCHOOL DISTRICT NO. 232**BASIC FINANCIAL STATEMENTS**

For the Year Ended June 30, 2020

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Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

INDEPENDENT AUDITOR'S REPORT

To the Superintendent and School Board
Wendell School District No. 232
Wendell, 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 Wendell School District No. 232 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

Management has not adopted a methodology for reporting other post-employment benefits under the guidelines of GASB 75 in the government-wide statements and, subsequently, has not considered the need to record a liability for such benefits. Accounting principles generally accepted in the United States of America require that an adequate liability be provided for post-employment benefits, which would increase the liabilities and decrease net assets and change the expenses in the government-wide statements. The amount by which this departure would affect the liabilities, net assets and expenses of the government-wide statements has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Wendell School District No. 232, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Wendell School District No. 232, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of employer's share of net pension liability and of employer contributions, and budgetary comparison information as 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.

The District has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wendell School District No. 232's basic financial statements. The combining and individual nonmajor fund and fiduciary fund financial statements, as well as the combining and individual agency fund schedules of receipts, disbursements, and changes in fund balance are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the combining and individual agency funds schedules of receipts, disbursements, and changes in fund balance, and schedule of expenditures of federal awards are the responsibility of management and were 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 combining and individual nonmajor fund financial statements, the combining and individual agency funds schedules of receipts, disbursements, and changes in fund balance, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2020, on our consideration of Wendell School District No. 232's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Poulsen, VanLeuven & Catmull

Poulsen, VanLeuven & Catmull PA
Burley, Idaho

September 15, 2020

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
STATEMENT OF NET POSITION
JUNE 30, 2020

		<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS		
Cash and Cash Equivalents	\$ 818,769	
Investments	1,234,112	
Prepaid Expenses	-	
Net Receivables	1,047,592	
Capital Assets:		
Land and construction in progress	\$ 193,912	
Buildings	19,237,917	
Equipment	2,600,123	
Infrastructure	1,471,790	
Accumulated Depreciation	(8,254,658)	
Total Capital Assets, Net of Accumulated Depreciation		15,249,084
Total Assets		<u>18,349,557</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Obligations	\$ 199,549	
Total Deferred Outflows of Resources		<u>199,549</u>
LIABILITIES		
Accounts Payable	\$ 62,946	
Salaries and Benefits Payable	952,253	
Accrued Interest Payable	118,300	
Lease Payable - Current	51,522	
Lease Payable - Long-term	263,857	
Bonds Payable - Current	650,000	
Bonds Payable - Long-term	7,465,000	
Net Pension Liability	1,572,791	
Total Liabilities		<u>11,136,669</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Sources	\$ 590,918	
Total Deferred Inflows of Resources		<u>590,918</u>
NET POSITION		
Investment in capital assets, net of related debt		6,818,705
Restricted for Debt Service		1,198,904
Restricted by Legislation		(57,052)
Restricted for Capital Projects		304,601
Unassigned		(1,443,639)
Total Net Position		<u>\$ 6,821,519</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		FEES, FINES, AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
Instructional	\$ 6,737,805	\$ 10,000	\$ 1,000,273	\$ -	\$ (5,727,532)
Support Services:					
Support Services	501,941	-	169,828	-	(332,113)
Administration	1,129,877	-	-	-	(1,129,877)
Operation of Plant	466,039	-	-	-	(466,039)
Maintenance of Plant	312,229	-	80,512	-	(231,717)
Transportation	247,442	-	250,538	-	3,096
Grounds and Security	6,282	-	-	-	(6,282)
Food Service	457,690	37,265	390,379	-	(30,046)
Capital Outlay	-	-	-	-	-
Interest and Fiscal Charges	247,203	-	-	-	(247,203)
Total Governmental Activities	<u>\$10,106,508</u>	<u>\$ 47,265</u>	<u>\$ 1,891,530</u>	<u>\$ -</u>	<u>\$ (8,167,713)</u>

GENERAL REVENUES:

Property Taxes:	
Levied for General Purposes	\$ 224,684
Levied for Debt Services	1,124,383
Levied for Facilities	337,516
Federal and State Aid not Restricted to Specific Purpos	6,578,089
Earnings on Investments	32,483
Local Programs	113,434
Other Miscellaneous Revenue	69,575
Total General Revenues & Transfers	<u>8,480,164</u>
Change in Net Position	312,451
Net Position - Beginning	6,509,068
Net Position - Ending	<u>\$ 6,821,519</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL FUND	FOOD SERVICE FUND	DEBT SERVICE FUND	FACILITIES PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Investments	\$ 828,613	\$ 9,805	\$ 901,771	\$ 195,471	\$ 117,220	\$ 2,052,880
Receivables:						
Property Tax	84,837	-	415,433	123,046	-	623,316
Interfund Receivable	386,091	-	-	7,043	29,041	422,175
State Apportionment	234,863	-	-	-	-	234,863
State Assistance	-	-	-	-	10,000	10,000
Federal Assistance	-	-	-	-	167,271	167,271
Student Fees Receivable	-	-	-	-	-	-
Miscellaneous Receivable	-	6,322	-	-	-	6,322
Payment in Lieu of Taxes	5,820	-	-	-	-	5,820
Total Assets	<u>\$ 1,540,224</u>	<u>\$ 16,127</u>	<u>\$ 1,317,204</u>	<u>\$ 325,560</u>	<u>\$ 323,532</u>	<u>\$ 3,522,647</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 58,940	\$ -	\$ -	\$ -	\$ 4,006	\$ 62,946
Salaries Payable	809,735	27,519	-	-	115,014	952,268
Benefits Payable	-	(16)	-	-	-	(16)
Interfund Payable	7,043	132,609	-	-	282,523	422,175
Total Liabilities	<u>\$ 875,718</u>	<u>\$ 160,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,543</u>	<u>\$ 1,437,373</u>
Deferred Inflows of Resources:						
Deferred Inflows from Property Tax	\$ 4,216	\$ -	\$ 22,273	\$ 8,087	\$ -	\$ 34,576
Deferred inflows from Federal Programs	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>\$ 4,216</u>	<u>\$ -</u>	<u>\$ 22,273</u>	<u>\$ 8,087</u>	<u>\$ -</u>	<u>\$ 34,576</u>
Fund Balances:						
Restricted for:						
Debt Service	\$ -	\$ -	\$ 1,294,931	\$ -	\$ -	\$ 1,294,931
Capital Projects	-	-	-	317,473	(20,959)	296,514
Grant Programs	-	(143,985)	-	-	(57,052)	(201,037)
Unassigned	660,290	-	-	-	-	660,290
Total Fund Balances	<u>\$ 660,290</u>	<u>\$ (143,985)</u>	<u>\$ 1,294,931</u>	<u>\$ 317,473</u>	<u>\$ (78,011)</u>	<u>\$ 2,050,698</u>
Total Liabilities and Fund Balances	<u>\$ 1,540,224</u>	<u>\$ 16,127</u>	<u>\$ 1,317,204</u>	<u>\$ 325,560</u>	<u>\$ 323,532</u>	<u>\$ 3,522,647</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Governmental Fund Balance	\$ 2,050,698
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

These assets are as follows:

Land and Construction in Progress	193,912	
Buildings	19,237,917	
Equipment	2,600,123	
Infrastructure	1,471,790	
Accumulated Depreciation	<u>(8,254,658)</u>	
Total Capital Assets		15,249,084

Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements	(118,300)
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District taxes that will not be available to pay the current expenditures are therefore deferred in the funds	34,576
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Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:

-Deferred Outflows Pension Obligations	199,549	
-Deferred Inflows Pension Sources	(590,918)	
-Net Pension Liability	<u>(1,572,791)</u>	
Total Pension Liabilities		(1,964,160)

Long-term liabilities including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Capital Leases	(315,379)	
Outstanding Bonds	<u>(8,115,000)</u>	
Total Long-term Liabilities		<u>(8,430,379)</u>

Net Changes	4,770,821
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Net Position of Governmental Activities	<u>\$6,821,519</u>
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The notes to the financial statements are an integral part of this statement.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND	FOOD SERVICE FUND	DEBT SERVICE FUND	FACILITIES PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Tax	\$ 230,434	\$ -	\$ 1,128,615	\$ 340,100	\$ -	\$ 1,699,149
Donations	-	-	-	-	-	-
Local and Intermediate Sources	113,390	37,297	11,674	-	10,005	172,366
State Sources	6,881,228	-	87,833	-	284,856	7,253,917
Federal Sources	-	399,868	-	-	965,752	1,365,620
Total Revenues	<u>\$ 7,225,052</u>	<u>\$ 437,165</u>	<u>\$ 1,228,122</u>	<u>\$ 340,100</u>	<u>\$ 1,260,613</u>	<u>\$ 10,491,052</u>
EXPENDITURES						
Instructional	\$ 4,617,219	\$ -	\$ -	\$ -	\$ 1,130,619	\$ 5,747,838
Support Services	373,833	-	-	-	128,108	501,941
Administration	1,032,849	-	-	-	-	1,032,849
Operation of Plant	466,039	-	-	-	-	466,039
Maintenance of Plant	205,867	-	-	-	-	205,867
Transportation	247,442	-	-	-	-	247,442
Grounds and Security	6,282	-	-	-	-	6,282
Food Service	7,779	457,400	-	-	-	465,179
Capital Outlay	135,224	-	-	250,028	63,850	449,102
Debt Service:						
Principal	-	-	640,000	-	-	640,000
Interest	-	-	249,525	-	-	249,525
Total Expenditures	<u>\$ 7,092,534</u>	<u>\$ 457,400</u>	<u>\$ 889,525</u>	<u>\$ 250,028</u>	<u>\$ 1,322,577</u>	<u>\$ 10,012,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 132,518</u>	<u>\$ (20,235)</u>	<u>\$ 338,597</u>	<u>\$ 90,072</u>	<u>\$ (61,964)</u>	<u>\$ 478,988</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 29,041	\$ 29,041
Transfers (Out)	-	-	-	-	(29,041)	(29,041)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	\$ 132,518	\$ (20,235)	\$ 338,597	\$ 90,072	\$ (61,964)	\$ 478,988
FUND BALANCE - BEGINNING	<u>527,772</u>	<u>(123,750)</u>	<u>956,334</u>	<u>227,401</u>	<u>(16,047)</u>	<u>1,571,710</u>
FUND BALANCE - ENDING	<u>\$ 660,290</u>	<u>\$ (143,985)</u>	<u>\$ 1,294,931</u>	<u>\$ 317,473</u>	<u>\$ (78,011)</u>	<u>\$ 2,050,698</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 478,988

