

Joint School District No. 171
BOARD OF TRUSTEES MEETING -- October 20, 2014

I. DISTRICT ACCOUNTING RECORDS -- positive report

- A. An audit should confirm to the Trustees what they have already seen about District finances. That is the case for 2014
- B. You may want to discuss if the format gives you the information that you require
- C. You may contact either Tom Luper or Phil Nuxoll for any questions or concerns
- D. Items to be reported to the Governing Board under Audit Standards.
 - 1. The only material adjustments were for **capitalizing equipment activity
 - ** recording yearend accruals for activity after June 30
 - ** finalizing the transfers between fundsTrina Snyder identified most of the adjustments and gave to us
 - 2. Difficulties and disagreements with management - none

II. AUDITOR'S REPORTS

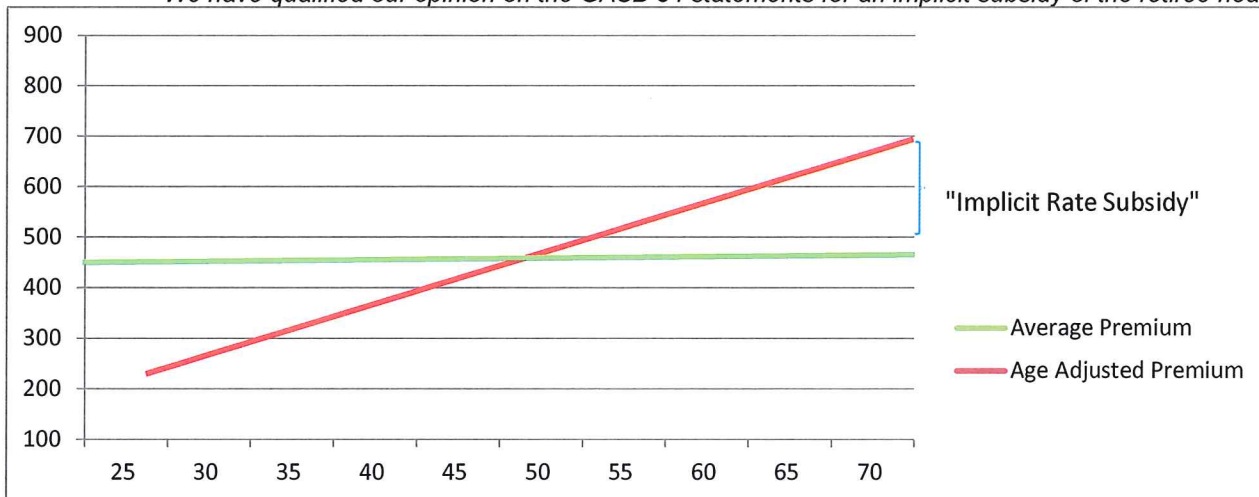
A. Audit Opinion (pg 2-4)

Audit Opinion

"Do the District's Basic Financial Statements accurately reflect the District's revenues, expenditures and the resulting financial position as of June 30?"

We are issuing a "positive" opinion on the fund financial statements.

We have qualified our opinion on the GASB 34 statements for an implicit subsidy of the retiree healthcare.



B. Accountant's Report under Government Auditing Standards (pg 40-41)

Accountant's Reports on Internal Controls

"Does the District have accounting procedures in place to account for District and Federal Funds?"

*We have identified one finding of which you need to be aware. However, we have **not** recommended any changes. See page 46*

C. Accountant's Report under Single Audit Act (pp 42-43)

1. Listing of federal awards is on page 44 -- \$1,310,802 in grant expenditures

2. OMB requires "Single Audit" when grant expenditures are greater than \$500,000

"Did we note any significant instances where the District was not following selected Federal regulations?"

We are issuing "clean" reports.

Joint School District No. 171
BOARD OF TRUSTEES MEETING -- October 20, 2014

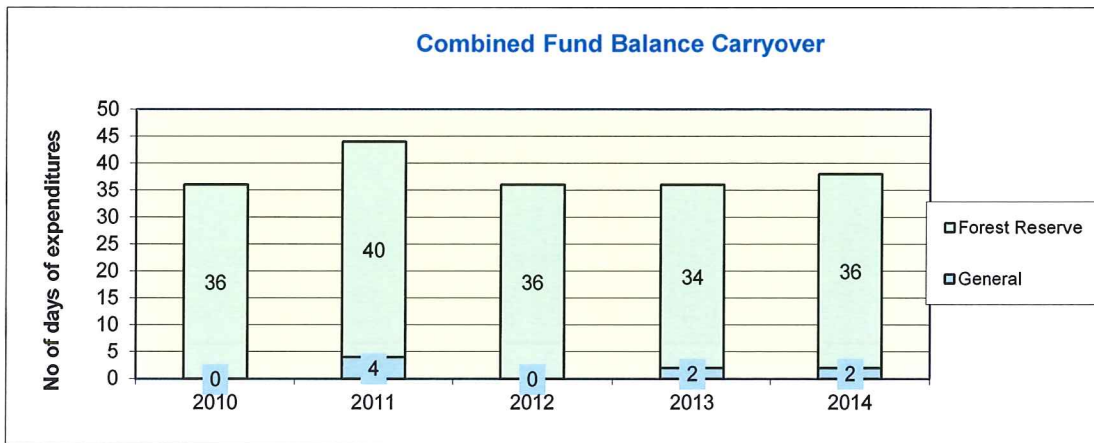
III. FINANCIAL RESULTS OF 2013-14 SCHOOL YEAR

- A. Transfers between funds -- (pg 34 or pg 56-59)
1. School lunch - \$18,150
 2. School Plant Facility Reserve - \$89,000 for bus depreciation
 3. Youth Challenge - \$41,301 to general fund for indirect costs
 4. Youth Challenge - \$15,123 to school lunch for indirect costs

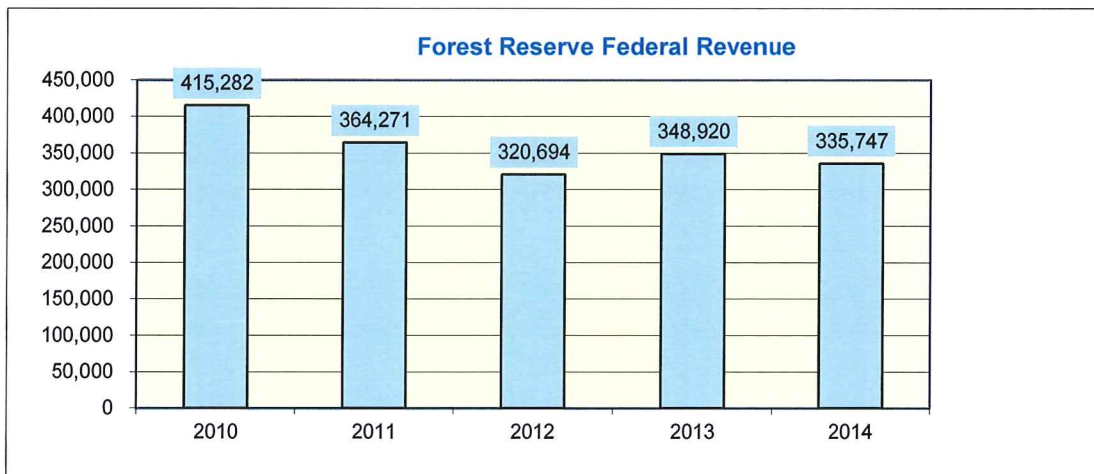
FUND FINANCIAL STATEMENTS

Description of all funds is located at page 47 - 51

- B. General Fund (pg 56)
1. Positive net change in carryover for the general fund of \$10,221.
 2. General fund has to be evaluated in conjunction with Forest Reserve in JSD171
 3. Carryover of \$54,957 in general fund, plus \$848,977 in the Forest Reserve fund. (pg 56)
 - a. Combined carryover is 38 days worth of expenditures. (36 days in 2013, 36 days in 2012)
 - b. Presnell Gage recommends maintaining 60 days of working capital through fund balance carryover plus financing. Any specific identified needs would be in addition to the 60 days.

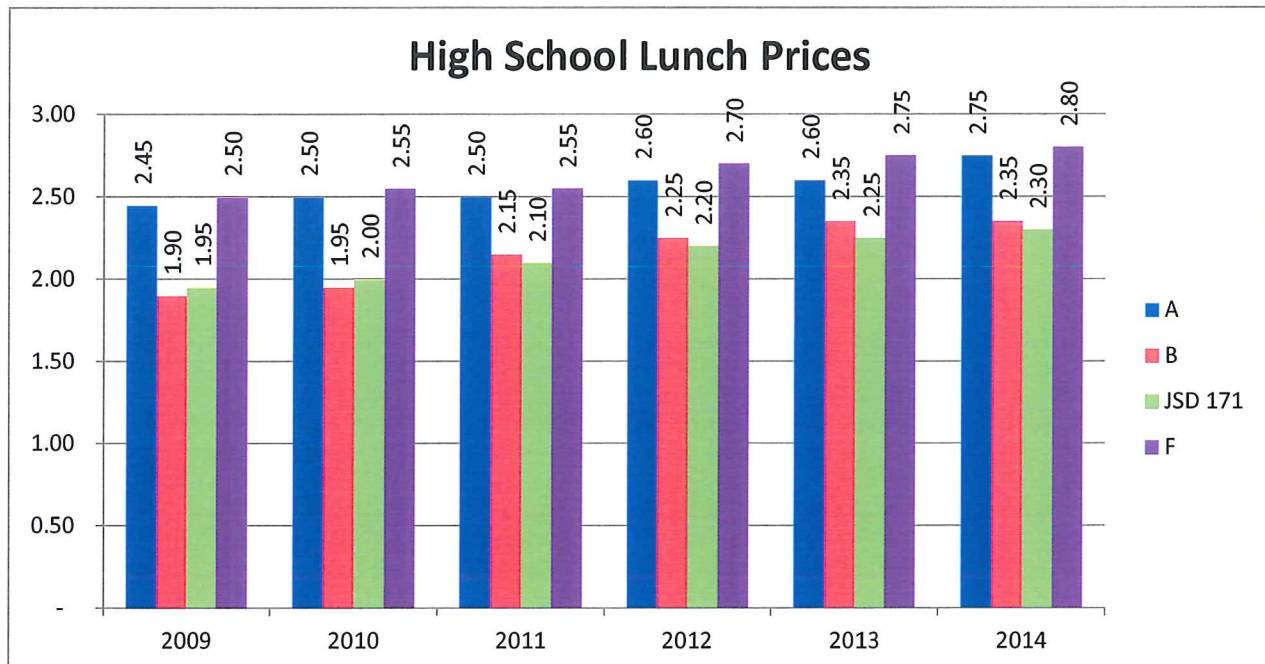
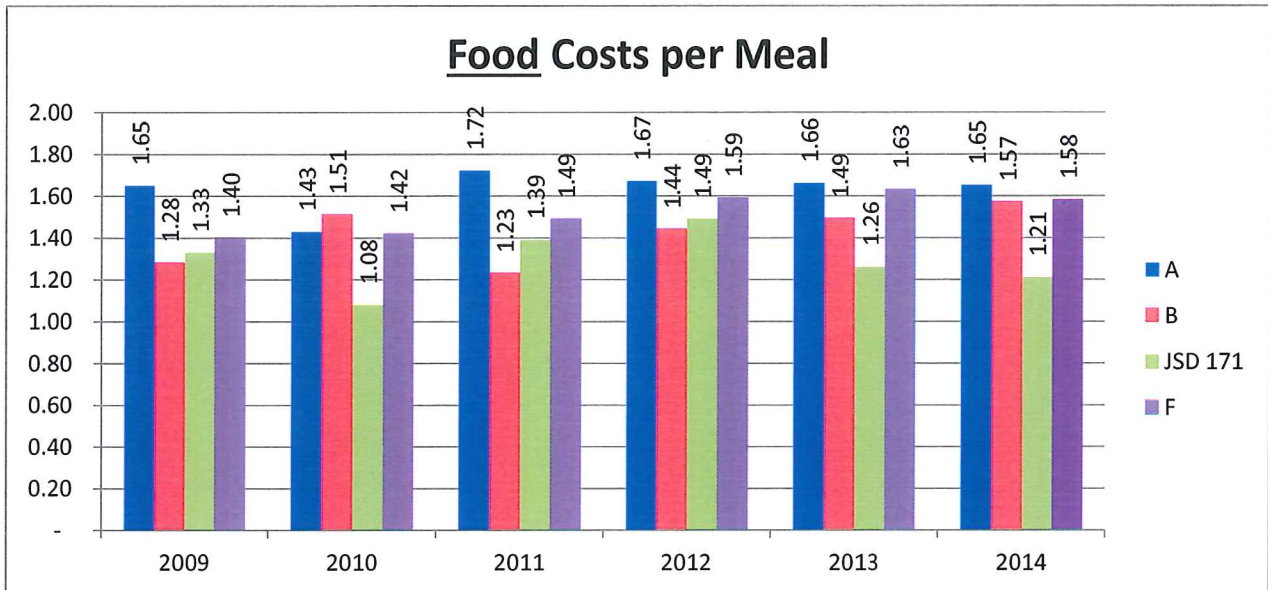


- C. Forest Reserve Fund (pg 56) -- \$848,977 carryover in this fund.

