

JOINT SCHOOL DISTRICT NO. 171

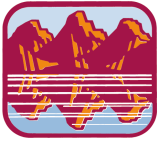
FINANCIAL STATEMENTS

Year Ended June 30, 2018

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, 2018, 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of pension funding, and budgetary comparison information on pages 6 through 12 and 43 through 47, respectively, 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.

Report on Summarized Comparative Information

We have previously audited the Joint School District No. 171's 2017 financial statements, and we expressed unqualified audit opinions on the financial statements of each major fund and the aggregate remaining fund information in our report dated October 5, 2017. 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The 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 8, 2018, 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 8, 2018

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, 2018.

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 \$7,182,986 (vs. \$6,528,774 in 2017 and \$6,640,249 in 2016). This includes \$3,493,759 in capital assets. In addition, the District reflects \$1,195,000 in deferred outflows related to PERSI (vs. \$ 2,692,000 in 2017)
- Total District liabilities amount to \$5,240,480 vs. \$6,235,642 in 2017. Liabilities are primarily salary, benefits, and taxes due of \$1,264,389 in July and August (\$1,260,065 in 2017) for employees working the prior year plus \$3,137,000 for PERSI net pension liability (\$3,938,000 in 2017). In addition, the District reflects \$471,000 in deferred inflows related to PERSI (\$1,288,000 in 2017).

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's net position increased by \$969,374 from operations. After recognizing the effects of GASB 68, net position was \$2,666,506 at year-end (vs. a \$(31,339) decrease in 2017 and a \$337,468 increase in 2016).
- The total cost of District operations amounted to \$14,354,001, a decrease from 14,697,523 in 2017.
- District revenue amounted to \$15,323,375, an increase from \$14,666,184 in 2016.

TABLE 1 – FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2017 expenses:

	2018	2017	Increase (Decrease)
Program Expenses			
Instruction			
Regular programs	\$ 7,203,583	\$ 7,338,345	\$ (134,762)
Special programs	735,240	624,486	110,754
Interscholastic and school activity	255,305	257,217	(1,912)
Total instruction	<u>8,194,128</u>	<u>8,220,048</u>	<u>(25,920)</u>
Support services			
Pupil support	657,526	530,902	126,624
Staff support	1,294,133	1,503,107	(208,974)
General administration	320,981	209,209	111,772
School administration	617,930	630,319	(12,389)
Business services	177,456	192,986	(15,530)
Maintenance and operations	1,299,045	1,441,135	(142,090)
Transportation	805,747	821,354	(15,607)
Total support services	<u>5,172,818</u>	<u>5,329,012</u>	<u>(156,194)</u>
Food services	1,058,133	1,030,517	27,616
Capital outlay	29,771	90,310	(60,539)
Debt services	20,151	22,636	(2,485)
PERSI retirement actuarial charges	<u>(121,000)</u>	<u>5,000</u>	<u>(126,000)</u>
Total governmental activities	<u>\$ 14,354,001</u>	<u>\$ 14,697,523</u>	<u>\$ (343,522)</u>

Expenditures were down in 2018 primarily due to a refined budget and controlled spending.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

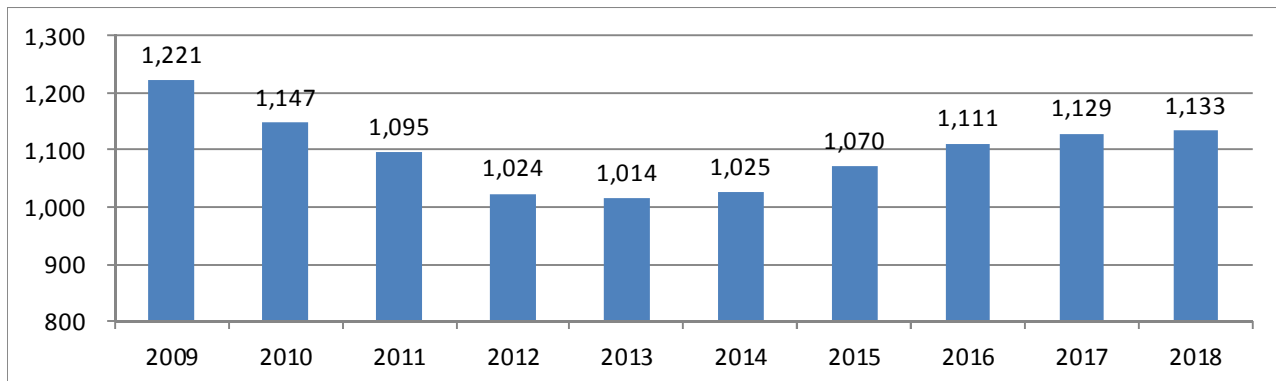
THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

TABLE 2 – FOUNDATION PROGRAM REVENUE

Foundation program revenue from the State of Idaho remains the District's primary revenue source. For 2017-18, District revenue increased by \$657,191 primarily due to the continued operation of the Youth Challenge Program and a general increase in state funding for education.