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

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenues in the funds. (12,003)

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets are allocated over their
estimated useful lives as depreciation expense. In the current period,
these amounts are:

Capital Outlay	229,516	
Depreciation Expense	<u>(553,271)</u>	
Excess of Capital Outlay over Depreciation Expense		(323,755)

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement of Activities 748,344

Changes in net pension liability and related pension source
deferred outflow and deferred inflow of resource do not provide
or require current financial resources and therefore are not
reflected in the funds. (586,325)

In the Statement of Activities, interest is accrued on outstanding
debt, whereas in governmental funds, an interest expenditure
is reported when due. 7,202

Change in net position of governmental activities \$ 312,451

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>TOTAL</u>
ASSETS:	
Cash	<u>\$ 317,216</u>
Total Assets	<u>\$ 317,216</u>
LIABILITIES:	
Due to Others	<u>\$ 317,216</u>
Total Liabilities	<u>\$ 317,216</u>
NET POSITION:	<u>\$ -</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Wendell School district No. 232 is a School District consisting of patrons from Gooding County. The Board of School Trustees (Board), a five member group constituting an ongoing entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Local Independent School District. The Board receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

B. Basis of Presentation, Measurement Focus, and Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Separate combining financial statements are provided for non-major governmental funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *food service fund* accounts for the District's hot lunch program, which receives its primary funding through the federal hot lunch program.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The District reports the following fund types:

Agency Funds. These funds account for monies held on behalf of student body funds and other grant monies in which the District administers the funds on behalf of others.

Measurement Focus and Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, special assessments and interest are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District. All governmental activities of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statute authorizes the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the government are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund balances". Interfund balances offset each other and are not a part of the government-wide financial statement. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances".

All other interfund transactions, including nonrecurring or non-routine permanent transfers of equity and operating transfers, are reported as "interfund transfers". Interfund transfers offset each other and are not part of the government-wide financial statements.

Non-tax receivables are recognized as revenues received from the State and Federal governments if designated for the current fiscal period.

No allowance for uncollectible property taxes has been accrued. The District feels property taxes are ultimately collectible through property liens and/or forced sales and any amounts not collected are immaterial to the financial statements taken as a whole.

Property Tax Calendar

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. The lien date is effective January 1 of the year the property tax is levied. A revaluation of all property is required to be completed no less than every five years.

Taxes are due in two equal installments on December 20 and June 20 following the levy date. Property taxes levied for fiscal year 2019 are recorded as receivables if uncollected and a deferred revenue amount is recorded, in the fund financial statements, to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

Inventories

It is the District's policy to not maintain inventories. Supplies and textbooks are purchased in the year they are consumed.

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 one item that qualifies for reporting in this category, the pension obligation, 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 one item that qualifies for reporting in this category: the employer pension 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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

actuarial calculation of the District's net pension 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 recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The District is not required to, and elects not to, retroactively report infrastructure assets acquired after June 3, 1980. However, since July 1, 2002, the District has capitalized all infrastructure assets meeting their capitalization threshold.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 – 50
Building Improvements	25
Infrastructure	30 – 50
Equipment & Vehicles	5 – 25
Office Equipment	3 – 10

Capital Leases

A capital lease is recorded at the inception of the lease as expenditure and other financing sources in the governmental fund financial statements at the present value of the future minimum payments, using the stated interest rate in the lease. Lease payments are recorded as expenditures on the date paid. Capital leases are recorded as a liability in the government-wide financial statements at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet. As of June 30, 2020, the District has two capital leases for the purchase of school busses. A capital lease was entered into on May 17, 2017 for the purchase of three additional busses. The outstanding principal balance as of June 30, 2020 is \$110,217.19. Principal and interest payments of \$57,371.15 are due on August 28th of each year through 2021. A capital lease was entered into on August 15, 2019 for the purchase of three additional busses. The outstanding principal balance as of June 30, 2020 is \$205,162.42. Principal and interest payments of \$55,853.28 are due on September 1st of each year through 2023.

Compensated Absences

Employees of the District are entitled to paid personal days off, depending on job classification, length of service and other factors. There is no liability for unpaid accumulated sick leave since the District has an agreement with the Public Employee Retirement System (PERS) that allows the District to contribute the value of unused compensated absences to the PERS plan.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Net Position

In the government-wide statement of net position, restrictions may be imposed on a portion of a government's net position by parties outside the government (such as creditors, grantors, contributors, laws or regulations of other governments). These amounts are reported as restricted in the net position section of the statement of net position.

Fund Balances of Fund Financial Statements

Fund Balance Classification: The governmental fund financial statements present fund balances based on 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.

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.

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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.

Contingent Liability – Federal Assistance

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally by the Federal Government. Any disallowed claims, including amounts already collected, could become a liability of the general fund or other applicable funds.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Equity

The following funds had a deficit at June 30, 2020:

<u>Fund</u>	<u>Deficit</u>
Title IA	\$ 758
Title VI-B School Age	\$ 27,137
Title I – GEAR UP	\$ 10,200
Plant Facilities	\$ 20,959
Food Service	\$143,985
School Based Medicaid	\$151,181

The District plans to eliminate these deficit balances through a reduction of expenditures.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Following is a summary of the District's deposit and investment balances and of June 30, 2020:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Assets and Liabilities	Total
Bank Deposits	\$ 818,769	\$ 317,216	\$ 1,135,985
Investments	1,234,112	-	1,234,111
	<u>\$ 2,052,881</u>	<u>\$ 317,216</u>	<u>\$ 2,386,612</u>

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At June 30, 2020, \$92,785 of the District's bank balances of \$1,135,985 was exposed to custodial risk because the balances were not covered by depository insurance and also were uncollateralized.

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Investments

<u>Investments</u>	<u>Weighted Avg. Maturity</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	177 days	\$1,239,788

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that limits its investment choices further than those allowed by Idaho statute. The District primarily invests in the State Treasurer's Investment Pool, which has been assigned a AAAf fund credit quality rating and an S1+ volatility rating by Standard & Poor's Ratings Services.

B. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 166,612	\$ -	\$ -	\$ 166,612
Construction in Progress	72,306	135,490	180,496	27,300
Total capital assets not being depreciated	238,918	135,490	180,496	193,912
<i>Capital assets being depreciated:</i>				
Buildings and Improvements:				
Elementary	13,246,729	-	-	13,246,729
Secondary	5,855,612	40,796	-	5,896,408
Administration	94,780	-	-	94,780
Equipment and Vehicles:				
Elementary	794,516	-	-	794,516
Secondary	726,170	-	-	726,170
Administration	93,256	28,215	-	121,471
Transportation	860,111	282,580	184,725	957,966
Infrastructure - Secondary	195,357	183,511	-	378,868
Infrastructure - Elementary	1,092,922	-	-	1,092,922
Total capital assets being depreciated	22,959,453	535,102	184,725	23,309,830
Less accumulated depreciation for:				
Buildings and Improvements:				
Elementary	2,884,268	264,935	-	3,149,203
Secondary	2,799,553	127,722	-	2,927,275
Administration	36,928	1,896	-	38,824
Equipment and Vehicles:				
Elementary	693,211	29,723	-	718,934
Secondary	684,616	5,442	-	690,058
Administration	86,914	7,239	-	94,153
Transportation	438,406	87,894	132,124	394,170
Infrastructure	209,620	28,421	-	238,041
Total accumulated depreciation	7,833,516	553,271	132,124	8,254,658
Total capital assets being depreciated, net	15,125,937	(18,169)	52,601	15,055,167
Governmental activity capital assets, net	15,364,860	117,321	233,097	\$15,249,084

WENDELL SCHOOL DISTRICT NO. 232
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NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions as follows:

Instructional	\$456,243
Administration	<u>97,028</u>
Total	\$553,271

C. Interfund Receivables, Payables and Transfers

Interfund transfers and due to/from for the District for the year ended June 30, 2020 are summarized below:

Purpose	Receiving Fund	Paying Fund	Amount
Due To/From:			
To cover current expenditures	Food Service	General Fund	132,609
To cover current expenditures	Title I-A	General Fund	26,482
To cover current expenditures	CSI-UP	General Fund	5,617
To cover current expenditures	GEAR UP	General Fund	17,584
To cover current expenditures	Title VI-B	General Fund	38,730
To cover current expenditures	School Medicaid	General Fund	124,001
To cover current expenditures	Plant Facility	General Fund	35,938
To cover current expenditures	21 st Century	General Fund	810

D. Long-Term Debt

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 20-year serial bonds.