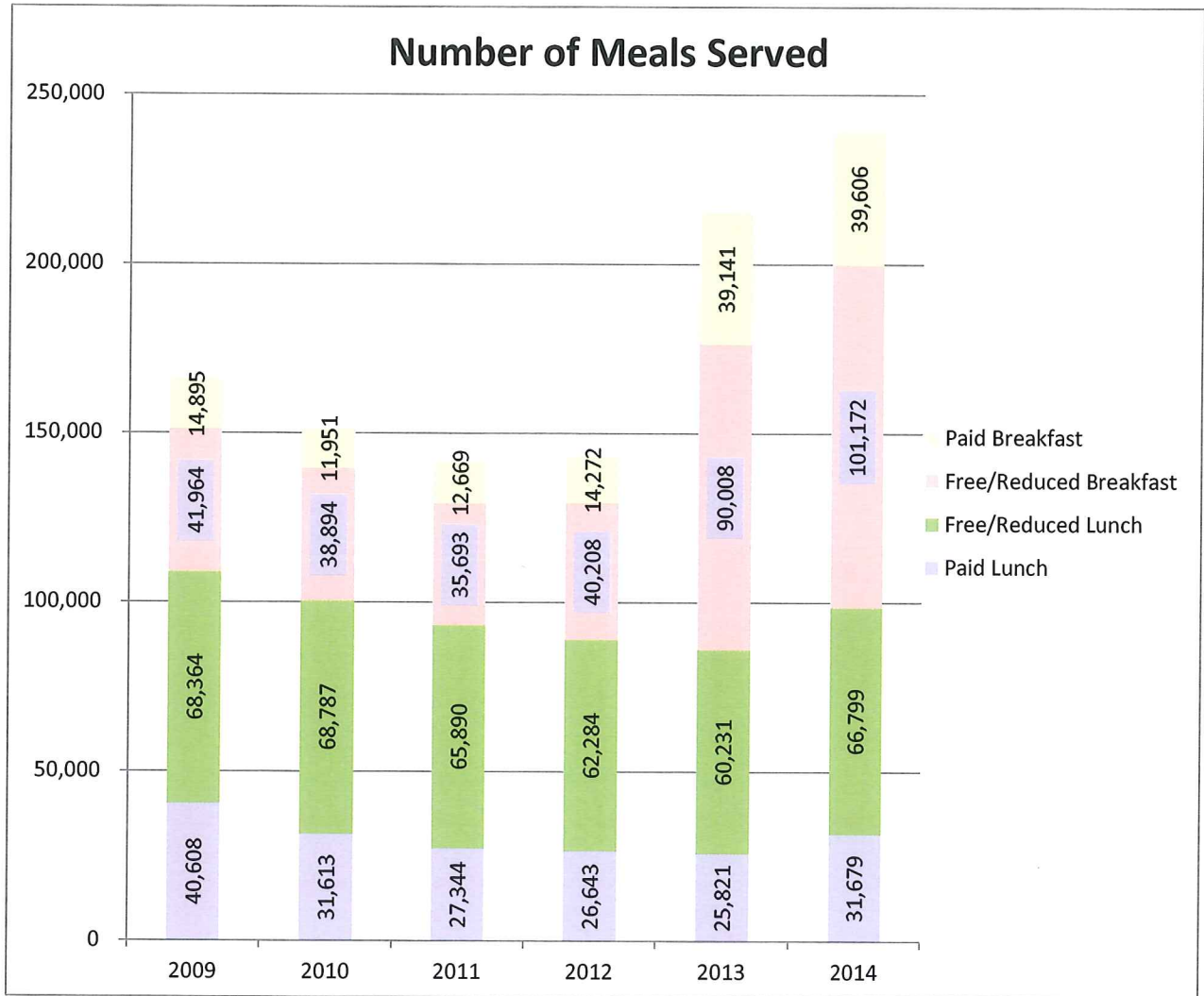


**III. FINANCIAL RESULTS OF 2013-14 SCHOOL YEAR
FUND FINANCIAL STATEMENTS**

- D. District Property (pg 56) -- The District has been using these proceeds for capital projects such as the installation of OJHS Heat Pumps and has a remaining balance of \$89,162.
In addition, this fund has a note receivable for \$95,000 that is not part of the carryover until collected.
- E. School Lunch (pg 59) -- loss of \$18,150 in this fund. (\$3,087 loss in 2013) (\$0.25 per paid meal)
- F. School Plant Facility Reserve (pg 59) -- after purchase of a bus in the current year, fund balance carryover is \$10,370.



**III. FINANCIAL RESULTS OF 2013-14 SCHOOL YEAR
 FUND FINANCIAL STATEMENTS**



JOINT SCHOOL DISTRICT NO. 171

FINANCIAL STATEMENTS

Year Ended June 30, 2015

JOINT SCHOOL DISTRICT NO. 171

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Joint School District No. 171
Orofino, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint School District No. 171, as of and for the year ended June 30, 2015, 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 recorded a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, which would increase the liabilities, decrease the net position in the statement of net position, and increase expenses in the statement of activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

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 the Joint School District No. 171, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Joint School District No. 171, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The net position of the Joint School District No. 171 as of July 1, 2014, has been adjusted down by \$3,112,694 to reflect the District's share of the net pension liability of the Public Employees Retirement System of Idaho. The Governmental Accounting Standards Board required entities to record this liability and reduce their net position as of July 01, 2014.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 12 and 42 through 45 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.

Reports on Summarized Comparative Information

We have previously audited the Joint School District No. 171's 2014 and 2013 financial statements, and we expressed unqualified audit opinions on the financial statements of each major fund and the aggregate remaining fund information in our reports dated October 10, 2014, and October 11, 2013. We qualified our opinions on the financial statements of the governmental activities for the omission of a liability for the implicit rate subsidy of the retiree healthcare. In our opinion, the summarized comparative information presented herein is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Joint School District No. 171's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2015, on our consideration of the Joint School District No. 171'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 Joint School District No. 171's internal control over financial reporting and compliance.

PRESNELL GAGE PLLC

October 16, 2015

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

USING THIS ANNUAL REPORT

This annual report consists of four distinct series of financial statements: The District-wide financial statements, the fund financial statements, the fiduciary financial statements, and supplementary information.

- The statement of net position and the statement of activities (on pages 13 and 14) provide information about the activities of the District as a whole and present a longer-term view of the District's finances.
- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (on pages 15 through 21) also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.
- The fiduciary funds (pages 22 and 23) provide information about activities for which the District acts solely as a trustee or agent for the benefit of student groups and individual students.
- The remaining statements and schedules provide information about major funds within the District and the results of their operations compared to budget.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about the District as a whole and about its activities in a way that may help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position—the difference between assets and the liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and student enrollment to assess the overall health of the District.

Financial Highlights

- Total District assets amount to \$6,508,415 (vs. \$5,397,094 in 2014 and \$4,776,166 in 2013). This includes \$2,747,373 in capital assets.
- Total District liabilities amount to \$3,889,737 vs. \$1,235,444 in 2014. Liabilities are primarily salary, benefits, and taxes due of \$1,121,120 in July and August for employees working the prior year plus \$1,427,000 for PERSI net pension liability.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

Financial Highlights (Continued)

- The District recognized \$3,112,694 for its share of PERSI net pension liability as a result of implementing GASB 68. This was reduced to \$1,427,000 at year-end.
- The District's net position increased by \$342,047 from operations. After recognizing the effects of GASB 68, net position was \$1,391,003 at year-end (vs. a \$658,815 increase in 2014 and a \$160,109 increase in 2013).
- The total cost of District operations amounted to \$12,458,007, an increase from \$11,412,430 in 2014, when the Youth Challenge Program was added midyear.
- District revenue amounted to \$12,800,054, an increase from \$12,071,245.

TABLE 1 – FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2014 expenses:

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Program Expenses			
Instruction			
Regular programs	\$ 5,822,416	\$ 5,363,940	\$ 458,476
Special programs	648,770	659,126	(10,356)
Interscholastic and school activity	174,971	206,216	(31,245)
Total instruction	<u>6,646,157</u>	<u>6,229,282</u>	<u>416,875</u>
Support services			
Pupil support	460,724	403,672	57,052
Staff support	1,645,301	1,514,840	130,461
General administration	176,045	167,772	8,273
School administration	577,999	572,197	5,802
Business services	175,428	174,945	483
Maintenance and operations	1,038,844	942,106	96,738
Transportation	818,433	606,159	212,274
Total support services	<u>4,892,774</u>	<u>4,381,691</u>	<u>511,083</u>
Food services	917,864	478,507	439,357
Capital outlay	452,031	322,950	129,081
Debt services	7,200	0	7,200
PERSI retirement actuarial charges	<u>(458,019)</u>	<u>0</u>	<u>(458,019)</u>
Total governmental activities	<u>\$ 12,458,007</u>	<u>\$ 11,412,430</u>	<u>\$ 1,045,577</u>

Expenditures were up in 2015 primarily due to adding the Youth Challenge Program in Pierce and approximately \$400,000 in capital projects under a new Plant Facilities lease.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

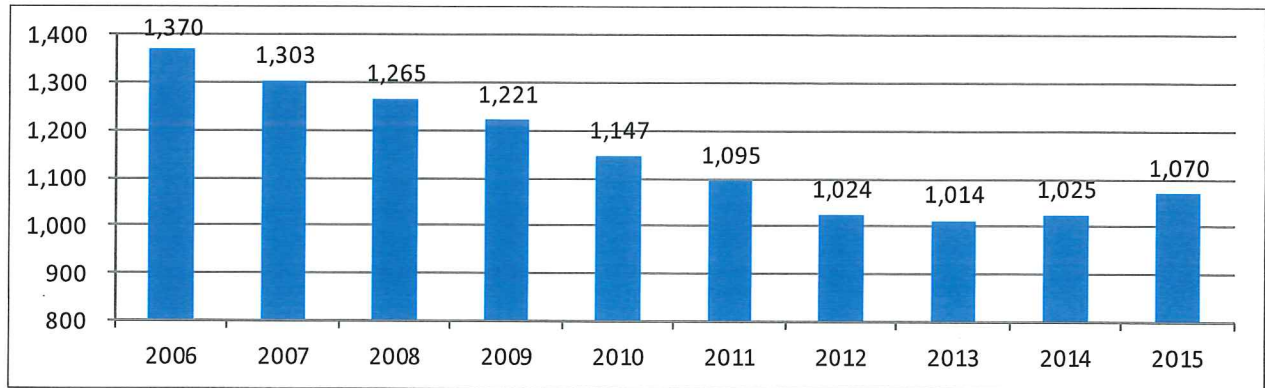
THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

TABLE 2 – FOUNDATION PROGRAM REVENUE

Foundation program revenue from the State of Idaho remains the District's primary revenue source. For 2015, District revenue increased by \$745,902 primarily due to adding the Youth Challenge Program and a general increase in state funding for education.

	<u>2015</u>	<u>2014</u>	<u>2015 vs. 2014</u>
<u>State Foundation Program</u>			
State salary apportionment	\$ 4,828,075	\$ 4,421,684	\$ 406,391
State transportation funding	430,340	431,019	(679)
Entitlement	1,648,053	1,327,000	321,053
Other	62,977	43,840	19,137
Total State Foundation Program	\$ 6,969,445	\$ 6,223,543	\$ 745,902

The funding formula for the State Foundation Program revenue is largely dependent on student counts, which had been falling. Fall enrollment has declined from 1,377 students 10 years ago to 1,070 in 2014-15. The 2014 opening of the Youth Challenge Program is largely responsible for that increase in students.



JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

TABLE 3 – TOTAL REVENUE

The following table compares 2015 revenue to the 2014 and 2013 revenue.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015 vs. 2014</u>
Total Revenue				
Program Revenue				
Charges for services	\$ 352,789	\$ 117,526	\$ 119,504	\$ 235,263
Federal and state funds	<u>2,793,351</u>	<u>3,417,528</u>	<u>2,014,925</u>	<u>(624,177)</u>
Total program revenue	<u>3,146,140</u>	<u>3,535,054</u>	<u>2,134,429</u>	<u>(388,914)</u>
General Revenue				
Property Taxes	2,428,002	2,383,078	2,049,080	44,924
Federal funds	393,680	381,644	351,581	12,036
State funds	6,837,539	5,476,746	5,261,843	1,360,793
Other revenue	<u>(5,307)</u>	<u>294,723</u>	<u>171,776</u>	<u>(300,030)</u>
Total general revenue	<u>9,653,914</u>	<u>8,536,191</u>	<u>7,834,280</u>	<u>1,117,723</u>
Total revenue	<u>\$ 12,800,054</u>	<u>\$ 12,071,245</u>	<u>\$ 9,968,709</u>	<u>\$ 728,809</u>

FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

Governmental funds—All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds—The District started a Medical Benefit Pool in 2009-10, which is accounted for as a proprietary fund. This fund is reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when cash is received or paid.

Fiduciary funds—The District is the fiduciary for its student activity funds and scholarship trusts. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position on page 22. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Highlights

- The fund balance for the governmental funds—the part of net position that can be used to finance day-to-day operations—increased by \$580,234 from \$1,231,747 at June 30, 2014, to \$1,811,981 at the end of this year (vs. \$333,598 increase in 2014).
- Total revenues increased from \$11,964,894 in 2014) to \$12,996,424; while expenditures increased from \$11,631,296 in 2014) to \$13,416,190.

The District continues to face the challenge of adequate state funding. However, state foundation funding increased in 2015 due largely to the full year operation of the Youth Challenge Program. The Supplemental Levy was approved at the same level in 2015 as 2014 at \$2,285,000.

The District continues to hold the line on budgeted expenditures where possible as well as continuing a four-day school week. The largest cost to the District has been and will be salaries and benefits. The District has moved to a four-day school week to reduce some of the support program salaries and benefits because of less days and hours. The District will again proceed with a four-day school week for 2015-2016.

The District's base property tax was eliminated through the change in the state funding formula in 2007. However, patrons approved a supplemental tax levy of \$2,285,000 for 2014-15 (\$2,285,000 for 2013-14).

The District has historically used the Forest Reserve Fund to supplement the deficit in the other District funds. The District made a transfer of \$0 (vs. \$0 in 2014) to other funds to balance the budget, and has a remaining balance of \$973,812 (\$848,977 in 2014). The District did expend \$214,002 from this fund for District needs. The District receives a substantial amount of Forest Reserve Fund revenue, which is temporarily underwritten by the Craig-Wyden legislation guaranteeing districts a comparable amount of revenue relative to base years before timber harvesting was curtailed on the national forests. The amount received during 2015 was \$329,216 (\$335,747 in 2014 and \$348,920 in 2013). Terms for the future renewal of the Craig-Wyden support is uncertain.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

The School Lunch Fund operated at a net loss of \$45,112 for the year of which \$20,796 was reimbursed by the Youth Challenge Program and the balance was reimbursed from the General Fund.

The District approved a 10-year \$100,000 School Plant Facility Levy in 2014. The School Plant Facility Reserve Fund has borrowed \$1,000,000 on a lease to make improvements to school windows and HVAC systems. The District has pledged the proceeds of the School Plant Facilities Levy towards payment of the lease. At the end of 2014-15, the fund has a carryover balance of \$546,115 available to make school improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the District had \$2,747,373 invested in capital assets, net of accumulated depreciation. This includes buildings, computer equipment, and major school equipment and is an increase of \$287,548 from the prior year. Current year depreciation of \$263,586 (\$206,994 in 2014 and \$182,286 in 2013) was less than capital purchases of \$696,734 (\$417,755 in 2014 and \$582,931 in 2013). More detailed information about the District's capital assets is presented in Notes 1 and 6 to the financial statements. The primary capital asset purchases in 2015 were for school windows and HVAC systems and remodeling at the Orofino Elementary School.

Debt

The District borrowed \$1,000,000 on a 10-year lease agreement with Capital One Public Fund to finance capital improvements within the District. District patrons approved a 10-year School Plant Facility levy in 2014, which will be used to repay the lease agreement. The District made its first principal payment in 2015 and owes a balance of \$955,000 on the lease at June 30, 2015.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that will be charged to students. Personnel costs are tied to a state-wide salary index and certified staff and classified staff received a 3 percent increase for 2016. The District has added no major new programs or initiatives to the 2016 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 208-476-5593 in Orofino, Idaho.

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JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Prior Year 2014	Prior Year 2013
ASSETS			
Current assets			
Cash	\$ 202,342	\$ 470,507	\$ 556,962
Investments	1,757,289	635,338	725,114
Property taxes receivable	985,159	1,018,268	847,793
Accounts receivable	816,252	813,156	397,233
Total current assets	3,761,042	2,937,269	2,527,102
Noncurrent assets			
Capital assets	9,192,686	8,641,552	8,787,466
Less accumulated depreciation	(6,445,313)	(6,181,727)	(6,538,402)
Total noncurrent assets	2,747,373	2,459,825	2,249,064
Total assets	6,508,415	5,397,094	4,776,166
DEFERRED OUTFLOW OF RESOURCES			
Defined benefit pension	736,325		
LIABILITIES			
Current liabilities			
Accounts payable	374,631	185,572	193,510
Payroll and taxes payable	1,121,120	1,023,221	1,048,691
Accrued expenses	11,986	26,651	31,130
Current portion of bonds payable	94,080		
Total current liabilities	1,601,817	1,235,444	1,273,331
Noncurrent liabilities			
Net pension liability	1,427,000		
Bonds payable	860,920		
Total noncurrent liabilities	2,287,920	0	0
Total liabilities	3,889,737	1,235,444	1,273,331
DEFERRED INFLOW OF RESOURCES			
Defined benefit pension	1,964,000		
NET POSITION			
Invested in capital assets, net of related debt	1,792,373	2,459,825	2,249,064
Restricted for:			
Capital projects	546,115	10,370	3,502
Unrestricted	(947,485)	1,691,455	1,250,269
Total net position	\$ 1,391,003	\$ 4,161,650	\$ 3,502,835

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position	Prior Year 2014	Prior year 2013
	Expenses	Charges for Services	Operating Grants and Contributions				
Instruction							
Regular programs	\$ 5,822,416	\$ 8,470	\$ 898,083		\$ (4,915,863)	\$ (3,858,259)	\$ (3,762,025)
Special programs	648,770		263,672		(385,098)	(402,853)	(412,613)
Interscholastic and school activity	174,971				(174,971)	(186,641)	(160,212)
Support services							
Pupil support	460,724				(460,724)	(403,672)	(420,359)
Staff support	1,645,301		696,882		(948,419)	(704,869)	(648,965)
General administration	176,045				(176,045)	(167,772)	(157,132)
School administration	577,999				(577,999)	(572,197)	(524,990)
Business services	175,428				(175,428)	(174,945)	(158,673)
Maintenance and operations	1,038,844				(1,038,844)	(942,106)	(896,132)
Transportation	818,433	9,621	429,461		(379,351)	(163,260)	(135,018)
Food services	917,864	334,698	505,253		(77,913)	22,148	86,097
Community services							
Capital outlay	452,031				(452,031)	(322,950)	(2,161)
Debt services	7,200				(7,200)		(481,994)
PERSI retirement actuarial charges	(458,019)				458,019		
Total governmental activities	\$ 12,458,007	\$ 352,789	\$ 2,793,351	\$ 0	(9,311,867)	(7,877,376)	(7,674,171)
General revenues:							
Property taxes, levied for general purposes					2,428,002	2,383,078	2,049,080
State base support					6,833,435	5,472,642	5,257,739
In lieu revenue					4,104	4,104	4,104
Other state and federal funding not restricted to specific programs					393,680	381,644	351,581
Interest and investment earnings					13,561	7,624	5,983
Other general revenues					(18,868)	287,099	165,793
					9,653,914	8,536,191	7,834,280
Change in net position					342,047	688,815	160,109
Net position, beginning					4,161,650	3,502,835	3,342,726
Change in accounting principle					(3,112,694)		
Net position, ending					\$ 1,391,003	\$ 4,161,650	\$ 3,502,835

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2014	Prior year 2013
ASSETS									
Cash	\$ 95			\$ 34,914		\$ 13,787	\$ 48,796	\$ 242,596	\$ 524,322
Investments	719,673	\$ 10,422			\$1,003,316	3,296	1,736,707	614,787	524,742
Property taxes receivable	985,159						985,159	1,018,268	847,793
Accounts receivable	208,571	1,008,884	\$ 63,209	10,003		534,469	816,252	813,156	397,233
Due from other funds						33,904	1,042,788	837,141	143,146
Total assets	\$ 1,913,498	\$ 1,019,306	\$ 63,209	\$ 44,917	\$1,003,316	\$ 585,456	\$ 4,629,702	\$ 3,525,948	\$ 2,437,236
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 272,101	\$ 45,494		\$ 761		\$ 21,574	\$ 339,930	\$ 178,407	\$ 193,510
Payroll and taxes payable	955,325			34,454		131,341	1,121,120	1,023,221	1,048,691
Due to other funds	339,777		\$ 22,245	9,702	\$ 457,201	337,780	1,166,705	837,141	143,146
Unearned revenue						11,986	11,986	26,651	
Total liabilities	1,567,203	45,494	22,245	44,917	457,201	502,681	2,639,741	2,065,420	1,385,347
DEFERRED INFLOWS OF RESOURCES									
Receivables not collected in 60 days	128,520						177,980	228,781	153,740
Total deferred inflows of resources	128,520	0	0	0	0	49,460	177,980	228,781	153,740
FUND BALANCES									
Restricted for capital improvements					546,115		546,115	10,370	3,502
Restricted for building maintenance		973,812	40,964			18,112	991,924	938,139	813,130
Committed for capital improvements						15,203	56,167	228,281	36,728
Assigned	217,775		40,964				217,775	54,957	44,736
Unassigned	217,775	973,812	40,964	0	546,115	33,315	1,811,981	1,231,747	898,149
Total fund balances	217,775	973,812	40,964	0	546,115	33,315	1,811,981	1,231,747	898,149
Total liabilities and fund balances	\$ 1,913,498	\$ 1,019,306	\$ 63,209	\$ 44,917	\$1,003,316	\$ 585,456	\$ 4,629,702	\$ 3,525,948	\$ 2,437,236

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015**

	Total Governmental Funds	Prior Year 2014	Prior Year 2013
Total fund balances - Governmental Funds	\$ 1,811,981	\$ 1,231,747	\$ 898,149
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:			
Cost of capital assets	9,192,686	8,641,552	8,787,466
Accumulated depreciation	(6,445,313)	(6,181,727)	(6,538,402)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	82,980	228,781	122,610
Note receivable not due in the current year and not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	95,000		
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	736,325		
Deferred outflows	(1,964,000)		
Deferred inflows			
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(955,000)		
Lease payable	(1,427,000)		
Net pension liability			
An internal service fund is used by management to charge employee medical insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	263,344	241,297	233,012
Total net position - Governmental Activities	\$ 1,391,003	\$ 4,161,650	\$ 3,502,835