	2018	2017	2018 vs. 2017
<u>State Foundation Program</u>			
State salary apportionment	\$ 5,893,399	\$ 5,557,896	\$ 335,503
State transportation funding	469,124	445,177	23,947
Entitlement	2,141,177	2,005,830	135,347
Other	561,220	520,756	40,464
Total State Foundation Program	<u>\$ 9,064,920</u>	<u>\$ 8,529,659</u>	<u>\$ 535,261</u>

The funding formula for the State Foundation Program revenue is largely dependent on student counts, which had been falling. Fall enrollment has declined from 12,210,000 students 10 years ago to 1,130 in 2017-18. The 2014 opening of the Youth Challenge Program is largely responsible for a continuing increase in students over the last 5 years.



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 2018 revenue to the 2017 and 2016 revenue.

	2018	2017	2016	2018 vs. 2017
Total Revenue				
Program Revenue				
Charges for services	\$ 383,298	\$ 444,293	\$ 442,559	\$ (60,995)
Federal and state funds	3,008,356	2,979,521	3,057,764	28,835
Total program revenue	3,391,654	3,423,814	3,500,323	(32,160)
General Revenue				
Property Taxes	2,833,546	2,929,985	2,570,459	(96,439)
Federal funds	456,863	129,184	426,079	327,679
State funds	8,430,958	7,964,867	7,347,880	466,091
Other revenue	210,354	218,334	60,408	(7,980)
Total general revenue	11,931,721	11,242,370	10,404,826	689,351
Total revenue	<u>\$ 15,323,375</u>	<u>\$ 14,666,184</u>	<u>\$ 13,905,149</u>	<u>\$ 657,191</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 reconciliation at the bottom of the fund financial statements.

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 \$259,317 from \$1,236,005 at June 30, 2017, to \$1,495,322 at the end of this year (vs. \$(488,541) decrease in 2017).
- Total revenues increased from (\$14,648,364 in 2017) to \$15,336,000; while expenditures decreased from (\$15,136,905 in 2017) to \$15,076,683.

The District continues to face the challenge of adequate state funding. However, state foundation funding increased in 2018 due largely to the full year operation of the Youth Challenge Program and the implementation of the career ladder. The Supplemental Levy remained the same in 2018, \$2,685,000.

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 2018-2019.

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 \$2,685,000 for 2017-18.

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 2017) to other funds to balance the budget, and has a remaining balance of \$995,559 (\$672,812 in 2017). The District did expend dollars from this fund for District needs. The District receives a substantial amount of Forest Reserve Fund revenue, which was 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 2018 was \$313,253 (\$19,582 in 2017 and \$320,388 in 2016). Terms for the future renewal of the Craig-Wyden support is uncertain. It is the hope of the District to not transfer these funds to pick up shortfalls until the forest funds are renewed.

The School Lunch Fund operated at a net loss of \$65,975 for the year after a reimbursement of \$11,545 from the Youth Challenge School Lunch. The balance was reimbursed from the General Fund.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

The District approved a 10-year annual \$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 2017-2018, the fund has a carryover balance of \$221,862 available to make school improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District had \$3,493,759 invested in capital assets, net of accumulated depreciation. This includes buildings, computer equipment, and major school equipment and is an increase of \$270,524 from the prior year. Current year depreciation of \$278,911 (\$273,033 in 2017 and \$276,458 in 2016) was less than capital purchases of \$556,708 (\$406,779 in 2017 and \$618,574 in 2016). 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 2017-18 were for a new roof at the Timberline Schools and a new heating/air-conditioning units at Orofino Junior Senior High School.

Debt

The District borrowed \$1,000,000 on a 10-year lease agreement in 2014 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 \$675,558 on the lease at June 30, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2019 budget, tax rates, and fees that will be charged to students. Personnel costs are tied to a state-wide salary index career ladder and certified staff and classified staff received an average 3 percent increase for 2018. The District has added no new major programs or initiatives to the 2019 budget. The District hired one new 1.0 FTE teacher, one new 1.0 FTE district pupil service personnel, and retained one 0.49 FTE teacher for the metal shop program due to increasing enrollment. The Supplemental Levy will fund the new bus lane at Orofino Elementary School and a new office remodel at Orofino Junior Senior High School.