On November 3, 2010, the District issued \$9,800,000 of general obligation bonds to provide resources for the construction of a new elementary school.

In December of 2011, the District refunded the 2003 Series bonds that were used to provide resources to build the Middle School. The refunded portion amounted to \$2,265,000 and resulted in a lower interest rate with less cost to the District.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental Activities		\$ 7,490,000
Governmental Activities	2.0% - 3.9%	-
Governmental Activities - Refunding	2.5% - 4.0%	<u>625,000</u>
Total		<u>\$ 8,115,000</u>

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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	650,000	227,148	877,148
2022	670,000	211,147	881,147
2023	695,000	194,128	889,128
2024	685,000	176,471	861,471
2025	730,000	157,483	887,483
2026-2030	3,850,000	448,383	4,298,383
2031	835,000	13,569	848,569
	<u>8,115,000</u>	<u>1,428,329</u>	<u>9,543,329</u>

The annual debt service requirement by Idaho Law states a minimum 12-month/maximum 21-month surplus be maintained which includes the current levy as surplus. At June 30, 2020 the required surplus was as follows:

<u>2010 Series</u>	<u>2011 Series</u>	<u>Total</u>	<u>Due Date</u>
\$ --	\$ 312,812	\$ 312,812	Due August 15, 2020
513,662	--	513,662	Due September 1, 2020
--	4,000	4,000	Due February 15, 2021
162,625	--	162,625	Due March 1, 2021
676,287	316,812	993,099	Total payments due within twelve months
--	324,000	324,000	Due August 15, 2021
512,625	--	512,625	Due September 1, 2021
--	--	--	Due February 15, 2022
156,063	--	156,063	Due March 1, 2022
\$ 1,344,975	\$ 640,812	\$ 1,985,787	Total payments due within twenty-one months

The bond and interest redemption fund surplus restricted for redemption of refunding bonds and interest amounted to \$1,294,931 at June 30, 2020. The total of the fund surplus and the current levy may not exceed \$1,985,787.

Changes in long-term obligations

Long-term obligation activity for the year ended June 30, 2020 was as follows:

		<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
		<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
General	obligation					
bonds:						
	2010 Series	7,830,000	--	340,000	7,490,000	345,000
	2011 Series	925,000	--	300,000	625,000	305,000
	Total	\$ 8,755,000	\$ --	\$ 640,000	\$ 8,115,000	\$ 650,000

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Capital Leases

The District entered into a capital lease agreement with Mercedes Benz Financial Services in July of 2011. The lease was to purchase busses for transporting students to and from school and school related activities.

Changes in long-term obligations

Long-term obligation activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Capital Lease:					
Mercedes Benz	\$ 163,143	\$ —	\$ 52,926	\$ 110,217	\$ 54,368
Mercedes Benz		260,580	55,418	205,162	48,488
Total	\$ 163,143	\$ 260,580	\$ 108,344	\$ 315,379	\$ 102,856

NOTE 4: RETIREMENT 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) 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.

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

Pension Benefits

The base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' year 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 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Member and Employer Contributions

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

The contribution rates for employee are set by statute at 60% of the employer rate. As of June 30, 2019 it was 6.79%. The employer contribution rate is set by the Retirement Board and was 11.32% of covered compensation. The District's contributions required and paid were \$583,858, \$495,645, and \$493,385, for the three years ending June 30, 2020, 2019, and 2018, respectively.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2019, the District's proportion was 0.1377862 percent.

For the year ended June 30, 2020, the District recognized pension expense (revenue) of \$533,724. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,167	\$ 185,361
Changes in assumptions or other inputs	87,488	--
Net difference between projected and actual earnings on pension plan investments		535,804
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		191,781
District contributions subsequent to the measurement date	609,695	
Total	<u>\$ 843,350</u>	<u>\$ 912,946</u>

\$609,695 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.

WENDELL SCHOOL DISTRICT NO. 232
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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, 2018 the beginning of the measurement period ended June 30, 2019 is 4.8 and 4.8 for the measurement period June 30, 2019.

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

Year ended June 30:

2021	(242,639)
2022	(118,193)
2023	(70,045)

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

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

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

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2018 is based on the results of an actuarial valuation date of July 1, 2019.

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 assumption. 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	Long-Term Expected Real Rate of Return
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%	6.5%
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 LT Rate of Return, Net of Investment Expenses		5.73%	3.37%
Portfolio LT Expected Real Rate of Return, Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chose by PERSI Board:			
Long-Term Expected Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Rate of Return, Net of Investment Expenses			<u>7.05%</u>

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.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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)	4,750,435	1,572,791	(1,055,019)

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.

NOTE 5: OTHER INFORMATION

A. Employee's Retirement System

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (PERSI), a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% of the average monthly salary for the highest consecutive forty-two months.

The contribution requirements of the District and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2020, the required contribution rate as a percentage of covered payroll for members was 7.16% for general members. The employer rate as a percentage of covered payroll was 11.94% for general members.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, ID
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

B. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased an excess coverage insurance policy covering individual claims in excess of \$2,500 and retains the risk of loss for individual claims below \$2,500. Amounts of settlements have not exceeded insurance coverage in the past three years.

C. Other Post-Retirement Benefits (GASB75)

The district has determined that the cost of the required actuarial study for GASB 75 outweighs the benefit of recording the resulting liability on the year-end financial statements. The ongoing budget cutbacks do not provide the District with the funding necessary to cover the cost. This will continue to be reviewed as funds become available.

D. Management's Review

Management has evaluated subsequent events through the auditor's report date, which is the date the financial statements were available to be issued. Subsequent to year end, the District engaged an engineering firm to revise plans for the high school cooling tower and procure bids for the revised system. The District plans to upgrade the cooling system at the high school if the project can be completed at an acceptable cost (approximately \$200,000 to \$250,000).

Required Supplementary Information

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 - FISCAL YEARS*

Year Ended June 30,	Employer's portion of net pension liability	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.1499578%	\$ 1,103,924	\$ 4,018,463	27.47%	94.95%
2016	0.1414948%	\$ 1,863,256	\$ 3,963,233	47.01%	91.38%
2017	0.1362969%	\$ 2,762,947	\$ 4,336,952	63.71%	87.26%
2018	0.1288780%	\$ 2,025,741	\$ 3,930,221	51.54%	90.68%
2019	0.1249357%	\$ 1,842,823	\$ 4,378,489	42.09%	91.69%
2020	0.1377862%	\$ 2,032,370	\$ 4,660,001	43.61%	93.79%
2021					
2022					
2023					
2024					

Data reported is measured as of June 30, 2019

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 - FISCAL YEARS*

Year Ended June 30,	Statutorily required	Contributions in relation to the statutorily required contribution	Contribution (deficiency) excess	Employer's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 454,890	\$ 454,890	\$ -	\$ 4,018,463	11.32%
2016	\$ 448,638	\$ 448,638	\$ -	\$ 3,963,233	11.32%
2017	\$ 490,943	\$ 490,943	\$ -	\$ 4,336,952	11.32%
2018	\$ 444,901	\$ 444,901	\$ -	\$ 3,930,221	11.32%
2019	\$ 495,645	\$ 495,645	\$ -	\$ 4,378,489	11.32%
2020	\$ 527,512	\$ 527,512	\$ -	\$ 4,660,001	11.32%
2021					
2022					
2023					
2024					

Data reported is measured as of June 30, 2019

*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.

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Tax	\$ 245,931	\$ 245,931	\$ 230,434	\$ (15,497)
Delinquent Penalty and Interest	2,000	2,000	3,838	1,838
State Apportionment	5,394,480	5,394,480	5,368,643	(25,837)
Transportation	300,000	300,000	250,538	(49,462)
Tuition Equivalency	-	-	26,237	26,237
Benefit Apportionment	740,000	740,000	732,498	(7,502)
Other State Support	441,095	441,095	430,265	(10,830)
Other State Revenue	1,000	1,000	45,728	44,728
Earnings on Investments	1,000	1,000	25,623	24,623
Other Local Revenue	-	-	83,929	83,929
Payment in Lieu of Taxes	25,882	25,882	27,319	1,437
Federal Revenue	-	-	-	-
Total Revenues	7,151,388	7,151,388	7,225,052	73,664
EXPENDITURES:				
Elementary School Program:				
Salaries	1,228,505	1,228,505	1,113,040	115,465
Benefits	432,468	432,468	367,925	64,543
Purchased Services	-	-	1,000	(1,000)
Supplies	71,400	71,400	129,343	(57,943)
Capital Outlay	1,000	1,000	-	1,000
Total	1,733,373	1,733,373	1,611,308	122,065
Middle School Program:				
Salaries	840,780	840,780	869,332	(28,552)
Benefits	290,070	290,070	293,729	(3,659)
Purchased Services	2,000	2,000	3,056	(1,056)
Supplies	49,880	49,880	53,633	(3,753)
Capital Outlay	5,900	5,900	5,094	806
Total	1,188,630	1,188,630	1,224,844	(36,214)
Secondary School Program:				
Salaries	701,180	701,180	800,498	(99,318)
Benefits	246,050	246,050	284,340	(38,290)
Purchased Services	4,000	4,000	744	3,256
Supplies	49,948	49,948	17,213	32,735
Capital Outlay	4,300	4,300	2,724	1,576
Total	\$ 1,005,478	\$ 1,005,478	\$ 1,105,519	\$ (100,041)