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2014	Prior Year 2013
REVENUES									
General property taxes	\$ 2,376,642		\$ 1,250,859		\$ 56,621	\$ 39,806	\$ 2,433,263	\$ 2,371,907	\$ 2,040,046
State foundation program	6,012,037					71,912	7,302,702	6,438,342	5,735,754
Other state revenue	67,668					1,171,009	139,580	64,047	42,523
Federal revenue	900	\$ 329,216	\$ 505,253	\$ 108,278	8,470	2,006,378	2,084,730	2,084,730	1,835,219
Charges for services	3,198				866	8,470	116,748	105,626	102,219
Earnings on investments	118,070	9,621	565,410	226,422		13,530	892,798	7,444	5,612
Other revenues	8,578,515	338,837	1,816,269	839,953	57,487	1,365,363	11,964,894	11,964,894	9,960,983
Total revenues									
EXPENDITURES									
Instruction									
Regular programs	4,372,310		1,679,737			346,828	6,398,875	5,386,210	4,259,818
Special programs	385,098					263,672	648,770	659,126	654,305
Interscholastic and school activity	174,971						174,971	206,216	174,977
Support services									
Pupil support	460,724					811,140	460,724	403,672	420,353
Staff support	833,454	684					1,645,278	1,474,617	1,246,865
General administration	176,045						176,045	167,772	157,132
School administration	577,999						577,999	572,197	524,990
Business services	175,428						175,428	174,945	158,673
Maintenance and operations	815,218	12,950			54,944	883,112	852,505	855,345	898,293
Transportation	629,743	127,762			95,000	852,505	743,859	773,509	773,509
Food services	18,334	72,606	388	899,530	319,598	59,827	452,031	664,387	490,706
Capital outlay					52,200		52,200	322,950	481,994
Debt services									
Total expenditures	8,619,324	214,002	1,680,125	899,530	521,742	1,481,467	13,416,190	11,631,296	10,241,615
EXCESS OF REVENUES OVER EXPENDITURES	(40,809)	124,835	136,144	(59,577)	(464,255)	(116,104)	(419,766)	333,598	(280,632)
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	255,586			80,373	1,000,000	6,847	342,806	163,574	195,554
Proceeds from bonds	(51,959)		(127,469)	(20,796)		(142,582)	(342,806)	(163,574)	(195,554)
Transfers to other funds	203,627	0	(127,469)	59,577	1,000,000	(135,735)	1,000,000	0	0
Total other financing sources (uses)	162,818	124,835	8,675	0	535,745	(251,839)	580,234	333,598	(280,632)
NET CHANGE IN FUND BALANCES									
FUND BALANCES AT BEGINNING OF YEAR	54,957	848,977	32,289	0	10,370	285,154	1,231,747	898,149	1,178,781
FUND BALANCES AT END OF YEAR	\$ 217,775	\$ 973,812	\$ 40,964	\$ 0	\$ 546,115	\$ 33,315	\$ 1,811,981	\$ 1,231,747	\$ 898,149

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2015

	Total Governmental Funds	Prior Year 2014	Prior Year 2013
Net change in fund balances - Total Governmental Funds	\$ 580,234	\$ 333,598	\$ (280,632)
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:			
Current year capital outlay	696,734	417,755	582,931
Current year depreciation	(263,586)	(206,994)	(182,286)
Undepreciated basis on equipment disposed during the year	(145,600)		(1,679)
Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However for governmental activities, the repayment of funds is reflected as a payment of outstanding long-term debt:			
Current year long-term debt issued	(1,000,000)		
Current year repayment of long-term debt	45,000		
Some revenues will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues:			
Current year taxes receivable	177,980	133,781	122,610
Current year note receivable		95,000	
Prior year taxes receivable	(228,781)	(122,610)	(113,576)
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year.			
Current year net pension liability, deferred outflows and deferred inflows	458,019		
An internal service fund is used by management to charge employee medical insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.			
	22,047	8,285	32,741
Change in net position - Governmental Activities	\$ 342,047	\$ 658,815	\$ 160,109

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - PROPRIETARY FUNDS
June 30, 2015

	Governmental Activities	Prior Year 2014	Prior Year 2013
	Internal Service Fund		
ASSETS			
CURRENT ASSETS			
Cash	\$ 153,546	\$ 227,911	\$ 32,640
Investments	20,582	20,551	200,372
Due from other funds	123,917		
Total current assets	\$ 298,045	\$ 248,462	\$ 233,012
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 34,701	\$ 7,165	\$ 0
Total current liabilities	34,701	7,165	0
NET POSITION			
Unreserved	263,344	241,297	233,012
Total net position	263,344	241,297	233,012
Total liabilities and net position	\$ 298,045	\$ 248,462	\$ 233,012

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Governmental Activities	Prior Year 2014	Prior Year 2013
REVENUES			
Interfund charges for medical insurance			
Total revenues	\$ 242,558	\$ 214,263	\$ 205,959
OPERATING EXPENSES			
Medical Benefits	220,542	206,158	173,589
Total operating expenses	220,542	206,158	173,589
OPERATING INCOME	22,016	8,105	32,370
NONOPERATING REVENUES			
Earnings on investments	31	180	371
Total nonoperating revenues	31	180	371
CHANGE IN NET POSITION	22,047	8,285	32,741
NET POSITION AT BEGINNING OF YEAR	241,297	233,012	200,271
NET POSITION AT END OF YEAR	\$ 263,344	\$ 241,297	\$ 233,012

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Governmental Activities	Prior Year 2014
	Internal Service Fund	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund charges	\$ 242,558	\$ 221,428
Cash paid for medical expenses	(193,006)	(206,158)
Net cash provided by operating activities	<u>49,552</u>	<u>15,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to other funds	(123,917)	
Purchase of investments	(31)	179,821
Sale of investments	31	180
Interest received	(123,917)	180,001
Net cash used by investing activities	<u>(74,365)</u>	<u>195,271</u>
NET CHANGE IN CASH	<u>227,911</u>	<u>32,640</u>
CASH AT BEGINNING OF YEAR	<u>\$ 153,546</u>	<u>\$ 227,911</u>
CASH AT END OF YEAR		
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 22,016	\$ 8,105
Changes in accounts payable	27,536	7,165
Net cash provided by operating activities	<u>\$ 49,552</u>	<u>\$ 15,270</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2015

	Private- Purpose Trusts	Agency Funds
ASSETS		
Current assets		
Cash	517	\$ 120,919
Investments	38,331	
Total assets	<u>38,848</u>	<u>\$ 120,919</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,000	\$ 120,919
Due to student groups		
Total current liabilities	<u>1,000</u>	<u>120,919</u>
Total liabilities	<u>1,000</u>	<u>\$ 120,919</u>
NET POSITION		
Held in trust	<u>37,848</u>	
Total net position	<u>\$ 37,848</u>	

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS**

For the Year Ended June 30, 2015

	Private- Purpose Trusts	Prior Year 2014	Prior Year 2013
ADDITIONS			
Earnings on investments	\$ 515	\$ 2,797	\$ 1,292
Total additions	515	2,797	1,292
DEDUCTIONS			
Scholarships	1,083		496
Total deductions	1,083	0	496
Change in net position	(568)	2,797	796
Net position at beginning of year	38,416	35,619	34,823
NET POSITION AT END OF YEAR	\$ 37,848	\$ 38,416	\$ 35,619

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Joint School District No. 171 conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies used by the District.

Reporting Entity. Joint School District No. 171 is based in Orofino, Idaho, and located primarily within Clearwater County but also includes part of Lewis and Nez Perce Counties. The District operates a kindergarten through twelve grade program through two high school facilities: Orofino High School and Timberline High School; and four elementary schools: Orofino Elementary, Timberline Schools Elementary, Cavendish Elementary, and Peck Elementary. Total District enrollment is approximately 1,070 students.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval of assets, etc.). The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight, which would result in the District being considered a component unit of that entity.

The District's reporting entity includes the District government and all the student activity funds for which the District exercises oversight responsibility. The District does not exercise oversight responsibilities for any booster organizations or related groups such as Parent-Teacher Organizations.

Measurement Focus and Basis of Accounting. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued)

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both 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. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered susceptible to accrual.

The District reports deferred inflows and unearned revenue in its fund financial statements. Deferred inflows arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Available means that the funds are received within 60 days of yearend. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the revenue is recognized.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted Resources. Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

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

Restricted Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed Includes amounts that can only be used for the specific purposes determined by a formal action of the District's School Board.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

Assigned Includes amounts that are intended by the District's School Board to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned

Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

District-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the School District. The District's Medical Benefit Pool is reported as an internal service fund and combined with the governmental activities in the district-wide statements. 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 functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. 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 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.

Program Revenue

The Statement of Activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net position are available.

Fund Financial Statements. The Fund financial statements provide information about the District's fund categories. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- Forest Reserve. The U.S. Government pays an amount under the *Secure Rural Schools and Community Self Determination Act* to state and counties containing national forest system lands. This fund is used to account for the District's allocation of these federal forest funds.
- Youth Challenge. The District provides education services to the Youth Challenge Program in Pierce and acts as a conduit for State of Idaho funding to the program.
- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.
- School Plant Facility Reserve. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons.

Proprietary Funds

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The proprietary funds include the Medical Benefit Pool as an internal service fund. The internal service fund is included in governmental activities for the district-wide financial statements. The revenue and expenses of the internal service fund has been eliminated from the district-wide financial statements and the excess revenue has been allocated to regular instruction expenditures.

Fiduciary Funds

The District reports two types of fiduciary funds: Private Purpose Trusts and Agency funds. Private Purpose Trusts are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund is used to account for monies held on behalf of student activity funds. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the *accrual basis* of accounting to recognize receivables and payables.

Implementation of GASB Accounting Pronouncements. The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB No. 68") for fiscal year 2015. The net effect of GASB No. 68 for the District-Wide Financial Statements is described in the note on changes in accounting principles.

Investments. The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits in the State Treasurer's Local Government Investment Pool are stated at cost, which approximates market. The state treasurer combines deposits from all governmental entities in the state, which participate in the pool, and purchases the following types of investments:

- Local Certificates of Deposit
- Repurchase Agreements
- U.S. Government Securities

The entities participating in the pool own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the pool. The purpose of this is to:

- Increase the overall rate of return.
- Reduce the risk of default.
- Place each entity under the FDIC and SLIC limits.

Investments in time certificates of deposits and savings accounts are authorized by Board policy as permitted by *Idaho Code*, Section 67-1210.

Prepaid Supplies. The District does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased. Significant supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid supplies.

Capital Assets. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The District records all capital assets at their original cost. Assets acquired prior to 2003 are recorded at their estimated original cost. Interest is capitalized on capital assets during the construction period.

The District capitalizes equipment with an original unit cost of \$3,000 or more and an expected life of more than 3 years. The District capitalizes property improvements with an original cost of \$10,000 or more that is expected to extend the property life by 10 years or more. Equipment with an original unit cost of between \$100 and \$3,000 is not capitalized for depreciation purposes, but is recorded for inventory tracking purposes only.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings - 30 years; vehicles - 7 years; buses - 10 years; machinery and equipment - 10 years; computer equipment - 3 years.

Property Taxes. The District's property tax is levied by Lewis, Clearwater, and Nez Perce Counties in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property three years from the date of delinquency.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets. Annual non-appropriated budgets are adopted for all governmental funds. Expenditures may not exceed the budget at the individual fund level.

Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Pensions. For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. The liability is measured as of July 01, 2014, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

Compensated Absences. District employees are granted vacation and sick leave days in varying amounts under the terms of District policy. Employees are not compensated for unused sick leave. The estimated amount of compensation for future absences is immaterial to these financial statements and, accordingly, no liability has been recorded.

Use of Estimates. Management of the District uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that management uses.

Cash Flows. The District considers the proprietary fund's share of the District's pooled checking to be cash for the statement of cash flows.

Reclassifications. Certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

2. LEGAL COMPLIANCE – BUDGETS

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

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers' comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption.

Expenditures may not exceed the budget at the individual fund level. The District incurred expenditures in excess of budget in the following funds:

	<u>Budget</u>	<u>Expenditures</u>
General Fund	\$ 8,497,568	\$ 8,671,283
After School Fund		800
Youth Challenge	1,011,133	1,807,594
Nez Perce Tribe Grants	0	13,214
Driver Education	18,000	18,261
Gustin Science	0	33,174
Vocational Education	20,178	24,592
Public School Technology	44,509	92,374
Recycling Grant	0	2,176
Title 1	239,942	266,404
Title VI-B	241,552	250,405
District Property	92,460	126,056
Medicaid	570,092	685,913
School Lunch	424,710	567,573
Challenge School Lunch	0	352,753
School Plant Facility	218,694	521,742
Medical Benefit Pool	55,550	220,542

The additional expenditures were incurred due to the availability of grants and carryovers in the funds.

Deficit Fund Balance in Individual Funds. The Nez Perce Tribe Grant has a deficit balance of \$658 at June 30, 2015, which is expected to be funded by additional grant funds to be received.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2015, the carrying amount of the District's deposits was \$202,342 in governmental activities, and \$121,436 in fiduciary activities. The bank balance was \$625,479 of which \$250,000 is considered covered by Federal Depository Insurance. The balance is uninsured and uncollateralized.

Investments. At June 30, 2015, District investments are classified in the following categories of credit risk. The carrying value of investments approximates market value.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued).

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
FDIC insured certificates of deposit		\$ 13,239
FDIC insured bank accounts	\$ 250,000	
Uninsured bank accounts	280,468	
Uninsured balance held by Idaho Department of Health and Welfare	32,208	
Uninsured and unregistered with securities held in the District's name Pioneer Value Fund		9,965
Idaho State Treasurer's Local Government Investment Pool	1,194,613	15,127
Total investments	\$ 1,757,289	\$ 38,331

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will reduce the value of the District's investments. The District does not have a policy regarding interest rate risk.