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, 2018

	Governmental Activities	Prior Year 2017
ASSETS		
Current assets		
Cash	\$ 225,481	\$ 402,175
Investments	1,682,320	840,340
Property taxes receivable	1,138,527	1,191,198
Accounts receivable	642,899	871,826
Total current assets	<u>3,689,227</u>	<u>3,305,539</u>
Noncurrent assets		
Capital assets	10,433,990	9,941,410
Less accumulated depreciation	<u>(6,940,231)</u>	<u>(6,718,175)</u>
Total noncurrent assets	<u>3,493,759</u>	<u>3,223,235</u>
Total assets	<u>7,182,986</u>	<u>6,528,774</u>
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension	<u>1,195,000</u>	<u>2,692,000</u>
LIABILITIES		
Current liabilities		
Accounts payable	142,356	241,742
Payroll and taxes payable	1,264,389	1,260,065
Accrued expenses	21,177	26,354
Current portion of lease payable	96,478	93,923
Total current liabilities	<u>1,524,400</u>	<u>1,622,084</u>
Noncurrent liabilities		
Net pension liability	3,137,000	3,938,000
Lease payable	579,080	675,558
Total noncurrent liabilities	<u>3,716,080</u>	<u>4,613,558</u>
Total liabilities	<u>5,240,480</u>	<u>6,235,642</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension	<u>471,000</u>	<u>1,288,000</u>
NET POSITION		
Invested in capital assets, net of related debt	2,818,201	2,453,754
Restricted for:		
Capital projects	227,094	245,975
Unrestricted	<u>(378,789)</u>	<u>(1,002,597)</u>
Total net position	<u>\$ 2,666,506</u>	<u>\$ 1,697,132</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Prior Year 2017
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
Instruction					
Regular programs	\$ 7,203,583	\$ 8,115	\$ 885,901	\$ (6,309,567)	\$ (6,522,990)
Special programs	735,240		264,079	(471,161)	(354,017)
Interscholastic and school activity	255,305			(255,305)	(257,217)
Support services					
Pupil support	657,526		17,251	(640,275)	(513,527)
Staff support	1,294,133		808,762	(485,371)	(667,460)
General administration	320,981			(320,981)	(209,209)
School administration	617,930			(617,930)	(630,319)
Business services	177,456			(177,456)	(192,986)
Maintenance and operations	1,299,045			(1,299,045)	(1,441,135)
Transportation	805,747	9,354	469,124	(327,269)	(361,425)
Food services	1,058,133	365,829	563,239	(129,065)	(5,478)
Capital outlay	29,771			(29,771)	(90,310)
Debt services	20,151			(20,151)	(22,636)
PERSI retirement actuarial charges	(121,000)			121,000	(5,000)
Total governmental activities	<u>\$ 14,354,001</u>	<u>\$ 383,298</u>	<u>\$ 3,008,356</u>	<u>(10,962,347)</u>	<u>(11,273,709)</u>
General revenues:					
Property taxes, levied for general purposes				2,833,546	2,929,985
State base support				8,426,854	7,960,763
In lieu revenue				4,104	4,104
Other state and federal funding not restricted to specific programs				456,863	129,184
Interest and investment earnings				35,498	15,238
Other general revenues				174,856	203,096
				<u>11,931,721</u>	<u>11,242,370</u>
Change in net position				969,374	(31,339)
Net position, beginning				<u>1,697,132</u>	<u>1,728,471</u>
Net position, ending				<u>\$ 2,666,506</u>	<u>\$ 1,697,132</u>

See accompanying notes
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JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2017
ASSETS								
Cash	\$ 42						\$ 42	\$ 31,475
Investments	1,540,346	\$ 10,668			\$ 106,864	\$ 3,374	1,661,252	819,548
Property taxes receivable	1,133,295				5,232		1,138,527	1,191,198
Accounts receivable	290,399		\$ 91,455	\$ 31,319		229,618	642,791	871,826
Due from other funds		984,891		44,630	114,998	155,345	1,299,864	923,060
Total assets	\$ 2,964,082	\$ 995,559	\$ 91,455	\$ 75,949	\$ 227,094	\$ 388,337	\$ 4,742,476	\$ 3,837,107
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 126,202			\$ 32		\$ 16,122	\$ 142,356	241,742
Payroll and taxes payable	1,072,364			45,162		146,863	1,264,389	1,260,065
Due to other funds	1,516,028		\$ 48,326	30,755		79,870	1,674,979	923,060
Unearned revenue						21,177	21,177	26,354
Total liabilities	2,714,594	\$ 0	48,326	75,949	\$ 0	264,032	3,102,901	2,451,221
DEFERRED INFLOWS OF RESOURCES								
Receivables not collected in 60 days	139,021				5,232		144,253	149,881
Total deferred inflows of resources	139,021	0	0	0	5,232	0	144,253	149,881
FUND BALANCES								
Restricted for capital improvements					221,862		221,862	240,372
Committed for capital improvements		995,559				70,277	1,065,836	743,045
Assigned			43,129			54,028	97,157	65,677
Unassigned	110,467						110,467	186,911
Total fund balances	110,467	995,559	43,129	0	221,862	124,305	1,495,322	1,236,005
Total liabilities and fund balances	\$ 2,964,082	\$ 995,559	\$ 91,455	\$ 75,949	\$ 227,094	\$ 388,337	\$ 4,742,476	\$ 3,837,107