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Alternative School Program:				
Salaries	-	-	15,000	(15,000)
Benefits	-	-	2,939	(2,939)
Total	-	-	17,939	(17,939)
Career and Technical Program				
Salaries	140,000	140,000	133,165	6,835
Benefits	52,300	52,300	43,774	8,526
Total	192,300	192,300	176,939	15,361
Exceptional Child Program:				
Salaries	215,668	\$ 215,668	\$ 163,151	\$ 52,517
Benefits	72,905	72,905	50,117	22,788
Purchased Services	130,500	130,500	44,373	86,127
Supplies	6,330	6,330	200	6,130
Total	425,403	425,403	257,841	167,562
Exceptional Child Preschool Program:				
Salaries	50,500	\$ 50,500	\$ 51,370	\$ (870)
Benefits	25,650	25,650	24,214	1,436
Purchased Services	-	-	-	-
Supplies	-	-	-	-
Total	76,150	76,150	75,584	566
Interscholastic Program:				
Salaries	100,000	100,000	96,996	3,004
Benefits	11,850	11,850	5,727	6,123
Purchased Services	9,000	9,000	7,254	1,746
Supplies	-	-	27,900	(27,900)
Total	120,850	120,850	137,877	(17,027)
School Activity Program:				
Salaries	7,000	7,000	7,098	(98)
Benefits	2,500	2,500	2,270	230
Purchased Services	200	200	-	200
Supplies	1,500	1,500	-	1,500
Total	11,200	11,200	9,368	1,832
Total Instructional Expenditures	4,753,384	4,753,384	4,617,219	136,165
Support Services:				
Guidance Program:				
Salaries	98,400	98,400	101,037	(2,637)
Benefits	35,600	35,600	34,008	1,592
Purchased Services	500	500	31,315	(30,815)
Supplies	3,000	3,000	2,244	756
Total	137,500	137,500	168,604	(31,104)
Ancillary Services Program:				
Salaries	-	-	(776)	776
Benefits	-	-	(167)	167
Supplies	-	-	-	-
Total	\$ -	\$ -	\$ (943)	\$ 943

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES:				
Instructional Improvement Program:				
Purchased Services	3,500	3,500	1,920	1,580
Supplies	25,000	25,000	24,264	736
Total	28,500	28,500	26,184	2,316
Educational Media Program:				
Salaries	122,900	122,900	124,241	(1,341)
Benefits	47,600	47,600	46,442	1,158
Supplies	11,100	11,100	7,342	3,758
Capital Outlay	-	-	-	-
Total	181,600	181,600	178,025	3,575
Instructional Technology Program:				
Salaries	-	-	-	-
Benefits	-	-	1,963	(1,963)
Total	-	-	1,963	(1,963)
Board of Education Program:				
Salaries	18,000	18,000	17,838	162
Benefits	8,800	8,800	7,009	1,791
Purchased Services	-	-	9,067	(9,067)
Supplies	-	-	5,848	(5,848)
Total	26,800	26,800	39,762	(12,962)
District Administration Program:				
Salaries	103,000	103,000	103,480	(480)
Benefits	29,375	29,375	29,206	169
Purchased Services	20,000	20,000	30,073	(10,073)
Supplies	10,000	10,000	22,633	(12,633)
Capital Outlay	-	-	-	-
Total	162,375	162,375	185,392	(23,017)
School Administration Program:				
Salaries	289,875	289,875	288,100	1,775
Benefits	115,915	115,915	106,925	8,990
Purchased Services	3,750	3,750	5,774	(2,024)
Total	409,540	409,540	400,799	8,741
Business Operation Program:				
Salaries	115,000	115,000	115,248	(248)
Benefits	117,550	117,550	125,663	(8,113)
Purchased Services	16,500	16,500	18,377	(1,877)
Supplies	2,000	2,000	-	2,000
Capital Outlay	-	-	-	-
Total	251,050	251,050	259,288	(10,238)
Administrative Technology Program:				
Salaries	89,000	89,000	89,264	(264)
Benefits	30,050	30,050	32,023	(1,973)
Purchased Services	33,000	33,000	25,703	7,297
Supplies	5,377	5,377	618	4,759
Capital Outlay	4,500	4,500	-	4,500
Total	\$ 161,927	\$ 161,927	\$ 147,608	\$ 14,319

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES:				
Building-Care Program (Custodial):				
Salaries	104,500	\$ 104,500	\$ 117,891	\$ (13,391)
Benefits	50,425	50,425	48,350	2,075
Purchased Services	278,000	278,000	183,752	94,248
Supplies	35,000	35,000	40,450	(5,450)
Property Insurance	75,000	75,000	75,596	(596)
Total	542,925	542,925	466,039	76,886
Maintenance-Buildings and Equipment:				
Salaries	106,150	106,150	109,887	(3,737)
Benefits	44,275	44,275	40,938	3,337
Purchased Services	5,000	5,000	22,080	(17,080)
Supplies	5,000	5,000	14,737	(9,737)
Capital Outlay	-	-	18,225	(18,225)
Total	160,425	160,425	205,867	(45,442)
Transportation:				
Salaries	126,000	126,000	123,966	2,034
Benefits	40,997	40,997	34,176	6,821
Purchased Services	47,750	47,750	52,303	(4,553)
Supplies	45,750	45,750	27,318	18,432
Capital Outlay	57,500	57,500	135,224	(77,724)
Total	317,997	317,997	372,987	(54,990)
Activity Transportation:				
Salaries	20,000	20,000	11,951	8,049
Benefits	4,115	4,115	1,083	3,032
Purchased Services	(15,000)	(15,000)	(3,355)	(11,645)
Total	9,115	9,115	9,679	(564)
Food Service Program:				
Benefits	8,250	8,250	7,779	471
Purchased Services	-	-	-	-
Total	8,250	8,250	7,779	471
Grounds and Security:				
Security Program	-	-	6,282	(6,282)
Total	-	-	6,282	(6,282)
Total Expenditures	7,151,388	7,151,388	7,092,534	56,854
Excess (Deficiency) of Revenues Over Expenditures	-	-	132,518	132,518
OTHER FINANCING SOURCES (USES):				
Contingency	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	132,518	132,518
Fund Balances—Beginning	527,772	527,772	527,772	-
Fund Balances—Ending	\$ 527,772	\$ 527,772	\$ 660,290	\$ 132,518

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal Assistance	\$ 343,500	\$ 343,500	\$ 337,807	\$ (5,693)
Federal Commodities	-	-	62,061	62,061
Adult Meals	-	-	-	-
Student Meals	50,000	50,000	37,265	(12,735)
Earnings on Investments	30	30	32	2
Miscellaneous	-	-	-	-
Total Revenues	<u>393,530</u>	<u>393,530</u>	<u>437,165</u>	<u>43,635</u>
EXPENDITURES:				
Salaries	128,175	128,175	111,936	16,239
Benefits	46,600	46,600	34,020	12,580
Food Costs	194,655	194,655	224,972	(30,317)
Commodity Costs	-	-	62,061	(62,061)
Purchased Services	5,000	5,000	1,432	3,568
Supplies	19,000	19,000	21,937	(2,937)
Sales Tax Paid	100	100	93	7
Capital Outlay	-	-	949	(949)
Total Expenditures	<u>393,530</u>	<u>393,530</u>	<u>457,400</u>	<u>(63,870)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(20,235)	(20,235)
Net Change in Fund Balances	-	-	(20,235)	(20,235)
Fund Balances--Beginning	(123,750)	(123,750)	(123,750)	-
Fund Balances--Ending	<u>\$ (123,750)</u>	<u>\$ (123,750)</u>	<u>\$ (143,985)</u>	<u>\$ (20,235)</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
BOND AND INTEREST DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 1,160,000	\$ 1,160,000	\$ 1,128,615	\$ (31,385)
Delinquent Penalty & Interest	-	-	4,846	4,846
Other State Revenue	133,500	133,500	87,833	(45,667)
Earnings on Investments	-	-	6,828	6,828
Total Revenues	<u>1,293,500</u>	<u>1,293,500</u>	<u>1,228,122</u>	<u>(65,378)</u>
EXPENDITURES:				
Supplies			-	-
Debt Service:				
Principal	640,000	640,000	640,000	-
Interest	363,188	363,188	249,525	113,663
Total Expenditures	<u>1,003,188</u>	<u>1,003,188</u>	<u>889,525</u>	<u>113,663</u>
Excess (Deficiency) of Revenues Over Expenditures	290,312	290,312	338,597	48,285
Net Change in Fund Balances	290,312	290,312	338,597	48,285
Fund Balances—Beginning	<u>956,334</u>	<u>956,334</u>	<u>956,334</u>	<u>-</u>
Fund Balances—Ending	<u>\$ 1,246,646</u>	<u>\$ 1,246,646</u>	<u>\$ 1,294,931</u>	<u>\$ 48,285</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
BUDGETARY COMPARISON SCHEDULE
FACILITIES PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property Tax	\$ 355,000	\$ 355,000	\$ 340,100	14,900
Earnings on Investments	500	500	-	(500)
Total Revenues	500	355,500	340,100	14,400
EXPENDITURES:				
Capital Assets Program:				
Supplies	-	-	55,708	(55,708)
Purchased Services	-	-	119,767	(119,767)
Capital Outlay	355,500	355,500	74,553	280,947
Total Expenditures	355,500	355,500	250,028	105,472
Excess (Deficiency) of Revenues Over Expenditures	(355,000)	-	90,072	90,072
Net Change in Fund Balances	(355,000)	-	90,072	90,072
Transfers Out	-	-	\$ -	\$ -
Fund Balances--Beginning	227,401	227,401	227,401	-
Fund Balances--Ending	\$ (127,599)	\$ 227,401	\$ 317,473	\$ 90,072

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds. All annual appropriations lapse at fiscal year end.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 28 days prior to the levy election, the District publishes a proposed budget for public review.
2. Public hearings are set to obtain taxpayers comments.
3. At least 14 days prior to the levy election, the final budget is adopted by resolution of the board and published.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. At least 120 days prior to the close of the fiscal year, a revised budget is prepared, adopted and published reflecting updated information received through that date. This is also filed with the State.
6. Expenditures may not legally exceed budgeted appropriations at the activity level.