Custodial Risk. Custodial risk is the risk that, in the event of the failure of the investment custodian, the District will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and all investments are held in the name of the pool.

Credit Risk. Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. The District's investments with the Idaho State Treasurer's Local Government Investment Pool have not been issued an external credit quality rating.

Concentration of Credit Risk. The District has no policy on the amount they may invest in any one issuer.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2015, are as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
State of Idaho - Foundation program	\$ 193,356	
State of Idaho - State grants	34,668	
State of Idaho - Federal grants	281,209	
Federal funds due from other agencies	188,200	
Youth Challenge Program	54,680	
Private individual - OJHS Building Sale	49,460	
Other	14,679	
	<u>\$ 816,252</u>	<u>\$ 0</u>

5. PROPERTY TAXES

The District's property tax levies for calendar years 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Certified Budget Request		
Tort levy	\$ 54,297	\$ 47,592
Supplemental levy approved	2,285,000	2,285,000
Plant facilities levy approved	100,000	

District assessed market value and tax levies:

	<u>Actual Tax Charge</u>	<u>Total Market Valuation</u>	<u>Levy</u>
2014	\$ 2,369,203	\$ 509,633,621	0.4661285%
2013	2,272,954	513,275,681	0.4550515%
2012	2,003,504	527,655,067	0.3797058%
2011	1,981,752	525,442,696	0.3775246%
2010	1,779,720	549,216,101	0.3246023%
2009	1,524,949	571,246,621	0.2680132%
2008	1,548,202	535,753,582	0.2695839%
2007	1,340,853	535,819,686	0.2334720%
2006	1,331,637	467,719,755	0.2774459%
2005	2,305,540	403,743,288	0.5318669%

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2015, is as follows:

	6/30/14			6/30/15
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Capital assets				
Land	\$ 132,000			\$ 132,000
Equipment				
Elementary	69,410			69,410
Secondary	432,423	\$ 22,263		454,686
School lunch	365,713			365,713
Other	7,829			7,829
Buildings				
Elementary	2,218,166	314,830		2,532,996
Secondary	3,006,293	142,517		3,148,810
Bus Shop	502,546			502,546
Buses	1,825,437	188,994	\$ 145,600	1,868,831
Vehicles	81,735	28,130		109,865
	<u>\$ 8,641,552</u>	<u>\$ 696,734</u>	<u>\$ 145,600</u>	<u>9,192,686</u>
Accumulated depreciation				
Equipment				
Elementary	\$ 65,991	\$ 214		66,205
Secondary	304,920	14,035		318,955
School lunch	249,163	20,160		269,323
Other	7,829			7,829
Buildings				
Elementary	1,811,324	25,395		1,836,719
Secondary	2,305,569	40,890		2,346,459
Bus Shop	229,805	16,225		246,030
Buses	1,130,880	137,739		1,268,619
Vehicles	76,246	8,928		85,174
	<u>\$ 6,181,727</u>	<u>\$ 263,586</u>	<u>\$ 0</u>	<u>6,445,313</u>
Capital assets, net				<u>\$ 2,747,373</u>

Depreciation of \$263,586 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 80,534
School lunch	20,160
Transportation	162,892

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

7. GENERAL LONG-TERM DEBT

Lease Payable. The District approved the issuance of a lease in November 2014 to finance improvements to windows and HVAC systems.

Future payments under bonds payable as of June 30, 2015, are as follows:

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>
2016	\$ 94,080	\$ 25,124	2.70%
2017	91,439	22,636	2.70%
2018	93,923	20,151	2.70%
2019	96,478	17,598	2.70%
2020	99,099	14,976	2.70%
2021	101,795	12,282	2.70%
2022	104,561	9,515	2.70%
2023	107,403	6,673	2.70%
2024	110,322	3,753	2.70%
2025	55,900	755	2.70%

Interest expense of \$7,200 has been reported as a separate function on the statement of activities. There is no interest expense included in other function expenses.

Changes in General Long-term Debt Account Group. A summary of changes in general long-term debt follows:

	Balance <u>7/1/14</u>	<u>Additions</u>	<u>Repayment</u>	Balance <u>6/30/15</u>
Lease agreement	<u>\$ 0</u>	<u>\$ 1,000,000</u>	<u>\$ 45,000</u>	<u>\$ 955,000</u>

District patrons have approved a Plant Facilities Reserve Fund Levy of \$100,000 per year for 10 years, which has been pledged to make payments under the lease agreement.

8. DEFINED BENEFIT PENSION PLAN

Plan Description. All permanent full-time employees of the District participate in the Public Employee Retirement System of Idaho (PERSI), a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. 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. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov. Financial reports for the Plan are available from PERSI upon request.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

8. **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Pension Benefits. 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 year of credited service, the annual service retirement allowance is 2.0 percent of the average monthly salary for the highest consecutive 42 months. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent 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 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

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

The contribution rates for employees are set by statute at 60 percent of the employer rate. As of June 30, 2014, it was 6.79 percent. The employer contribution rate is set by the Retirement Board and was 11.32 percent of covered compensation. The District contributions required and paid were \$608,663, \$583,551 and \$512,802 for the three years ended June 30, 2015, 2014, and 2013, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the District reported a liability of \$1,427,000 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2014, 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 employers. At June 30, 2014, the District's proportion was .001937911 percent.

For the year ended June 30, 2015, the District recognized a net gain on pension expense of \$497,005. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Employer contributions made subsequent to the measurement date of June 30, 2014	\$617,325	
Differences between expected and actual experience		\$ 177,000
Changes in assumptions or other inputs	\$ 119,000	
Net difference between projected and actual earnings on pension plan investments		\$1,787,000

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The employer contribution will be recognized in pension expense in the following fiscal year. Other deferred outflows and inflows are being amortized over 5.6 years. The projected amount to be included in pension expense (benefit) is as follows:

2016	\$ 157,977
2017	(459,348)
2018	(459,348)
2019	(459,348)
2020	(7,608)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, 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. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under *Idaho Code* is 25 years.

The total pension liability in the July 01, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Table - RP - 2000 combined table for healthy males and females with appropriate offsets.			
Inflation	3.25%		
Salary inflation	3.75%	Salary increases	4.5%-10.25%
Investment return	7.1%	Discount rate	7.1%

Sensitivity – a 1% change in the discount rate would affect the District's net pension liability as follows:			
	1% Decrease	7.1% rate used	1% Increase
District Net Pension Liability	\$4,956,000 liability	\$1,427,000 liability	\$1,506,000 asset

9. RISK MANAGEMENT

The District purchases commercial insurance through the Idaho Counties Risk Management Program (ICRMP) to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2015, is as follows:

- Property – Replacement cost coverage on scheduled buildings and contents, with a total deductible of \$500 per occurrence.
- Earthquake and Flood - \$50,000,000 annual maximum limit for all ICRMP members with 10% of the scheduled buildings and contents value as a deductible.
- Boiler and Machinery - \$100,000 to \$10,000,000 limits per occurrence with a \$500 deductible.
- Crime - \$500,000 limit for school officials and employees with a \$500 deductible.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

9. RISK MANAGEMENT (CONTINUED)

- General Liability - \$3,000,000 limit per occurrence with no deductible per occurrence.
- Abuse and Molestation - \$3,000,000 limit per occurrence and in aggregate with no deductible.
- Educator's Legal Liability - \$3,000,000 limit per occurrence and in aggregate with no deductible.
- Automobiles
 - Liability - \$3,000,000 per occurrence and \$300,000 uninsured motorist; with no deductible.
 - Comprehensive and Collision - coverage on listed vehicles and buses. There is a \$500 deductible.
 - Student Transportation Systems - \$3,000,000 per occurrence with no deductible

The District created a Self-Insured Medical Pool in 2009-10 to provide partial self-funded medical benefits and to help fund future increases in the cost of medical insurance. The District purchases commercial insurance with a high family deductible. The District reimburses employees for a percent of their deductible for medical expenses paid. The liability of the Pool is limited to available assets in the Pool.

10. TRANSFERS TO/FROM OTHER FUNDS

The State Department of Education requires that the District pay for the costs of school lunch personnel's Social Security and retirement expense from general fund revenues as a condition of participation in the National School Lunch Program. The amount paid from the general fund for the school lunch fund for the year ended June 30, 2015, amounted to \$18,334. An additional \$45,112 was transferred to the school lunch fund to pay bills for the 2015 fiscal year.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities fund. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of \$0 to the school plant facility reserve fund for the current year.

Idaho Code, Section 33-1019, requires that the school district expend 2 percent of the estimated replacement value of student occupied buildings for school building maintenance each year. Any shortfall in expenditures must be transferred into the school building maintenance fund for future school building maintenance. The State has modified this requirement for the current year to allow a limited amount for one-time non-personnel costs for the current year. The District has met this requirement for the current year without transferring amounts in the school building maintenance fund.

The District has entered into agreements with the Youth Challenge Program to provide educational and school lunch services. During the current year, District funds have received the following amounts from the Youth Challenge Program for indirect costs of the District.

From Youth Challenge Program to General Fund	\$	59,919
From Youth Challenge Program to School Lunch		20,796

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

11. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Position. Restricted net position on the District-wide statements represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position restricted for capital projects are restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. Net position restricted for building maintenance are restricted by *Idaho Code* for maintenance on student occupied buildings. These net positions are reflected as restricted since they are not available for general education expenditures.

Committed Fund Balances. The forest reserve fund balance is restricted by *State Code* for capital improvements. However, if the Board of Trustees decides that these funds are not currently needed for capital improvements, then the funds may be expended for general educational purposes. This fund balance is reflected as a committed portion of fund balance in the fund financial statements since the Board of Trustees must approve using the funds for general educational expenditures.

The District property fund was established by action of the Board of Trustees. The Board directed that proceeds from the sale of certain property be deposited into the fund for facility needs. This fund balance is reflected as a committed portion of fund balance in the fund financial statements since the Board of Trustees must approve expenditures from this fund.

When expenditures are incurred, the amounts are considered to be first spent from the most restrictive category if it qualifies under multiple fund balance classifications.

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

United States generally accepted accounting principles require disclosure, as part of the combined statement overview, of certain information concerning individual funds, including:

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2015, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Forest Reserve	\$ 1,008,884	
District Property	33,904	
Medical Insurance Reinsurance	123,917	
General		\$ 339,777
Youth Challenge Program		22,245
Gustin Science		17,003
Vocational Education		2,714
Title I		45,060
Title VI-B		68,305
Title VI-B Preschool		5,317
Rural Education		7,067
Title II-A Improving Teacher Quality		27,254
Medicaid		152,123
Challenge School Lunch		9,702
School Plant Facility Reserve		457,201

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

The District uses a pooled cash arrangement whereby all receipts are deposited to the general fund on the behalf of all District funds. Expenditures are paid out of this pooled account and charged to all District funds. The excess (deficiency) of receipts over expenditures is recorded as a short-term interfund receivable (payable).

13. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Forest Reserve, Title I, Title VI-B grants, and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in the Office of Management and Budget (OMB) Circular A-133 during the course of the annual audit of the District's records and can be subject to additional audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

14. OTHER POST-EMPLOYMENT BENEFITS

The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, retired employees can remain on the District insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. The estimated amount of this implicit subsidy is considered material to these financial statements; however, the District has no plans to currently fund this liability and has not recorded the liability in the government-wide financial statements. The "implicit subsidy" for retired employees is paid each year on a pay-as-you-go basis.

15. CHANGE IN ACCOUNTING PRINCIPLE

Net position as of June 30, 2014, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No.71. PERSI has not completed actuarial studies to determine the balances for years prior to June 30, 2014, so comparative information has not been disclosed for the year ended June 30, 2014.