15 See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	Total Governmental Funds	Prior Year 2017
Total fund balances - Governmental Funds	\$ 1,495,322	\$ 1,236,005
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	10,433,990	9,941,410
Accumulated depreciation	(6,940,231)	(6,718,175)
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.	144,253	149,881
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.		
Deferred outflows	1,195,000	2,692,000
Deferred inflows	(471,000)	(1,288,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Lease payable	(675,558)	(769,481)
Net pension liability	(3,137,000)	(3,938,000)
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.	621,730	391,492
Total net position - Governmental Activities	\$ 2,666,506	\$ 1,697,132

See accompanying notes
16

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General	Forest Reserve	Youth Challenge	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2017
REVENUES								
General property taxes	\$ 2,740,414				\$ 98,760		\$ 2,839,174	\$ 2,912,308
State foundation program	7,096,975		\$ 1,799,003			\$ 168,942	9,064,920	8,529,659
Other state revenue	113,589					123,207	236,796	209,755
Federal revenue	900	\$ 313,253		\$ 596,464		1,114,306	2,024,923	1,827,924
Charges for services				81,943		8,115	90,058	126,024
Earnings on investments	33,624	140		11	1,403	44	35,222	15,095
Other revenues	163,709	9,354	559,538	283,886		28,420	1,044,907	1,027,599
Total revenues	<u>10,149,211</u>	<u>322,747</u>	<u>2,358,541</u>	<u>962,304</u>	<u>100,163</u>	<u>1,443,034</u>	<u>15,336,000</u>	<u>14,648,364</u>
EXPENDITURES								
Instruction								
Regular programs	4,858,209		2,341,174			547,365	7,746,748	7,633,008
Special programs	434,414					300,826	735,240	624,486
Interscholastic and school activity	255,305						255,305	257,217
Support services								
Pupil support	657,526					15,812	673,338	546,087
Staff support	648,719					645,414	1,294,133	1,503,107
General administration	311,475						311,475	199,703
School administration	617,930						617,930	630,319
Business services	177,456						177,456	192,986
Maintenance and operations	1,299,045						1,299,045	1,442,635
Transportation	685,832				86,366		772,198	841,369
Food services	21,691			1,028,279			1,049,970	1,061,603
Capital outlay					29,771		29,771	90,310
Debt services					114,074		114,074	114,075
Total expenditures	<u>9,967,602</u>	<u>0</u>	<u>2,341,174</u>	<u>1,028,279</u>	<u>230,211</u>	<u>1,509,417</u>	<u>15,076,683</u>	<u>15,136,905</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>181,609</u>	<u>322,747</u>	<u>17,367</u>	<u>(65,975)</u>	<u>(130,048)</u>	<u>(66,383)</u>	<u>259,317</u>	<u>(488,541)</u>
OTHER FINANCING SOURCES (USES)								
Transfers from other funds				77,520	111,538	80,540	269,598	206,562
Transfers to other funds	(258,053)			(11,545)			(269,598)	(206,562)
Total other financing sources (uses)	<u>(258,053)</u>	<u>0</u>	<u>0</u>	<u>65,975</u>	<u>111,538</u>	<u>80,540</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>(76,444)</u>	<u>322,747</u>	<u>17,367</u>	<u>0</u>	<u>(18,510)</u>	<u>14,157</u>	<u>259,317</u>	<u>(488,541)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>186,911</u>	<u>672,812</u>	<u>25,762</u>	<u>0</u>	<u>240,372</u>	<u>110,148</u>	<u>1,236,005</u>	<u>1,724,546</u>
FUND BALANCES AT END OF YEAR	<u>\$ 110,467</u>	<u>\$ 995,559</u>	<u>\$ 43,129</u>	<u>\$ 0</u>	<u>\$ 221,862</u>	<u>\$ 124,305</u>	<u>\$ 1,495,322</u>	<u>\$ 1,236,005</u>

See accompanying notes
17

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Total Governmental Funds	Prior Year 2017
Net change in fund balances - Total Governmental Funds	\$ 259,317	\$ (488,541)
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	556,708	406,779
Current year depreciation	(278,911)	(273,033)
Undepreciated basis on equipment disposed during the year	(7,273)	
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 repayment of long-term debt	93,923	91,439
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	144,253	149,881
Prior year taxes receivable	(149,881)	(132,204)
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	121,000	(5,000)
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.	230,238	219,340
Change in net position - Governmental Activities	<u>\$ 969,374</u>	<u>\$ (31,339)</u>