Encumbrance accounting methods were not used in the preparation of the District's financial statements. Uncommitted appropriations lapse at year-end and commitments are reappropriated in the next year's budget.

B. Excess of Expenditures Over Appropriations

Several funds had expenditures over appropriations due to carryover of funds, increased revenues, and/or increased cost of services.

Driver's Education	2,910
Title I-C Migrant	922
Title IV – ESSA	534
School Based Medicaid	45,101
Child Nutrition	56,381

Supplementary Information

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS	PLANT FACILITIES FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS:			
Cash on Deposit	\$ 102,241	\$ 14,979	\$ 117,220
Receivables:			
Federal Assistance	167,271	-	167,271
State Assistance	10,000	-	10,000
Student Fees Receivable	-	-	-
Interfund Receivable	29,041	-	29,041
Donations Receivable	-	-	-
Total Assets	<u>\$ 308,553</u>	<u>\$ 14,979</u>	<u>\$ 323,532</u>
LIABILITIES & FUND BALANCE:			
Liabilities:			
Interfund Payable	\$ 246,585	\$ 35,938	\$ 282,523
Accounts Payable	4,006	-	4,006
Salaries Payable	115,014	-	115,014
Benefits Payable	-	-	-
Total Liabilities	<u>365,605</u>	<u>35,938</u>	<u>401,543</u>
Deferred Revenues	-		-
Fund Balances:			
Unreserved	(57,052)	-	(57,052)
Unreserved, Designated for:			
Capital Improvements	-	(20,959)	(20,959)
Total Fund Balances	<u>(57,052)</u>	<u>(20,959)</u>	<u>(78,011)</u>
Total Liabilities and Fund Balances	<u>\$ 308,553</u>	<u>\$ 14,979</u>	<u>\$ 323,532</u>

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

WENDELL SCHOOL DISTRICT NO. 232**WENDELL, IDAHO****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	SPECIAL REVENUE FUNDS	PLANT FACILITIES FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:			
Earnings on Investments	\$ -	\$ 5	\$ 5
Local and Intermediate	10,000	-	10,000
State Programs	204,349	80,507	284,856
Federal Programs	965,752	-	965,752
Total Revenues	<u>1,180,101</u>	<u>80,512</u>	<u>1,260,613</u>
EXPENDITURES:			
Instructional	\$ 1,130,619	\$ -	\$ 1,130,619
Support Services	128,108	-	128,108
Maintenance of Plant	-	-	-
Capital Outlay	-	63,850	63,850
Total Expenditures	<u>1,258,727</u>	<u>63,850</u>	<u>1,322,577</u>
Excess (Deficiency) of Revenues Over Expe	(78,626)	16,662	(61,964)
OTHER FINANCING SOURCES (USES):			
Transfers out	(29,041)	-	(29,041)
Transfers in	29,041	-	29,041
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(78,626)	16,662	(61,964)
Fund Balances--Beginning	<u>21,574</u>	<u>(37,621)</u>	<u>(16,047)</u>
Fund Balances--Ending	<u>\$ (57,052)</u>	<u>\$ (20,959)</u>	<u>\$ (78,011)</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	COMBINED TITLE I	TITLE II-A TEACHER QUAL.	TITLE III LEP & IMM.	COMBINED DRUG FREE	SCHOOL BASED MEDICAID	COMBINED VI-B	COMBINED ESSA	21ST CENTURY GRANT	CLASSROOM TECHNOLOGY	DRIVER EDUCATION	COMBINED VOCATIONAL EDUCATION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS:												
Cash on Deposit	\$ 1,569	\$ -	\$ 4,795	\$ 3,831	\$ -	\$ 54	\$ -	\$ -	\$ 40,907	\$ 344	\$ 50,741	\$ 102,241
Receivables:												
Federal Assistance	63,195	11,283	542	-	-	61,562	17,758	12,931	-	-	-	167,271
State Assistance	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Interfund Receivable	29,041	-	-	-	-	-	-	-	-	-	-	29,041
Student Fees Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 93,805</u>	<u>\$ 11,283</u>	<u>\$ 5,337</u>	<u>\$ 3,831</u>	<u>\$ -</u>	<u>\$ 61,616</u>	<u>\$ 17,758</u>	<u>\$ 12,931</u>	<u>\$ 40,907</u>	<u>\$ 10,344</u>	<u>\$ 50,741</u>	<u>\$ 308,553</u>
LIABILITIES & FUND BALANCE:												
Liabilities:												
Interfund Payable	\$ 49,683	\$ 11,283	\$ -	\$ -	\$ 124,001	\$ 43,050	\$ 17,758	\$ 810	\$ -	\$ -	\$ -	\$ 246,586
Accounts Payable	(120)	-	-	-	1,893	-	-	1,836	-	147	250	4,006
Salaries Payable	53,501	-	5,337	-	25,287	21,480	-	6,824	-	-	2,585	115,014
Benefits Payable	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>\$ 103,064</u>	<u>\$ 11,283</u>	<u>\$ 5,337</u>	<u>\$ -</u>	<u>\$ 151,181</u>	<u>\$ 64,530</u>	<u>\$ 17,758</u>	<u>\$ 9,470</u>	<u>\$ -</u>	<u>\$ 147</u>	<u>\$ 2,835</u>	<u>\$ 365,605</u>
Deferred Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:												
Restricted	(9,259)	-	-	3,831	(151,181)	(2,914)	-	3,461	40,907	10,197	47,906	(57,052)
Total Fund Balances	<u>\$ (9,259)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,831</u>	<u>\$ (151,181)</u>	<u>\$ (2,914)</u>	<u>\$ -</u>	<u>\$ 3,461</u>	<u>\$ 40,907</u>	<u>\$ 10,197</u>	<u>\$ 47,906</u>	<u>\$ (57,052)</u>
Total Liabilities and Fund Balances	<u>\$ 93,805</u>	<u>\$ 11,283</u>	<u>\$ 5,337</u>	<u>\$ 3,831</u>	<u>\$ -</u>	<u>\$ 61,616</u>	<u>\$ 17,758</u>	<u>\$ 12,931</u>	<u>\$ 40,907</u>	<u>\$ 10,344</u>	<u>\$ 50,741</u>	<u>\$ 308,553</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	COMBINED TITLE I	TITLE II-A TEACHER QUAL.	TITLE III LEP & IMM.	SAFE AND DRUG FREE	SCHOOL BASED MEDICAID	COMBINED VI-B	COMBINED ESSA	21ST CENTURY GRANT	CLASSROOM TECHNOLOGY	DRIVER EDUCATION	COMBINED VOCATIONAL EDUCATION	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUES:												
Local and Intermediate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 10,000
State Programs	-	-	-	14,863	-	-	-	-	154,109	625	34,752	204,349
Federal Programs	385,502	38,432	34,133	-	143,920	218,063	17,758	115,798	-	-	12,146	965,752
Total Revenues	<u>\$ 385,502</u>	<u>\$ 38,432</u>	<u>\$ 34,133</u>	<u>\$ 14,863</u>	<u>\$ 143,920</u>	<u>\$ 218,063</u>	<u>\$ 17,758</u>	<u>\$ 115,798</u>	<u>\$ 154,109</u>	<u>\$ 10,625</u>	<u>\$ 46,898</u>	<u>\$ 1,180,101</u>
EXPENDITURES:												
Instructional	\$ 384,461	\$ 27,149	\$ 34,133	\$ -	\$ 295,101	\$ 210,615	\$ -	\$ 134,941	\$ -	\$ 12,910	\$ 31,309	\$ 1,130,619
Support Services	-	-	-	11,547	-	-	-	-	116,561	-	-	128,108
Total Expenditures	<u>\$ 384,461</u>	<u>\$ 27,149</u>	<u>\$ 34,133</u>	<u>\$ 11,547</u>	<u>\$ 295,101</u>	<u>\$ 210,615</u>	<u>\$ -</u>	<u>\$ 134,941</u>	<u>\$ 116,561</u>	<u>\$ 12,910</u>	<u>\$ 31,309</u>	<u>\$ 1,258,727</u>
Excess (Deficiency) of Revenues Over Expe	\$ 1,041	\$ 11,283	\$ -	\$ 3,316	\$ (151,181)	\$ 7,448	\$ 17,758	\$ (19,143)	\$ 37,548	\$ (2,285)	\$ 15,589	\$ (78,626)
OTHER FINANCING SOURCES (USES):												
Transfers out		(11,283)					(17,758)					(29,041)
Transfers in	29,041	-	-	-	-	-	-	-	-	-	-	29,041
Net Change in Fund Balances	\$ 30,082	\$ -	\$ -	\$ 3,316	\$ (151,181)	\$ 7,448	\$ -	\$ (19,143)	\$ 37,548	\$ (2,285)	\$ 15,589	\$ (78,626)
Fund Balances--Beginning	(39,341)	-	-	515	-	(10,362)	-	22,604	3,359	12,482	32,317	21,574
Fund Balances--Ending	<u>\$ (9,259)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,831</u>	<u>\$ (151,181)</u>	<u>\$ (2,914)</u>	<u>\$ -</u>	<u>\$ 3,461</u>	<u>\$ 40,907</u>	<u>\$ 10,197</u>	<u>\$ 47,906</u>	<u>\$ (57,052)</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	PLANT FACILITY FUND	RECREATIONAL FACILITY CONSTRUCTION FUND	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
ASSETS:			
Cash on Deposit	\$ -	\$ 14,979	\$ 14,979
Interfund Receivable	-	-	-
Donations Receivable	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 14,979</u>	<u>\$ 14,979</u>
LIABILITIES & FUND BALANCE:			
Liabilities:			
Accounts Payable	-		\$ -
Interfund Payable	35,938		\$ 35,938
Total Liabilities	<u>\$ 35,938</u>	<u>\$ -</u>	<u>\$ 35,938</u>
Fund Balances:			
Unreserved, Designated for Capital Improv	<u>(35,938)</u>	<u>14,979</u>	<u>(20,959)</u>
Total Fund Balances	<u>(35,938)</u>	<u>14,979</u>	<u>(20,959)</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 14,979</u>	<u>\$ 14,979</u>