Net position as previously reported at June 30, 2014	<u>\$ 4,161,650</u>
Change in accounting principle:	
Net pension liability (measurement date as of June 30, 2014)	(3,707,000)
Deferred outflows:	
District contributions made during fiscal year 2014	<u>594,306</u>
Total change in accounting principle	<u>(3,112,694)</u>
Net position as restated June 30, 2014	<u>\$ 1,048,956</u>

REQUIRED SUPPLEMENTARY INFORMATION

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF PENSION FUNDING
For the Year Ended June 30, 2015

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability		Net Pension Liability as % of Covered Payroll
						%	Amount	
2006	\$ 587,323	\$ 587,323	0	\$ 5,652,800	10.39%	(1)	(1)	
2007	609,861	609,861	0	5,869,700	10.39%	(1)	(1)	
2008	591,666	591,666	0	5,694,600	10.39%	(1)	(1)	
2009	621,331	621,331	0	5,980,100	10.39%	(1)	(1)	
2010	595,078	595,078	0	5,727,400	10.39%	(1)	(1)	
2011	540,642	540,642	0	5,203,500	10.39%	(1)	(1)	
2012	516,054	516,054	0	4,966,800	10.39%	(1)	(1)	
2013	512,802	512,802	0	4,935,500	10.39%	(1)	(1)	
2014	583,551	583,551	0	5,155,000	11.32%	(1)	\$ 3,707,000	72%
2015	608,663	608,663	0	5,376,900	11.32%	0.193791%	1,427,000	27%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 2,340,654	\$ 2,340,654	\$ 2,376,642	\$ 35,988
State foundation program	6,072,810	6,072,810	6,012,037	(60,773)
Other state revenue	4,104	4,104	67,668	63,564
Federal revenue			900	900
Charges for services	17,000	17,000		(17,000)
Earnings on investments	1,000	1,000	3,198	2,198
Other revenues	62,000	62,000	118,070	56,070
Total revenues	8,497,568	8,497,568	8,578,515	80,947
EXPENDITURES				
Payroll	4,750,871	4,750,871	4,868,971	(118,100)
Payroll burden and employee benefits	2,290,016	2,290,016	2,311,030	(21,014)
Purchased services	635,235	635,235	939,380	(304,145)
Supplies and materials	442,996	442,996	449,707	(6,711)
Capital outlay	9,950	9,950	6,310	3,640
Insurance	63,500	63,500	43,926	19,574
Total expenditures	8,192,568	8,192,568	8,619,324	(426,756)
EXCESS OF REVENUES OVER EXPENDITURES	305,000	305,000	(40,809)	(345,809)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			255,586	255,586
Transfers to other funds	(305,000)	(305,000)	(51,959)	253,041
Total other financing sources (uses)	(305,000)	(305,000)	203,627	508,627
NET CHANGE IN FUND BALANCES	0	0	162,818	162,818
FUND BALANCES AT BEGINNING OF YEAR	0	0	54,957	54,957
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 217,775	\$ 217,775

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
FOREST RESERVE
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue			\$ 329,216	\$ 329,216
Earnings on investments	\$ 130	\$ 130		(130)
Other revenues	5,000	5,000	9,621	4,621
Total revenues	<u>5,130</u>	<u>5,130</u>	<u>338,837</u>	<u>333,707</u>
EXPENDITURES				
Purchased services			13,634	(13,634)
Capital outlay	348,500	348,500	200,368	148,132
Contingency budget	256,630	256,630		256,630
Total expenditures	<u>605,130</u>	<u>605,130</u>	<u>214,002</u>	<u>391,128</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(600,000)</u>	<u>(600,000)</u>	<u>124,835</u>	<u>724,835</u>
NET CHANGE IN FUND BALANCES	<u>(600,000)</u>	<u>(600,000)</u>	<u>124,835</u>	<u>724,835</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>600,000</u>	<u>600,000</u>	<u>848,977</u>	<u>248,977</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 973,812</u>	<u>\$ 973,812</u>

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

BUDGETARY COMPARISON SCHEDULE -
 YOUTH CHALLENGE PROGRAM
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
State foundation program	\$ 1,011,133	\$ 1,011,133	\$ 1,250,859	\$ 239,726
Other revenues			565,410	565,410
Total revenues	<u>1,011,133</u>	<u>1,011,133</u>	<u>1,816,269</u>	<u>805,136</u>
EXPENDITURES				
Payroll	395,280	395,280	312,309	82,971
Payroll burden and employee benefits	191,433	191,433	119,705	71,728
Purchased services	4,000	4,000	1,247,723	(1,243,723)
Supplies and materials	420,420	420,420	388	420,032
Total expenditures	<u>1,011,133</u>	<u>1,011,133</u>	<u>1,680,125</u>	<u>(668,992)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>136,144</u>	<u>136,144</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds			(127,469)	(127,469)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>(127,469)</u>	<u>(127,469)</u>
NET CHANGE IN FUND BALANCES	0	0	8,675	8,675
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>32,289</u>	<u>32,289</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,964</u>	<u>\$ 40,964</u>

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue	\$ 350,000	\$ 350,000	\$ 505,253	\$ 155,253
Charges for services	74,710	74,710	108,278	33,568
Other revenues			226,422	226,422
Total revenues	424,710	424,710	839,953	415,243
EXPENDITURES				
Payroll	132,158	132,158	243,151	(110,993)
Payroll burden and employee benefits	75,702	75,702	127,596	(51,894)
Purchased services	3,350	3,350	2,783	567
Supplies and materials	205,500	205,500	512,139	(306,639)
Capital outlay	8,000	8,000	13,861	(5,861)
Total expenditures	424,710	424,710	899,530	(474,820)
EXCESS OF REVENUES OVER EXPENDITURES	0	0	(59,577)	(59,577)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			80,373	80,373
Transfers to other funds	0	0	(20,796)	(20,796)
Total other financing sources (uses)	0	0	59,577	59,577
NET CHANGE IN FUND BALANCES	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0

Budgets are adopted on the Modified Accrual Basis of Accounting

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Board of Trustees
Joint School District No. 171
Orofino, 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 the Joint School District No. 171, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Joint School District No. 171's basic financial statements and have issued our report thereon dated October 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Joint School District No. 171'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 Joint School District No. 171's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding #2015-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Joint School District No. 171'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*.

Joint School District No. 171's Response to Findings

The Joint School District No. 171's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Joint School District No. 171's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

PRESNELL GAGE PLLC

October 16, 2015



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INDEPENDENT AUDITOR'S REPORT - SINGLE AUDIT ACT

Board of Trustees
Joint School District No. 171
Orofino, Idaho

Report on Compliance for Each Major Federal Program

We have audited the Joint School District No. 171's compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, that could have a direct and material effect on each of the Joint School District No. 171's major federal programs for the year ended June 30, 2015. The Joint School District No. 171's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Joint School District No. 171'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Joint School District No. 171'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 the Joint School District No. 171's compliance.

Opinion on Each Major Federal Program

In our opinion, the Joint School District No. 171, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Joint School District No. 171, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on 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 OMB Circular A-133, 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 Joint School District No. 171's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PRESNELL GAGE PLLC

October 16, 2015

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2015

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE		
Passed through the State of Idaho - Department of Education		
School Breakfast Program	10.553	\$ 249,496 *
National School Lunch Program	10.555	249,173 *
Special Milk Program for Children	10.556	<u>249 *</u>
Subtotal School Lunch cluster		498,918
Fresh Fruit and Vegetable Program	10.582	6,335
Passed through Clearwater County, State of Idaho		
Schools and Roads - Grants to Counties	10.666	<u>214,002</u>
Total Department of Agriculture		<u>719,255</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES		
Passed through the State of Idaho - Idaho Commission for Libraries		
State Library Program	45.310	<u>900</u>
Total National Endowment for the Humanities		<u>900</u>
DEPARTMENT OF ENVIRONMENTAL QUALITY		
Passed through the State of Idaho - Department of Education		
Capitalization Grants for Drinking Water	66.468	<u>3,746</u>
Total Department of Environmental Quality		<u>3,746</u>
DEPARTMENT OF EDUCATION		
Passed through the State of Idaho - Department of Education		
Title I	84.010	<u>259,736 *</u>
Title VI-B Special Education	84.027	250,405
Title VI-B Preschool	84.173	<u>13,267</u>
Subtotal Title VI-B cluster		<u>263,672</u>
Carl Perkins Vocational Education	84.048	12,936
Rural Education	84.358	19,019
Title II-D Improving Teacher Quality	84.367	<u>65,458</u>
Total Department of Education		<u>620,821</u>
TOTAL FEDERAL AWARDS		<u><u>\$ 1,344,722</u></u>

Note: Basis of Presentation

The schedule of expenditures of federal awards is presented on the modified accrual basis of accounting.

* Major funds on Schedule of Findings and Questioned Costs.

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

* Material weakness(es) identified yes no

* Significant Deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified yes no

* Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
<u>School Lunch cluster</u>	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2015-01

Criteria: Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

Condition: Joint School District No. 171 has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Joint School District No. 171.

Response: The District's management and Board of Trustees believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

Recommendation: We concur with the District's response.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is also often referred to as the M & O (Maintenance and Operations) Fund. The District uses this fund to account for the basic educational programs of the District. In general, these programs are operated with a great deal of local input and control.

The General Fund primarily receives funding from the State of Idaho through the Educational Foundation Program and through local general property taxes. The general property tax was replaced with additional funding from the Educational Foundation in 2006. However, the District is authorized to levy a supplemental amount if approved by a majority of voters in a supplemental levy election.

Other sources of funds that are restricted are accounted for in the Special Revenue and Capital Projects Funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources, or to finance specific activities as required by law or administrative regulations. Although there is local input and control over the use of these proceeds, the party who provides the proceeds also has some type of external restriction on the use of the proceeds.

LOCAL SPECIAL PROJECTS

Forest Reserve – The U.S. Government pays an amount under the *Secure Rural Schools and Community Self-Determination Act (SRSCA)* to state and counties containing national forest system lands. In the State of Idaho, 30 percent of this amount is allocated to the public schools based upon their average daily attendance. These proceeds are restricted for the purchase of school sites, construction, or remodeling of school buildings. When within the discretion of the trustees of the District the proceeds are not needed for the foregoing items, they may be expended for current expenses. These proceeds may be accumulated for future projects.

District Property – The District has set up a special revenue fund “District Property” to accumulate and account for the proceeds from the sale of District property.

Nez Perce Tribe, After School – The District has received various grants and contributions for local sources.

Youth Challenge – The District provides education and school lunch services to the Youth Challenge Program in Pierce. The District acts as a conduit for funds from the State of Idaho Educational Foundation Program to the Youth Challenge Program.

STATE FUNDED PROJECTS

Driver Education – The State of Idaho will reimburse the District for expenses up to \$125 per student who completes the driver education class at the District. In addition, the District charges students a \$125 fee to enroll in the class. The General Fund of the District pays expenses in excess of the above proceeds.

Vocational Education – The State of Idaho will reimburse the District for expenses incurred in operating certain vocational education programs. The State establishes a maximum reimbursement at the beginning of each school year based upon courses offered and numbers of students involved. The General Fund of the District pays expenses in excess of the above proceeds.

Public School Technology – The District has received grants to upgrade and maintain computer technology in the District. The General Fund of the District pays expenses in excess of the above proceeds.

FEDERALLY FUNDED PROJECTS

Title I – The federal government provides Title I grants to improve the education of children who are at risk of not meeting academic standards and who reside in areas with high concentrations of children from low income families. The program is administered by the State, and funds are allocated to the District based upon average daily attendance and modified based upon student counts from low income families. The District uses the grant primarily to provide additional classroom aides. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B – The federal government provides Title VI-B IDEA grants to provide special education to school age children with disabilities. The program is administered by the State, and funds are allocated to the District based upon a child count of eligible students as of November 1 of the prior year. Supplemental awards are also available. The District must meet non-supplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Title VI-B Preschool – The federal government provides Title VI-B IDEA Preschool grants to provide special education to children with disabilities between the ages of three and five. The program is administered by the State, and funds are allocated to the District based upon a child count of eligible students as of November 1 of the prior year. Supplemental awards are also available. The District must meet non-supplanting tests and maintenance of effort tests. These tests are to ensure that the District continues to provide the basic education curriculum and that the federal dollars provide additional educational opportunities. The General Fund of the District pays expenses in excess of the grant. In general, unused grant proceeds may be carried over to the following school year.

Rural Education – Districts with an average daily attendance less than 600 students, or that are located in Counties with less than 10 people per square mile, are eligible for grants under the Rural and Low-Income School Program. The federal government awards grants on a noncompetitive formula basis. The District may use program funds for teacher recruitment and retention, teacher professional development, educational technology, parental involvement activities, activities authorized under Safe and Drug-Free Schools and Communities, activities authorized under Title I, and activities authorized under Language Instruction for Limited English Proficient and Immigrant Students. The General Fund of the District pays expenses in excess of the grant.

Carl Perkins Vocational Education – The federal government provides grant funds to provide vocational education programs to secondary and post-secondary students. For years beginning after July 1, 2000, the allocation is based 30 percent upon the number of individuals ages 15-19 residing in the District, 70 percent upon the number of individuals ages 15-19 residing in the District in families below the poverty line.