18 See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - PROPRIETARY FUNDS

June 30, 2018

	Governmental Activities Internal Service Fund	Prior Year 2017	Prior Year 2016
ASSETS			
CURRENT ASSETS			
Cash	\$ 225,439	\$ 370,700	
Investments	21,068	20,792	\$ 20,648
Due from other funds	375,115		153,004
Accounts receivable	108		
Total current assets	<u>\$ 621,730</u>	<u>\$ 391,492</u>	<u>\$ 173,652</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 0	\$ 0	\$ 1,500
Total current liabilities	<u>0</u>	<u>0</u>	<u>1,500</u>
NET POSITION			
Unreserved	621,730	391,492	172,152
Total net position	<u>621,730</u>	<u>391,492</u>	<u>172,152</u>
Total liabilities and net position	<u>\$ 621,730</u>	<u>\$ 391,492</u>	<u>\$ 173,652</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS Year Ended June 30, 2018

	Governmental Activities Internal Service Fund	Prior Year 2017
REVENUES		
Interfund charges for medical insurance	\$ 325,863	\$ 301,071
Total revenues	325,863	301,071
OPERATING EXPENSES		
Instruction improvement	7,923	6,283
Maintenance and operations	87,978	75,591
Total operating expenses	95,901	81,874
OPERATING INCOME	229,962	219,197
NONOPERATING REVENUES		
Earnings on investments	276	143
Total nonoperating revenues	276	143
CHANGE IN NET POSITION	230,238	219,340
NET POSITION AT BEGINNING OF YEAR	391,492	172,152
NET POSITION AT END OF YEAR	\$ 621,730	\$ 391,492

20 See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS Year Ended June 30, 2018

	Governmental Activities Internal Service Fund	Prior Year 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund charges	\$ 325,755	\$ 301,071
Cash paid for fund expenses	(95,901)	(83,374)
Net cash provided by operating activities	229,854	217,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to other funds	(375,115)	153,004
Purchase of investments	(276)	(144)
Interest received	276	143
Net cash provided (used) by investing activities	(375,115)	153,003
NET CHANGE IN CASH	(145,261)	370,700
CASH AT BEGINNING OF YEAR	370,700	0
CASH AT END OF YEAR	\$ 225,439	\$ 370,700
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 229,962	\$ 219,197
Changes in accounts receivable	(108)	
Changes in accounts payable		(1,500)
Net cash provided by operating activities	\$ 229,854	\$ 217,697

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2018

	Private- Purpose Trusts	Agency Funds
ASSETS		
Current assets		
Cash	\$ 1,617	\$ 179,498
Investments	27,648	
Total assets	<u>29,265</u>	<u>\$ 179,498</u>
LIABILITIES		
Current liabilities		
Due to student groups		\$ 179,498
Total current liabilities	<u>0</u>	<u>179,498</u>
Total liabilities	<u>0</u>	<u>\$ 179,498</u>
NET POSITION		
Held in trust	<u>29,265</u>	
Total net position	<u>\$ 29,265</u>	

22 See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
Year Ended June 30, 2018**

	Private- Purpose Trusts	Prior Year 2017
ADDITIONS		
Earnings on investments	\$ 1,911	\$ 2,127
Total additions	1,911	2,127
DEDUCTIONS		
Scholarships		
Total deductions	0	0
Change in net position	1,911	2,127
Net position at beginning of year	27,354	25,227
NET POSITION AT END OF YEAR	\$ 29,265	\$ 27,354

See accompanying notes
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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 1,133 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Measurement Focus and Basis of Accounting (Continued).*****Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting**

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.

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.

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.

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

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources. The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 8 – Defined Benefit Pension Plan. No deferred outflows of resources affect the fund financial statements in the current year.

The District reports increases in net assets that relate to future periods as deferred inflows in a separate section of the District-wide statement of net position and the District governmental fund balance sheet. Deferred inflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 8 – Defined Benefit Pension Plan. Deferred inflows of resources reported in the fund financial statements include property tax revenues that are not collected for 30 days after year-end and are not considered available to pay current year bills under the modified accrual basis of accounting.

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 Employee 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 June 30, 2017, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

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

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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
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	\$9,918,837	\$10,225,655
Angela Miller Memorial	1,200	6,930
Youth Challenge	1,649,524	2,341,174
Challenge DOL Youth Training	0	4,014
Driver Education	16,750	18,985
Vocational Education	73,058	76,633
Public School Technology	133,859	134,262
Title 1	208,378	215,078
IDEA Part B	256,648	276,176
IDEA Preschool	15,843	24,650
Carl Perkins Vocational Education	13,482	13,583
Title II-A Improving Teacher Quality	35,418	46,765
Medicaid	410,998	479,562
School Lunch - Youth Challenge	421,828	439,299

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Deficit Fund Balance in Individual Funds. The Medicaid fund has a deficit fund balance of \$5,219 at June 30, 2018, due to a delay in billing for all reimbursable expenses, such that the amounts were not collected by the District within 60 days of yearend.