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

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	PLANT FACILITY FUND	RECREATIONAL FACILITY CONSTRUCTION FUND	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
REVENUES:			
Other Local Income	\$ -	\$ 5	\$ 5
State Programs	80,507	-	80,507
Total Revenues	<u>80,507</u>	<u>5</u>	<u>80,512</u>
EXPENDITURES:			
Maintenance of Plant	-	-	-
Capital Asset Program	63,850	-	63,850
Total Expenditures	<u>63,850</u>	<u>-</u>	<u>63,850</u>
Excess (Deficiency) of Revenues Over Expe	<u>16,657</u>	<u>5</u>	<u>16,662</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	16,657	5	16,662
Fund Balances--Beginning	<u>(52,595)</u>	<u>14,974</u>	<u>(37,621)</u>
Fund Balances--Ending	<u>\$ (35,938)</u>	<u>\$ 14,979</u>	<u>\$ (20,959)</u>

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

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

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 Superintendent and School Board
Wendell School District No. 232
Wendell, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wendell School District No. 232 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wendell School District No. 232'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Poulsen, VanLeuven & Catmull

Poulsen, VanLeuven & Catmull PA
Burley, Idaho

September 15, 2020

Single Audit Section

Poulsen VanLeuven & Catmull PA

Certified Public Accountants

Members of the American Institute of CPA's
and the Idaho Society of CPA's
Jeffrey D. Poulsen, CPA
Darren B. VanLeuven, CPA
Jacob H. Catmull, CPA

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

To the Superintendent and School Board
Wendell School District No. 232
Wendell, Idaho

Report on Compliance for Each Major Federal Program

We have audited Wendell School District No. 232's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Wendell School District No. 232's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 US 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 compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 each major federal program. However, our audit does not provide a legal determination of Wendell School District No. 232's compliance.

Opinion on Each Major Federal Program

In our opinion, Wendell School District No. 232 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Wendell School District No. 232 is responsible for establishing and maintaining effective internal control over compliance with the 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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.

Poulsen, VanLeuven & Catmull

Poulsen, VanLeuven & Catmull PA
Burley, Idaho

September 15, 2020

WENDELL SCHOOL DISTRICT NO. 232
WENDELL, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/ PROGRAM TITLE	GRANT CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Food Distribution	10.555	ISDE**	\$ 62,061
School Breakfast Program	10.553	ISDE	42,214
National School Lunch Program	10.555	ISDE	212,112
Summer Food Service Program	10.559	ISDE	55,633
Total Child Nutrition Cluster			<u>372,020</u>
Child & Adult Care Food Program	10.558	ISDE	2,631
Fresh Fruit & Vegetable Program	10.582	ISDE	23,218
Total U.S. Department of Agriculture			<u>397,869</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Title I	84.010	ISDE	342,600
Title I-Migrant	84.011	ISDE	44,601
Title VI-B Special Education	84.027	ISDE	220,473
Title VI-B Special Education Preschool	84.173	ISDE	12,195
Total Special Education Cluster			<u>232,668</u>
Vocational Education (Perkins III)	84.048	ISDE	13,416
Gear Up	84.334	ISDE	27,713
Rural Education	84.358	ISDE	-
21st Century Community Learning Center	84.287	ISDE	96,406
Title III - English Language Acquisition	84.365	ISDE	36,968
Title II-A Improving Teacher Quality	84.367	ISDE	38,428
ESSA	84.424	ISDE	17,921
Total Department of Education			<u>850,721</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 1,248,590</u></u>

ISDE = Idaho State Department of Education

**This is a non-cash award.

This schedule was prepared using the modified accrual basis of accounting.

This method is consistent with the method used in the preparation of the District's financial statements.

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

WENDELL SCHOOL DISTRICT NO. 232

Schedule of Findings and Questioned Costs - Federal Awards For Year Ended June 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS:

- 1 The auditor's report expresses a qualified opinion on the basic financial statements of Wendell School District No. 232.
- 2 There were no material weaknesses disclosed during the audit of the basic financial statements of the District.
- 3 No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.
- 4 The auditor's report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.
- 5 The programs tested as major programs included:

Title	CFDA #
Title I Basic Grants	84.010
Title VI-B Special Education Cluster	84.027
	84.173

- 6 The threshold for distinguishing Types A and B programs was \$750,000.
- 7 The District was not determined to be a low-risk auditee.
- 8 The audit did not disclose any material weaknesses in internal control over major programs.
- 9 There were no audit findings that are required to be reported in accordance with the Uniform Guidance in this schedule.

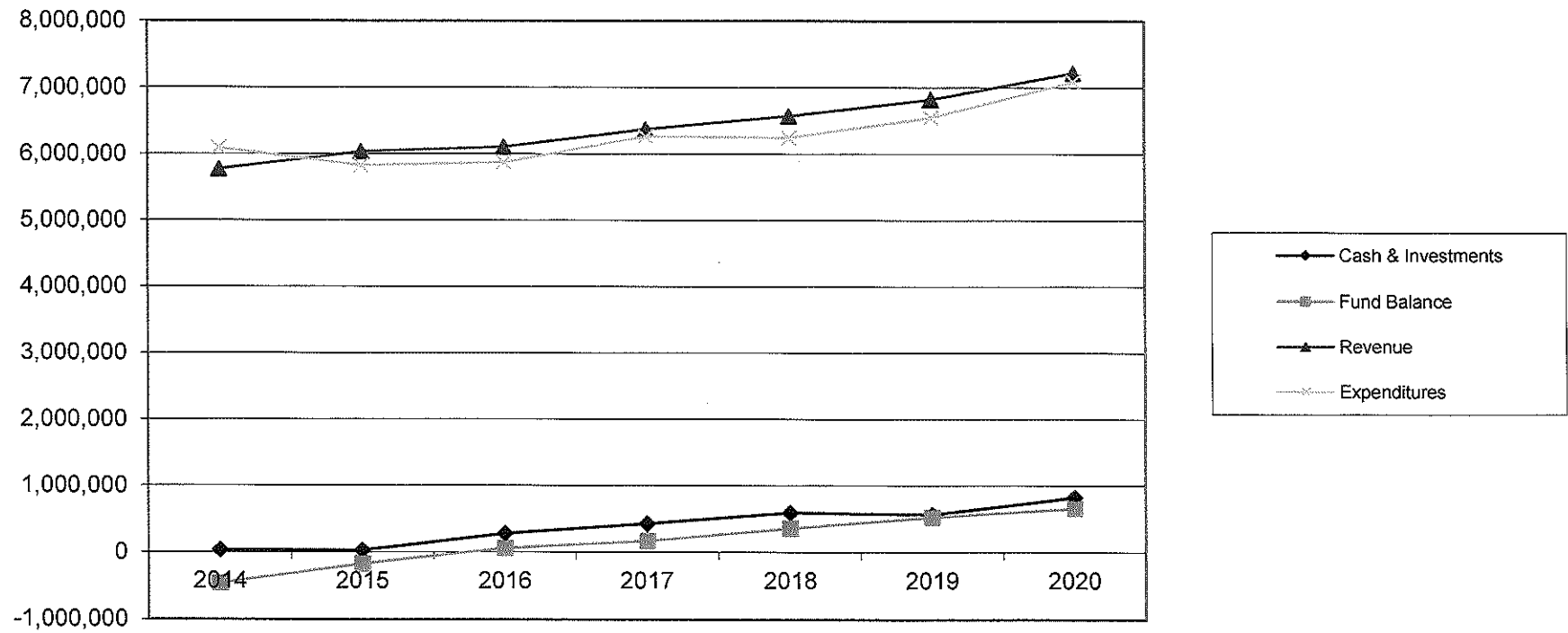
II. FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs in the financial statements.