In general, Districts must qualify for a minimum award of \$15,000 or form a consortia to meet the minimum grant award. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

Title II-A Improving Teacher Quality – The federal government provides Title II-A ESEA grants to provide assistance to classroom teachers. The District uses the funds generally for two purposes:

- The District provides additional professional education for teachers in the core academic subjects by paying the costs for teachers to attend specific workshops designed to enhance their skills in teaching math and science classes. The program is administered through the State, and funds are allocated based upon student enrollment. The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.
- The District can also use the grant to pay for an additional teaching position in the elementary grades. The goal of the program is to reduce the student-to-teacher ratio to 18 students per class. The program is administered through the State, and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The General Fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

OTHER PROJECTS

Gustin Science – The District received funds for a special science grant.

Recycling Grant – The District received funds from the State Farm Youth Advisory Board to implement a recycling program in the communities of Pierce and Weippe.

Medicaid – The Idaho Department of Health and Welfare administers federal funds that assist in special education with reimbursements that are received from Medicaid eligible students. The District pays matching funds up front for the program and then receives reimbursements for services provided. The General Fund of the District is responsible for expenses in excess of the grant.

School Lunch – The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges students for lunch and breakfast. Lunch and breakfast are served free or at a reduced price to children from households with income below certain levels. Meals must meet certain dietary and nutrition requirements. The general fund pays Social Security taxes and retirement benefits as a "matching contribution" to the program. The general fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year.

Challenge School Lunch – The District contracts with the Youth Challenge Academy to provide the School Lunch program in that location.

CAPITAL PROJECTS FUND

School Plant Facility Reserve Fund – The District has established a School Plant Facility Reserve Fund. The fund may be used to acquire, purchase, and improve school sites, build school buildings, and purchase school busses.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized General Fund tax levies.

- The Plant Facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The Plant Facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The Plant Facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2015

	General	Forest Reserve	District Property	Nez Perce Tribe Grants	Youth Challenge Program	After School
ASSETS						
Cash	\$ 95			\$ 254		\$ 7,860
Investments	719,673	\$ 10,422	\$ 3,296			
Property taxes receivable	985,159					
Accounts receivable	208,571		49,460		\$ 63,209	
Due from other funds		1,008,884	33,904			
Total assets	\$ 1,913,498	\$ 1,019,306	\$ 86,660	\$ 254	\$ 63,209	\$ 7,860
LIABILITIES						
Accounts payable	\$ 272,101		\$ 19,088	\$ 912		
Payroll and taxes payable	955,325					
Due to other funds	339,777				\$ 22,245	
Unearned revenue						
Total liabilities	1,567,203	45,494	19,088	912	22,245	\$ 0
DEFERRED INFLOWS OF RESOURCES						
Receivables not collected in 60 days	128,520		49,460			
Total deferred inflows of resources	128,520	0	49,460	0	0	0
FUND BALANCES						
Restricted for capital improvements		973,812	18,112	(658)	40,964	7,860
Committed for capital improvements						
Assigned	217,775					
Unassigned	217,775	973,812	18,112	(658)	40,964	7,860
Total fund balances	435,550	973,812	18,112	(658)	40,964	7,860
Total liabilities and fund balances	\$ 1,913,498	\$ 1,019,306	\$ 86,660	\$ 254	\$ 63,209	\$ 7,860

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2015

	<u>Driver Education</u>	<u>Vocational Education</u>	<u>Public School Technology</u>	<u>Title I</u>	<u>Title VI-B</u>	<u>Title VI-B Preschool</u>
ASSETS						
Cash	\$ 3,908		\$ 1,765			
Investments						
Property taxes receivable						
Accounts receivable	2,500	\$ 4,288		\$ 82,477	\$ 109,422	\$ 7,542
Due from other funds						
Total assets	<u>\$ 6,408</u>	<u>\$ 4,288</u>	<u>\$ 1,765</u>	<u>\$ 82,477</u>	<u>\$ 109,422</u>	<u>\$ 7,542</u>
LIABILITIES						
Accounts payable		\$ 1,574				
Payroll and taxes payable	\$ 5,322		\$ 1,676	\$ 37,417	\$ 38,941	\$ 1
Due to other funds		2,714		45,060	68,305	5,317
Unearned revenue					2,176	2,224
Total liabilities	<u>5,322</u>	<u>4,288</u>	<u>1,676</u>	<u>82,477</u>	<u>109,422</u>	<u>7,542</u>
DEFERRED INFLOWS OF RESOURCES						
Receivables not collected in 60 days						
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES						
Restricted for capital improvements						
Committed for capital improvements						
Assigned	1,086		89			
Unassigned						
Total fund balances	<u>1,086</u>	<u>0</u>	<u>89</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 6,408</u>	<u>\$ 4,288</u>	<u>\$ 1,765</u>	<u>\$ 82,477</u>	<u>\$ 109,422</u>	<u>\$ 7,542</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2015

	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Gustin Science	Medicaid
ASSETS					
Cash					
Investments					
Property taxes receivable					
Accounts receivable	\$ 11,952	\$ 12,937	\$ 38,837	\$ 26,854	\$ 188,200
Due from other funds					
Total assets	<u>\$ 11,952</u>	<u>\$ 12,937</u>	<u>\$ 38,837</u>	<u>\$ 26,854</u>	<u>\$ 188,200</u>
LIABILITIES					
Accounts payable					
Payroll and taxes payable	\$ 2,405		\$ 6,477	\$ 3,025	\$ 36,077
Due to other funds	7,067	\$ 12,937	27,254	17,003	152,123
Unearned revenue	2,480		5,106		
Total liabilities	<u>11,952</u>	<u>12,937</u>	<u>38,837</u>	<u>20,028</u>	<u>188,200</u>
DEFERRED INFLOWS OF RESOURCES					
Receivables not collected in 60 days					
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES					
Restricted for capital improvements					
Committed for capital improvements					
Assigned				6,826	
Unassigned					
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,826</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 11,952</u>	<u>\$ 12,937</u>	<u>\$ 38,837</u>	<u>\$ 26,854</u>	<u>\$ 188,200</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2015

	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
ASSETS				
Cash	\$ 34,914			\$ 48,796
Investments			\$ 1,003,316	1,736,707
Property taxes receivable				985,159
Accounts receivable	301	\$ 9,702		816,252
Due from other funds				1,042,788
Total assets	<u>\$ 35,215</u>	<u>\$ 9,702</u>	<u>\$ 1,003,316</u>	<u>\$ 4,629,702</u>
LIABILITIES				
Accounts payable	\$ 761			\$ 339,930
Payroll and taxes payable	34,454			1,121,120
Due to other funds		\$ 9,702	\$ 457,201	1,166,705
Unearned revenue				11,986
Total liabilities	<u>35,215</u>	<u>9,702</u>	<u>457,201</u>	<u>2,639,741</u>
DEFERRED INFLOWS OF RESOURCES				
Receivables not collected in 60 days				177,980
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>177,980</u>
FUND BALANCES				
Restricted for capital improvements			546,115	546,115
Committed for capital improvements				991,924
Assigned				56,167
Unassigned				217,775
Total fund balances	<u>0</u>	<u>0</u>	<u>546,115</u>	<u>1,811,981</u>
Total liabilities and fund balances	<u>\$ 35,215</u>	<u>\$ 9,702</u>	<u>\$ 1,003,316</u>	<u>\$ 4,629,702</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General	Forest Reserve	District Property	Nez Perce Tribe Grants	After School	Youth Challenge
REVENUES						
General property taxes	\$ 2,376,642					\$ 1,250,859
State foundation program	6,012,037					
Other state revenue	67,668					
Federal revenue	900	\$ 329,216				
Charges for services	3,198		\$ 9,466			
Earnings on investments	118,070	9,621	45,540	\$ 10,000	\$ 8,660	565,410
Other revenues	8,578,515	338,837	55,006	10,000	8,660	1,816,269
Total revenues						
EXPENDITURES						
Instruction						
Regular programs	4,372,310			13,214		1,679,737
Special programs	385,098					
Interscholastic and school activity	174,971					
Support services						
Pupil support	460,724					
Staff support	833,454	684	66,229		800	
General administration	176,045					
School administration	577,999					
Business services	175,428					
Maintenance and operations	815,218	12,950				
Transportation	629,743	127,762				
Food services	18,334					388
Debt services						
Capital outlay						
Total expenditures	8,619,324	72,606	59,827	13,214	800	1,680,125
		214,002	126,056			
EXCESS OF REVENUES OVER EXPENDITURES	(40,809)	124,835	(71,050)	(3,214)	7,860	136,144
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	255,586					
Proceeds from bond	(51,959)					(127,469)
Transfers to other funds	203,627	0	0	0	0	(127,469)
Total other financing sources (uses)						
NET CHANGE IN FUND BALANCES	162,818	124,835	(71,050)	(3,214)	7,860	8,675
FUND BALANCES A BEGINNING OF YEAR	54,957	848,977	89,162	2,556	0	32,289
FUND BALANCES AT END OF YEAR	\$ 217,775	\$ 973,812	\$ 18,112	\$ (658)	\$ 7,860	\$ 40,964

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Driver Education	Vocational Education	Public School Technology	Title I	Title VI-B	Title VI-B Preschool
REVENUES						
General property taxes			\$ 39,806			
State foundation program	\$ 7,990	\$ 23,922			\$ 250,405	\$ 13,267
Other state revenue				\$ 259,736		
Federal revenue	8,470					
Charges for services						
Earnings on investments						
Other revenues						
Total revenues	16,460	23,922	39,806	259,736	250,405	13,267
EXPENDITURES						
Instruction						
Regular programs	18,261	24,592		259,416	250,405	13,267
Special programs						
Interscholastic and school activity						
Support services						
Pupil support						
Staff support			92,374	6,988		
General administration						
School administration						
Business services						
Maintenance and operations						
Transportation						
Food services						
Debt services						
Capital outlay						
Total expenditures	18,261	24,592	92,374	266,404	250,405	13,267
EXCESS OF REVENUES OVER EXPENDITURES	(1,801)	(670)	(52,568)	(6,668)	0	0
OTHER FINANCING SOURCES (USES)						
Transfers from other funds		179		6,668		
Proceeds from bond						
Transfers to other funds						
Total other financing sources (uses)	0	179	0	6,668	0	0
NET CHANGE IN FUND BALANCES	(1,801)	(491)	(52,568)	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	2,887	491	52,657	0	0	0
FUND BALANCES AT END OF YEAR	\$ 1,086	\$ 0	\$ 89	\$ 0	\$ 0	\$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Gustin Science	Recycling Grant
REVENUES					
General property taxes					
State foundation program					
Other state revenue		\$ 12,936	\$ 65,458	\$ 40,000	
Federal revenue	\$ 19,019				
Charges for services					
Earnings on investments					
Other revenues					\$ 500
Total revenues	<u>19,019</u>	<u>12,936</u>	<u>65,458</u>	<u>40,000</u>	<u>500</u>
EXPENDITURES					
Instruction					
Regular programs	19,019	12,326			
Special programs					
Interscholastic and school activity					
Support services					
Pupil support		610	65,458	33,174	2,176
Staff support					
General administration					
School administration					
Business services					
Maintenance and operations					
Transportation					
Food services					
Debt services					
Capital outlay					
Total expenditures	<u>19,019</u>	<u>12,936</u>	<u>65,458</u>	<u>33,174</u>	<u>2,176</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,826</u>	<u>(1,676)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds					
Proceeds from bond					
Transfers to other funds	0	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,826</u>	<u>(1,676)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,676</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,826</u>	<u>\$ 0</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
REVENUES					
General property taxes				\$ 56,621	\$ 2,433,263
State foundation program					7,302,702
Other state revenue					139,580
Federal revenue	\$ 550,188	\$ 410,661	\$ 94,592		2,006,378
Charges for services		107,373	905		116,748
Earnings on investments		4,427	221,995	866	13,530
Other revenues	550,188	522,461	317,492	57,487	984,223
Total revenues					12,996,424
EXPENDITURES					
Instruction					
Regular programs					6,398,875
Special programs					648,770
Interscholastic and school activity					174,971
Support services					
Pupil support					460,724
Staff support	543,331				1,645,278
General administration					176,045
School administration					577,999
Business services					175,428
Maintenance and operations				54,944	883,112
Transportation				95,000	852,505
Food services		567,573	331,957		918,252
Debt services				52,200	52,200
Capital outlay				319,598	452,031
Total expenditures	543,331	567,573	331,957	521,742	13,416,190
EXCESS OF REVENUES OVER EXPENDITURES	6,857	(45,112)	(14,465)	(464,255)	(419,766)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds		45,112	35,261		342,806
Proceeds from bond				1,000,000	1,000,000
Transfers to other funds	(142,582)		(20,796)		(342,806)
Total other financing sources (uses)	(142,582)	45,112	14,465	1,000,000	1,000,000
NET CHANGE IN FUND BALANCES	(135,725)	0	0	535,745	580,234
FUND BALANCES AT BEGINNING OF YEAR	135,725	0	0	10,370	1,231,747
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 546,115	\$ 1,811,981

TRUST AND AGENCY FUNDS

Trust funds are used by the District to account for funds, which support District and student programs. These funds have been deposited with the District for specific purposes, generally approved by the Board of Trustees.