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2018, the carrying amount of the District's deposits was \$225,481 in governmental activities, and \$181,115 in fiduciary activities. The bank balance was \$433,480 of which \$429,540 would be considered covered by FDIC insurance.

Investments. At June 30, 2018, District investments are classified in the following categories of credit risk. The carrying value of investments approximates market value.

	Governmental <u>Activities</u>	Fiduciary <u>Funds</u>
Uninsured balance held by Idaho Department of Health and Welfare	\$ 217	
Uninsured and unregistered with securities held in the District's name		
Pioneer Value Fund		\$ 12,164
Idaho State Treasurer's Local Government Investment Pool	1,682,103	15,484
Total investments	<u>\$ 1,682,320</u>	<u>\$ 27,648</u>

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, 2018, are as follows:

	Governmental Activities	Fiduciary Activities
State of Idaho - Foundation program	\$ 239,435	
State of Idaho - State grants	3,076	
State of Idaho - Federal grants	155,669	
Federal funds due from other agencies	69,513	
Youth Challenge Program	56,933	
Other	118,273	
	<u>\$ 642,899</u>	<u>\$ 0</u>

5. PROPERTY TAXES

The District's property tax levies for calendar years 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Certified Budget Request		
Tort levy	\$ 59,729	\$ 57,604
Supplemental levy approved	2,685,000	2,685,000
Plant facilities levy approved	100,000	100,000

District assessed market value and tax levies:

	Actual Tax Charge	Total Market Valuation	Levy
2017	\$ 2,789,100	\$ 556,827,510	0.5021066%
2016	2,794,564	546,450,198	0.5126347%
2015	2,391,382	535,336,303	0.4478188%
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%

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2018, is as follows:

	6/30/17			6/30/18
	<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	472,708	\$ 58,790		531,498
School lunch	374,856	5,139		379,995
Other	102,887			102,887
Buildings				
Elementary	2,586,258	7,003		2,593,261
Secondary	3,677,378	375,410		4,052,788
Bus Shop	502,546			502,546
Buses	1,913,502	97,366	\$ (64,128)	1,946,740
Vehicles	109,865	13,000		122,865
	<u>\$ 9,941,410</u>	<u>\$ 556,708</u>	<u>\$ (64,128)</u>	<u>10,433,990</u>
Accumulated depreciation				
Equipment				
Elementary	\$ 66,633	\$ 214		66,847
Secondary	347,891	13,741		361,632
School lunch	301,534	13,302		314,836
Other	24,882	9,506		34,388
Buildings				
Elementary	1,890,178	27,405		1,917,583
Secondary	2,457,623	70,828		2,528,451
Bus Shop	278,480	16,225		294,705
Buses	1,257,163	121,814	\$ (56,855)	1,322,122
Vehicles	93,791	5,876		99,667
	<u>\$ 6,718,175</u>	<u>\$ 278,911</u>	<u>\$ (56,855)</u>	<u>6,940,231</u>
Capital assets, net				<u>\$ 3,493,759</u>

Depreciation of \$278,911 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 112,188
School lunch	13,302
Transportation	143,915
Other	9,506

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, 2018, are as follows:

Fiscal Year	Principal	Interest	Interest Rate
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 \$20,151 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 7/1/17	Additions	Repayment	Balance 6/30/18
Lease agreement	<u>\$ 769,481</u>	<u>\$ 0</u>	<u>\$ 93,923</u>	\$ 675,558
Current portion of lease				96,478
Non-current portion of lease				<u>\$ 579,080</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.

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, 2018, 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 \$718,388, \$687,106 and \$652,438 for the three years ended June 30, 2018, 2017, and 2016, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the District reported a liability of \$3,137,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the District's proportion was 0.1995658 percent.

For the year ended June 30, 2018, the District recognized a net gain on pension expense of \$(121,000). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2017	\$ 702,000	
Differences between expected and actual experience	\$ 435,000	\$ 283,000
Changes in assumptions or other inputs	\$ 58,000	
Net difference between projected and actual earnings on pension plan investments		\$ 188,000

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 4.9 years. The projected amount to be included in pension expense (benefit) is as follows:

2018	\$ 531,600
2019	294,000
2020	83,600
2021	(185,600)

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 June 30, 2017, 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	4.52%-10.0%
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	\$ 7,291,000 liability	\$ 3,137,000 liability	\$ 315,000 asset

9. OTHER POST EMPLOYMENT BENEFIT PLANS

Insurance Extension. Retired employees can remain on the District's insurance policy after retirement if the retired employee pays the monthly cost. This arrangement 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.

Sick Leave Plan. The District contributes to the Sick Leave Insurance Reserve Fund (Sick Leave Plan), which is a cost-sharing, multiple-employer, defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI. The Sick Leave Insurance Retirement Fund is made up of two trust funds, one for school district employee benefits and one for state employee benefits. 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 the financial statement and the required supplementary information for the Sick Leave Plan. That report may be obtained on the PERSI website at www.persi.idaho.gov.