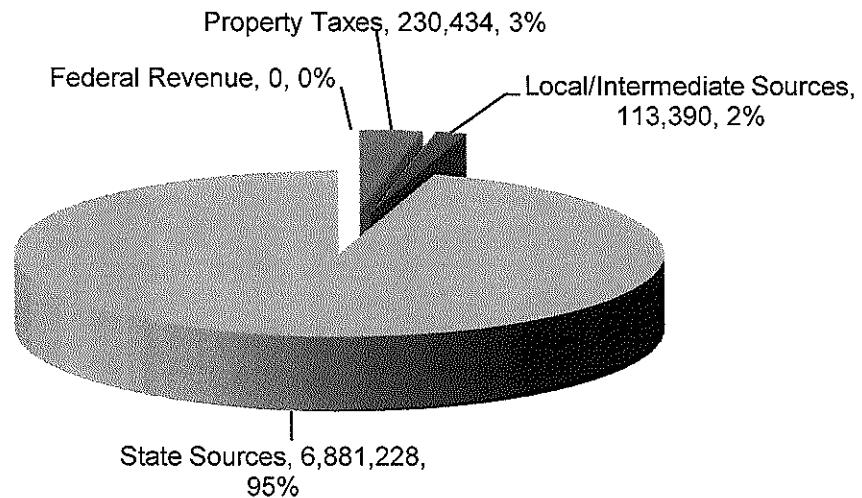
III. FEDERAL AWARD FINDINGS

There were no findings or questioned costs in any of the major federal award programs.

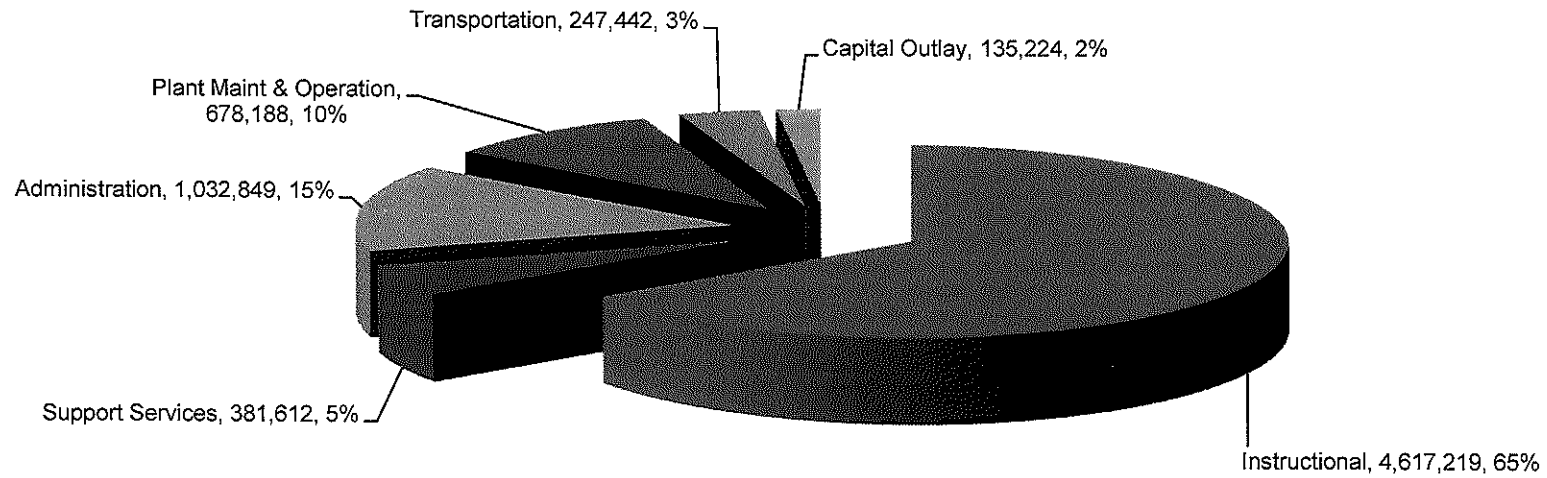
WENDELL SCHOOL DISTRICT #232 GENERAL FUND



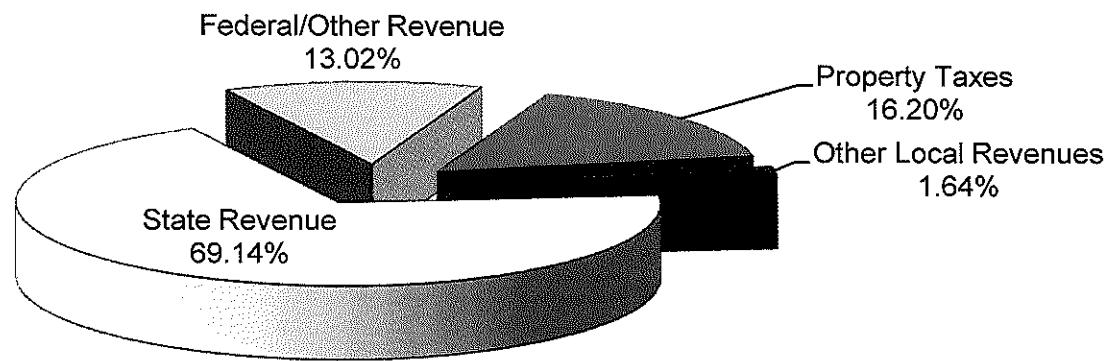
WENDELL SCHOOL DISTRICT NO. 232
GENERAL FUND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2020



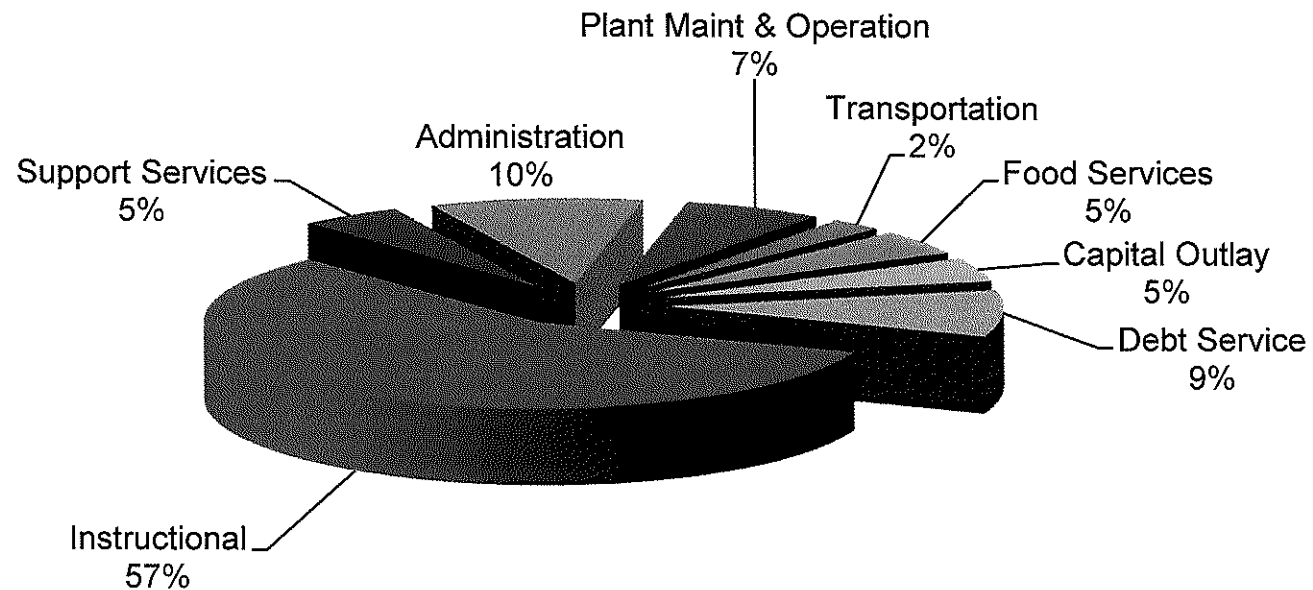
WENDELL SCHOOL DISTRICT NO. 232
GENERAL FUND EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2020



WENDELL SCHOOL DISTRICT NO. 232
TOTAL REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2020



WENDELL SCHOOL DISTRICT NO. 232
TOTAL EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2020



APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2020 Bonds, Hawley Troxell Ennis & Hawley LLP, Bond Counsel, proposes to issue their final approving opinion in substantially the following form:

(The remainder of this page has been intentionally left blank.)

December 22

Board of Trustees
School District No. 232, Gooding County, State of Idaho
150 E. Main Street
Wendell, Idaho 83355

Re: *School District No. 232, Gooding County, State of Idaho -- General Obligation Refunding Bonds, Series 2020 (Sales Tax and Credit Enhancement Guaranty)*

This is to certify that we have acted as Bond Counsel in connection with the issuance by School District No. 232, Gooding County, State of Idaho (the “District”), of its General Obligation Refunding Bonds, Series 2020 (Sales Tax and Credit Enhancement Guaranty) in the principal amount of \$6,950,000 (the “Bonds”), dated the date hereof, and issued pursuant to a Resolution of the District adopted on November 17, 2020 (the “Authorizing Resolution”) and the Certificate as to Bond Pricing and Related Matters dated December 9, 2020, authorized pursuant to the Resolution (the “Pricing Certificate,” and together with the Authorizing Resolution, the “Resolution”). The Bonds are being issued under the authority of chapter 11 of Title 33 and chapters 2, 5 and 9 of Title 57, Idaho Code, as amended, for the purpose of refunding \$7,145,000 aggregate principal amount of the outstanding General Obligation Bonds, Series 2010A (Federally Taxable – Issuer Subsidy-Build America Bonds) (the “Refunded Bonds”) of the District. The terms of the Bonds are described in the Resolution.