PRIVATE PURPOSE TRUST FUNDS

Nelson Scholarship Trust – The Nelson Scholarship Trust is invested as an endowment with the interest used to fund a scholarship each year.

Robbie Miller Scholarship Trust – The Robbie Miller Scholarship Trust was set up in 1995 in memorial of a 3 1/2 year old boy who was tortured to death in 1981. The only condition of the award is that the recipient must do one kind deed for a person or an animal in Robbie's name. Earnings of the fund are available to provide the annual scholarship.

Portfor Athletic Trust – The Portfor Athletic Trust is invested as an endowment with the interest available to support the OHS athletic program each year.

Portfor Band Trust – The Portfor Band Trust is invested as an endowment with the interest available to support the OHS Band program each year.

AGENCY FUNDS

Agency Funds are used to account for funds held by the District where the District is an agent for a third party.

Student Activity Funds – These funds account for all admission charges and student fees, which are expended for student clubs and extracurricular activities.

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS

June 30, 2015

	Nelson Scholarship Trust	Robbie Miller Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Orofino High School	Timberline Schools	Orofino Elementary School	Combined
ASSETS								
Cash	\$ 356	\$ 161			\$ 65,301	\$ 46,297	\$ 9,321	\$ 121,436
Investments	9,971	13,239	\$ 5,039	\$ 10,082				38,331
Total assets	\$ 10,327	\$ 13,400	\$ 5,039	\$ 10,082	\$ 65,301	\$ 46,297	\$ 9,321	\$ 159,767
LIABILITIES								
Accounts payable		\$ 1,000			\$ 1,000			\$ 1,000
Due to student groups					\$ 65,301	\$ 46,297	\$ 9,321	120,919
Total liabilities	\$ 0	1,000	\$ 0	\$ 0	65,301	46,297	9,321	121,919
FUND EQUITY								
Unreserved, undesignated	10,327	12,400	5,039	10,082				37,848
Total fund equity	10,327	12,400	5,039	10,082	0	0	0	37,848
Total liabilities and fund equity	\$ 10,327	\$ 13,400	\$ 5,039	\$ 10,082	\$ 65,301	\$ 46,297	\$ 9,321	\$ 159,767

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - ALL TRUST FUNDS
For the Year Ended June 30, 2015

	Nelson Scholarship Trust	Robbie Miller Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
REVENUES					
Earnings on investments	\$ 492		\$ 8	\$ 15	\$ 515
Total revenues	<u>492</u>	<u>\$ 0</u>	<u>8</u>	<u>15</u>	<u>515</u>
EXPENDITURES					
Regular instruction		1,083			1,083
Total expenditures	<u>0</u>	<u>1,083</u>	<u>0</u>	<u>0</u>	<u>1,083</u>
EXCESS OF REVENUES OVER EXPENDITURES	492	(1,083)	8	15	(568)
FUND EQUITY AT BEGINNING OF YEAR	9,835	13,483	5,031	10,067	38,416
FUND EQUITY AT END OF YEAR	<u>\$ 10,327</u>	<u>\$ 12,400</u>	<u>\$ 5,039</u>	<u>\$ 10,082</u>	<u>\$ 37,848</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2015

FUND	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
7th grade	\$ (8)	\$ 548	\$ 202	\$ 338
8th grade	98	208	243	63
A P Government	913	10,219	9,978	1,154
AED	1,453	620	620	1,453
Annual	4,119	11,250	10,037	5,332
AR Store	49			49
Art Neumeyer Scholarship	350			350
Athletics	(5,451)	20,817	13,313	2,053
Baseball	(17)	18,447	15,859	2,571
Biology grant	126	250	375	1
Boys basketball	8,469	2,361	7,344	3,486
Cheerleader account	4,150	18,841	20,474	2,517
Chorus	508	300	561	247
Coaches Fund	205			205
Contingency	303	23,076	19,680	3,699
District #171	0	6,885	6,885	0
District Baseball Tournament	762	875		1,637
District Softball Tournament	538	461	101	898
Dramatics Club	1,111	718	1,208	621
Drill Team	967	601	768	800
Early Teen Living	465		100	365
Extra curricular	2,113	2,657	1,444	3,326
Faculty Fund	(58)	336	314	(36)
Football	(1,000)	6,544	5,544	0
Football Maniac Moms	38			38
Foreign language	75		61	14
Freshman	988	143	1,067	64
Gate Receipts	0	25,410	24,910	500
Girls basketball	1,656	5,674	5,689	1,641
Golf	27	360		387
H2O	(4)	55	30	21
Hosa	1,428			1,428
Human Rights Club	256			256
IDLA	2,875	2,175	4,750	300
Industrial Arts	446	400		846
Jr High Boys Basketball	221	627	686	162
Jr High Football	1,770	255	286	1,739
Jr High Girls Basketball	35	881	911	5
Jr High Track	913	678	477	1,114
Jr High Volleyball	267	4,933	4,174	1,026
Jr High Wrestling	18			18
Juniors	1,826	3,491	4,163	1,154
Key Club	164	1,273	733	704
Knowledge Bowl	519			519
Lab fees	17			17
Balance forward	<u>33,700</u>	<u>172,369</u>	<u>162,987</u>	<u>43,082</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2015

FUND	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
Balance forward	\$ 33,700	\$ 172,369	\$ 162,987	\$ 43,082
Leadership	1,194	495	1,049	640
Library	89	209	206	92
Library Club	40			40
Maniac Jackets	69		69	0
Math Tech	141			141
Mediacs	1,042	250		1,292
Michelle's Recycling	30		79	(49)
Music	479	1,378	899	958
Nat Honor Society	1	342	351	(8)
NNU	1,863	1,500	1,682	1,681
OHS Alumni Fund	172			172
School Garden	0	200		200
Rodeo Club	(499)			(499)
Senior Project	102	1,205	1,207	100
Seniors	1,118	4,823	4,625	1,316
Shop (reg acct)	1,234	1,819	1,989	1,064
Silk screening	216	1,138	849	505
Skills USA	1,730	150		1,880
Soccer	3,938	254	3,344	848
Softball	(445)	10,265	9,019	801
Sophomores	1,358	2,133	1,565	1,926
State Baseball Tournament	8,900		7,809	1,091
Student Association	2,208	12,892	14,366	734
Student Council	729	4,305	5,914	(880)
Supplies	(134)	1,315	1,468	(287)
Tax	113	3,644	3,686	71
Towels	192			192
Track	893	525	1,014	404
Volleyball	3,128	12,839	16,941	(974)
Weight training	674			674
Wrestling	643	5,398	4,833	1,208
Youth Leg	996	1,579	1,145	1,430
Bad Checks	(907)	358	293	(842)
Bank charge	(569)		112	(681)
	<u>64,438</u>	<u>241,385</u>	<u>247,501</u>	<u>58,322</u>
Savings account	<u>6,979</u>			<u>6,979</u>
	<u>\$ 71,417</u>	<u>\$ 241,385</u>	<u>\$ 247,501</u>	<u>\$ 65,301</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2015

FUND	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
Accelerated Reading	\$ 807	\$ 683	\$ 1,078	\$ 412
Associated Student Body	1,720	1,704	2,982	442
Athletics	0	18,707	15,787	2,920
Attendance Reward Parties	397		180	217
Baseball	3,873	745	4,159	459
Boys basketball	118	6,967	6,786	299
Building rent	751			751
Civics Club	211		211	0
Class of 2010	673			673
Class of 2011	257			257
Class of 2012	81			81
Class of 2013	(87)			(87)
Class of 2014	191		77	114
Class of 2015	286	565	659	192
Class of 2016	1,151	1,030	1,590	591
Class of 2017	319	361		680
Class of 2018	0		71	(71)
Class of 2020	161			161
College Credit	0	1,641	4,178	(2,537)
COMPASS test	70			70
Computer lab	324			324
Concessions	3,238	9,092	4,784	7,546
Contingency	2,413	1,309	2,941	781
Costa Rica	2,527	7,998	10,391	134
Counselor	(222)			(222)
District sport fee	662			662
Donation	1,943		1,000	943
Drama	(39)	2,382	2,306	37
Drivers Ed	810	2,175	1,755	1,230
Elementary School	1,783	2,593	2,942	1,434
Faculty	375	185	418	142
Fees	1,159	5	850	314
Girls basketball	80	651	343	388
Girls softball	1,628			1,628
Grants	211			211
Green Club	1,235			1,235
H.S. football	2,849	9,511	4,539	7,821
H.S. track	853	943	1,106	690
Herff-Jones	244	280	298	226
Home Economics	131			131
Honor Society	190		77	113
Balance forward	<u>33,373</u>	<u>69,527</u>	<u>71,508</u>	<u>31,392</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2015

FUND	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
Balance forward	\$ 33,373	\$ 69,527	\$ 71,508	\$ 31,392
HOSA	39			39
IDFY	100			100
Jr. High ASB	428	628	785	271
Jr. High basketball	(150)			(150)
Jr. High football	711	10		721
Jr. High girls basketball	428			428
Jr. High Journalism	134			134
Jr. High Shop	127			127
Jr. High track	933	160	1,157	(64)
Jr. High volleyball	149		62	87
Leadership Class	200	927	1,119	8
Library	692	2,845	2,888	649
Metal Shop	4,858	5	78	4,785
Music	743			743
PBIS	289			289
PE	(347)			(347)
Pee Wee Basketball	61			61
Play Shed	1,426			1,426
PSAT	90			90
Red Cross donation	6			6
Reimbursement	419	989	1,346	62
Sales tax	358	1,066	1,068	356
Scholarships	1			1
School Store	716	967	958	725
Science Club	0	51		51
Science lab	(68)	571	211	292
Spanish Club	871		800	71
Spartan Spirit Squad	218			218
SS-AD	1,088			1,088
Technology	1,084			1,084
THS Cookbooks	43			43
Veteran Wall	7			7
Volleyball	(170)	487	325	(8)
Weight Room	0	619	619	0
Wood Shop	1,972	280	547	1,705
Yearbook	818	25	328	515
Other	(4)		704	(708)
	<u>\$ 51,643</u>	<u>\$ 79,157</u>	<u>\$ 84,503</u>	<u>\$ 46,297</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO ELEMENTARY SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2015

	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
OROFINO ELEMENTARY	<u>\$ 11,488</u>	<u>\$ 10,665</u>	<u>\$ 12,832</u>	<u>\$ 9,321</u>

JOINT SCHOOL DISTRICT NO. 171

**COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
For the Years Ended June 30, 2015 and 2014**

	General Fund		All Other Funds	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
BEGINNING BALANCES	\$ 44,736	\$ 54,957	\$ 1,122,044	\$ 1,456,503
REVENUES				
General property taxes	2,371,907	2,376,642		56,621
Other local revenue	105,501	121,228	1,004,114	1,190,797
Intergovernmental revenue				
State of Idaho	5,911,939	6,079,705	590,450	1,362,577
Federal		900	2,084,730	2,005,478
Other revenue	250	40	113,243	1,045,540
Transfers	41,301	255,586	122,273	51,959
Total revenues	<u>8,430,898</u>	<u>8,834,101</u>	<u>3,914,810</u>	<u>5,712,972</u>
EXPENDITURES				
Salaries	4,655,962	4,868,971	1,094,659	1,168,341
Benefits	2,134,919	2,311,030	565,500	621,643
Purchased services	891,794	939,380	880,144	1,728,478
Supplies and materials	568,463	449,707	550,769	684,376
Capital outlay	12,677	6,310	432,405	762,953
Debt service				45,000
Insurance	49,712	43,926	450	500
Transfers	107,150	51,959	56,424	255,586
Total expenditures	<u>8,420,677</u>	<u>8,671,283</u>	<u>3,580,351</u>	<u>5,266,877</u>
ENDING BALANCES	\$ 54,957	\$ 217,775	\$ 1,456,503	\$ 1,902,598