9. OTHER POST EMPLOYMENT BENEFIT PLANS (CONTINUED)

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

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company. The amount available for benefit is limited to one-half of the employee's eligible sick leave balance and rate of compensation at retirement. The benefit terms are established and may be amended by the Idaho Senate.

The contribution rates for school members are set by statute based on the number of sick days offered by the District to certified teachers. The contribution rate of 1.16 percent for members with 9 or 10 sick days and 1.26 percent for members with 11-14 sick days. If a member has more than 14 days of sick leave, then the contribution rate will be set by the PERSI Retirement Board based on current cost and actuarial data and reviewed annually. The school districts are responsible for any unfunded obligations through contribution rate adjustments. The District's contributions were \$79,982 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the District reported an asset of \$0 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2016, and rolled forward to June 30, 2017. The District's proportion of the net OPEB asset was based on the District's share of contributions in the OPEB plan relative to the total contributions of all participating employers. At June 30, 2017, the District's proportion was 0.5285776 percent.

For the year ended June 30, 2018, the District recognized an OPEB expense offset of \$0. \$79,982 will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ending June 30, 2019.

Actuarial Assumptions. The assumptions used by the actuary to measure the OPEB plan liability are the same assumptions used to measure the defined benefit pension plan liability. The health care trend rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement, thus, would have no impact.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFIT PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate. The following presents the District's proportionate share of the net OPEB asset calculated using the discount rate of 7.1 percent, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.1 percent) or 1-percentage-point higher (8.1 percent) than the current rate:

	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
District's proportionate share of the net OPEB liability (asset)	\$ (360,000)	\$ (406,000)	\$ (459,000)

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

10. 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, 2018, 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 a deductible of \$25,000 per occurrence.
- 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.
- General Liability - \$2,000,000 limit per occurrence with no deductible per occurrence.
- Abuse and Molestation - \$2,000,000 limit per occurrence with no deductible.
- Educator's Legal Liability - \$2,000,000 limit per occurrence with no deductible.
- Automobiles
 - Liability - \$3,000,000 per occurrence and \$300,000 uninsured motorist; 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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

11. 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, 2018, amounted to \$21,691. An additional \$65,975 was transferred to the school lunch fund to pay bills for the 2018 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 \$111,538 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 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 School Lunch to School Lunch	\$ 11,545
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12. 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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

13. 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, 2018, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Forest Reserve	\$ 984,891	
Nez Perce Tribe	1,816	
District Property	66,903	
Driver Education	2,085	
Healthy School Nurse	7,911	
Vocational Education	1,905	
Public School Technology	43,070	
Substance Abuse	25,871	
IDEA Preschool	678	
Rural Education	5,106	
School Lunch	44,630	
School Plant Facility Reserve	114,998	
Medical Insurance Reinsurance	375,115	
General		\$ 1,516,028
Youth Challenge		48,326
Challenge Title I		23,096
Title I		12,910
IDEA Part B		4,297
Title IV-A Student Support		3,066
Carl Perkins Vocational Education		13,209
Title II-A Improving Teacher Quality		10,142
Medicaid		13,150
Challenge School Lunch		30,755

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).

14. 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 *Uniform Guidance* 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.

REQUIRED SUPPLEMENTARY INFORMATION

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF PENSION FUNDING Year Ended June 30, 2018

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	
2009	\$ 621,300	\$ 621,300	\$ 0	\$ 5,979,800	10.39%	(1)	(1)	
2010	595,100	595,100	0	5,727,600	10.39%	(1)	(1)	
2011	540,600	540,600	0	5,203,100	10.39%	(1)	(1)	
2012	516,100	516,100	0	4,967,300	10.39%	(1)	(1)	
2013	513,600	513,600	0	4,943,200	10.39%	(1)	(1)	
2014	583,600	583,600	0	5,155,500	11.32%	(1)	\$ 3,707,000	72%
2015	609,100	609,100	0	5,380,700	11.32%	0.1937911%	1,427,000	27%
2016	652,400	652,400	0	5,763,300	11.32%	0.1946968%	2,564,000	44%
2017	687,100	687,100	0	6,069,800	11.32%	0.1942833%	3,938,000	65%
2018	718,400	718,400	0	6,346,300	11.32%	0.1995658%	3,137,000	49%