The District has directed Zions Bancorporation, National Association, Corporate Trust Department, as Escrow Agent, to apply a portion of the proceeds of the sale of the Bond to the purchase of certain obligations of the United States of America (the “Escrow Securities”) as set forth in Attachment I to the Escrow Agreement dated December 22, 2020, between the District and Escrow Agent (the “Escrow Agreement”), and deposit such Escrow Securities together with a cash deposit in trust in an escrow account created under the Escrow Agreement. Under the Escrow Agreement, the Escrow Agent will apply the principal of the Escrow Securities and the interest thereon, together with the cash deposit, to the payment of principal of and interest on the Refunded Bonds as such principal and interest become due thereon pursuant to stated maturity or call for redemption on March 1, 2021.

We have relied on calculations made by Zions Public Finance, Inc., as municipal advisor, for the calculation of savings in debt service to be realized by the District as a result of refunding the Refunded Bonds.

We have examined the Constitution and laws of the State of Idaho and such certified proceedings and other papers as we deem necessary to render this opinion.

Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certifications. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any change in law that may hereafter occur.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed, and delivered under the Constitution and the laws of the State of Idaho, and are valid and binding general obligations of the District.

2. Provision has been made for the levy and collection each year of ad valorem taxes on all the taxable property within the District sufficient to pay the principal of and interest on the Bonds as the same become due, and all of the taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate or amount.

3. The interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is not a specific preference item for the purposes of federal alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. To the extent that interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes, interest on the Bonds is exempt from taxes imposed by the Idaho Income Tax Act, as amended.

5. Based upon the certificate of eligibility issued to the District by the Treasurer of the State of Idaho, payment of the interest and the principal of the Bonds when due is guaranteed by the sales tax collected by the State of Idaho under the provisions of the Idaho School Bond Guaranty Act, Title 33, chapter 53, Idaho Code. Based upon the certificate of approval of credit enhancement issued to the District by the State of Idaho Endowment Fund Investment Board, payment of the principal of and interest on the Bonds when due is further guaranteed by the school district bond credit enhancement program under Title 57, chapter 7, Idaho Code.

6. Upon the issuance of the Bonds and the application of the proceeds thereof to currently refund the Refunded Bonds in accordance with the Resolution and the Escrow

Agreement, the Refunded Bonds shall be deemed duly paid and discharged for the purposes of the indebtedness limitation contained in Section 33-1103, Idaho Code, and all other purposes.

7. The District has designated the Bond as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the Bonds should consult their own tax advisors as to the applicability of any such collateral consequences. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Very truly yours,

HAWLEY TROXELL ENNIS & HAWLEY LLP

APPENDIX C

PROPOSED FORM OF INFORMATION REPORTING AGREEMENT

(The remainder of this page has been intentionally left blank.)

**SCHOOL DISTRICT NO. 232,
GOODING COUNTY, STATE OF IDAHO**

INFORMATION REPORTING AGREEMENT

Re: \$6,950,000 initial principal amount of General Obligation Refunding Bonds, Series 2020 dated December 22, 2020(the "Bonds"), of School District No. 232, Gooding County, State of Idaho (the "Issuer") and issued pursuant to a Resolution authorizing the issuance and the sale of the Bonds (the "Resolution")

THIS INFORMATION REPORTING AGREEMENT (the "Agreement") is executed and delivered by the Issuer and Zions Public Finance, Inc. (also known for purposes of this Agreement as the "Disclosure Agent") as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. Background. The Issuer issued the Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the Bonds is 382300 EX5.

2. Appointment of Disclosure Agent. The Issuer hereby appoints the Disclosure Agent, and any successor Disclosure Agent acting as such under the Resolution, as its agent under this Agreement to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. Information to be Furnished by the Issuer. The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as the Bonds are outstanding under the Resolution, the Issuer will deliver the following information to the Disclosure Agent:

a. Within 180 days after the end of the Issuer's fiscal year (June 30 of each year), the audited financial statements of the Issuer prepared in accordance with generally-accepted accounting principles, together with the report thereon of the Issuer's independent auditors, beginning with fiscal year ending June 30, 2021. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Agreement and that they

comply with the applicable requirements of this Agreement. For the purposes of determining whether information received from the Issuer is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

b. Within 180 days after the end of the Issuer's fiscal year, beginning with fiscal year ending June 30, 2021, the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in the Issuer's Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement reflected on the referenced pages of the Official Statement:

THE DISTRICT

- District Enrollment And Average Daily Attendance (historical only) - page 14

DEBT STRUCTURE OF THE DISTRICT

- Outstanding General Obligation Bonded Indebtedness - page 19
- General Obligation Legal Debt Limit and Additional Debt Incurring Capacity – page 22

TAXES AND STATE FUNDING

- Historical Tax Rates - page 31
- Market Value Of The District – page 31
- Tax Collection Record Of The District - page 32
- The Largest Taxpayers Of The District page 32

STATE OF IDAHO SCHOOL FINANCE

- State Support to the District- page 35

c. The Disclosure Agent shall provide notice to the Issuer of its requirement to provide the information listed in Sections 3.a. and 3.b. at least thirty (30) days prior to the date such information is to be provided to the Disclosure Agent by the Issuer. Any or all of the items listed above in Sections 3.a. or 3.b. may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference. In the event Issuer is unable or fails to provide the required annual financial information specified in Sections 3.a. and 3.b. above on or before the date specified therein, Issuer shall timely submit to the Repository notice of such failure in the form attached hereto as Exhibit A.

d. Within ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive

¹

For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties

e. Although the Disclosure Agent disclaims any affirmative obligation to monitor occurrences affecting the Issuer, the Disclosure Agent shall promptly advise the Issuer whenever, in the course of performing its duties under the Resolution, the Disclosure Agent identifies an occurrence that would require the Issuer to provide a notice of the occurrence of any of the events listed in Section 3.d. above; provided that the failure of the Disclosure Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder.

4. Manner and Time by Which Information is to be Made Public by the Disclosure Agent.

a. The information required to be delivered to the Disclosure Agent pursuant to Sections 3.a and 3.b hereof shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information"), and the notices required to be delivered to the Disclosure Agent pursuant to Section 3.d hereof shall be referred to as the Event Information (the "Event Information").

b. After the receipt of any Continuous Disclosure Information or any Event Information, the Disclosure Agent will deliver the information as provided in the following Section 4.c.

c. It shall be the Disclosure Agent's duty

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository immediately upon receipt from the Issuer and within ten (10) business days of the occurrence of the subject event;

(3) to determine the identity and address of the then existing Repository to which Continuous Disclosure Information and Event Information

must be sent under rules and regulations promulgated by the MSRB or by the SEC.

d. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement. The Disclosure Agent's duties and obligations are only those specifically set forth in this Agreement, and the Disclosure Agent shall have no implied duties or obligations.

e. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

5. Indemnification.

a. The Disclosure Agent shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the accurateness or completeness of the Continuous Disclosure Information disseminated by the Disclosure Agent hereunder. .

b. The Issuer hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Agreement.

6. Compensation. The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as the Disclosure Agent.

7. Enforcement. The obligations of the Issuer under this Agreement shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any beneficial owner of the Bonds (as defined in the Resolution), may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Agreement shall not constitute a default under the Resolution. Neither the Issuer nor the Disclosure Agent shall have any power or duty to enforce this Agreement.

This Agreement shall inure solely to the benefit of the Issuer, the Disclosure Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

8. Definitions. As used herein, the following terms shall have the following meanings:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

“obligated person” as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" shall mean the final official statement relating to the Bonds dated December 9, 2020.

"Repository" shall mean MSRB through its Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to the Rule.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

9. Amendments and Termination. This Agreement may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Disclosure Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Agreement is terminated pursuant to (iii), above.

10. Successor Disclosure Agent. Upon the transfer of the duties created under the Resolution from the current Disclosure Agent to a successor Disclosure Agent, such successor Disclosure Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating (or cause the Disclosure Agent to disseminate) any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Continuous Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Continuous Disclosure Information or Event Information in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Continuous Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the Bonds, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

12. Notices. Notices and the required information under this Agreement shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time.

13. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

14. **Governing Law.** This Agreement shall be governed by the laws of the State of Idaho.

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this 22nd day of December, 2020.

ISSUER:

SCHOOL DISTRICT NO. 232,
GOODING COUNTY,
STATE OF IDAHO

By: _____
Chair, Board of Trustees

DISCLOSURE AGENT:

ZIONS PUBLIC FINANCE, INC..

By: _____
Vice President

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer/
Obligated Person: School District No. 232, Gooding County, State of Idaho

Name of Issue General Obligation Refunding Bonds, Series 2020
\$ _____

Date of Issuance _____, 2020

CUSIP Number: 382300

NOTICE IS HEREBY GIVEN that the Issuer/Obligated Person has not provided an Annual Report with respect to the above-named Issue as required by the Information Reporting Agreement (the "Disclosure Agreement") between the Issuer and Zions Public Finance, Inc., as Disclosure Agent, dated the date of issuance. The Issuer has notified the Disclosure Agent that it anticipates that the Annual Report will be filed on or about _____.

Dated: _____

Zions Public Finance, Inc., as Disclosure Agent, on
behalf of the Issuer

By: _____
Title: _____

APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at dtcc.com.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Bonds, except in the event that use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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