(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
Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget
REVENUES				
General property taxes	\$ 2,751,942	\$ 2,751,942	\$ 2,740,414	\$ (11,528)
State foundation program	6,955,583	6,955,583	7,096,975	141,392
Other state revenue	164,197	164,197	113,589	(50,608)
Federal revenue			900	900
Earnings on investments	5,000	5,000	33,624	28,624
Other revenues	30,000	31,175	163,709	132,534
Total revenues	<u>9,906,722</u>	<u>9,907,897</u>	<u>10,149,211</u>	<u>241,314</u>
EXPENDITURES				
Payroll	5,329,354	5,285,073	5,429,462	(144,389)
Payroll burden and employee benefits	2,711,575	2,717,084	2,575,893	141,191
Purchased services	716,667	756,799	1,104,594	(347,795)
Supplies and materials	474,920	471,674	421,149	50,525
Capital outlay	351,650	365,650	374,784	(9,134)
Insurance	63,500	63,500	61,720	1,780
Contingency budget	32,518	5,427		5,427
Total expenditures	<u>9,680,184</u>	<u>9,665,207</u>	<u>9,967,602</u>	<u>(302,395)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>226,538</u>	<u>242,690</u>	<u>181,609</u>	<u>(61,081)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	<u>(226,538)</u>	<u>(253,630)</u>	<u>(258,053)</u>	<u>(4,423)</u>
Total other financing sources (uses)	<u>(226,538)</u>	<u>(253,630)</u>	<u>(258,053)</u>	<u>(4,423)</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>(10,940)</u>	<u>(76,444)</u>	<u>(65,504)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>186,911</u>	<u>186,911</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ (10,940)</u>	<u>\$ 110,467</u>	<u>\$ 121,407</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
FOREST RESERVE
Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget
REVENUES				
Federal revenue			\$ 313,253	\$ 313,253
Earnings on investments	\$ 100	\$ 100	140	40
Other revenues	10,000	10,000	9,354	(646)
Total revenues	10,100	10,100	322,747	312,647
EXPENDITURES				
Purchased services				
Supplies and materials				
Capital outlay				
Total expenditures	0	0	0	0
NET CHANGE IN FUND BALANCES	10,100	10,100	322,747	312,647
FUND BALANCES AT BEGINNING OF YEAR	686,780	686,780	672,812	(13,968)
FUND BALANCES AT END OF YEAR	\$ 696,880	\$ 696,880	\$ 995,559	\$ 298,679

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
YOUTH CHALLENGE PROGRAM
Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget
REVENUES				
State foundation program	\$ 1,090,963	\$ 1,090,963	\$ 1,799,003	\$ 708,040
Other revenues	558,561	558,561	559,538	977
Total revenues	1,649,524	1,649,524	2,358,541	709,017
EXPENDITURES				
Payroll	356,555	356,555	359,232	(2,677)
Payroll burden and employee benefits	133,411	133,411	129,023	4,388
Purchased services	1,090,963	1,090,963	1,852,919	(761,956)
Total expenditures	1,580,929	1,580,929	2,341,174	(760,245)
EXCESS OF REVENUES OVER EXPENDITURES	68,595	68,595	17,367	(51,228)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(68,595)	(68,595)		68,595
Total other financing sources (uses)	(68,595)	(68,595)	0	68,595
NET CHANGE IN FUND BALANCES	0	0	17,367	17,367
FUND BALANCES AT BEGINNING OF YEAR	0	0	25,762	25,762
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 43,129	\$ 43,129

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

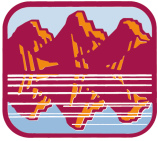
JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH
Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	With Final Budget
REVENUES				
Federal revenue	\$ 540,074	\$ 540,074	\$ 596,464	\$ 56,390
Charges for services	92,500	92,500	81,943	(10,557)
Earnings on investments			11	11
Other revenues	283,328	284,503	283,886	(617)
Total revenues	915,902	917,077	962,304	45,227
EXPENDITURES				
Payroll	306,748	306,748	307,038	(290)
Payroll burden and employee benefits	238,577	238,577	217,036	21,541
Purchased services	4,250	4,250	7,762	(3,512)
Supplies and materials	465,182	465,182	490,013	(24,831)
Capital outlay	5,000	6,175	6,430	(255)
Total expenditures	1,019,757	1,020,932	1,028,279	(7,347)
EXCESS OF REVENUES OVER EXPENDITURES	<u>(103,855)</u>	<u>(103,855)</u>	<u>(65,975)</u>	<u>37,880</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	120,784	120,784	77,520	(43,264)
Transfers to other funds	(16,929)	(16,929)	(11,545)	5,384
Total other financing sources (uses)	103,855	103,855	65,975	(37,880)
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	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

SUPPLEMENTARY INFORMATION



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, 2018, 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 8, 2018.

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. 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 #2018-001).

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

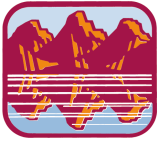
The Joint School District No. 171's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Joint School District No. 171's response was not subjected to the auditing procedures applied in the audit of the financial statements and, 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 8, 2018



INDEPENDENT AUDITOR'S REPORT – SINGLE AUDIT

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's *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, 2018. 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 audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2018.

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 the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

PRESNELL GAGE PLLC

October 8, 2018

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended June 30, 2018

	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Idaho - Department of Education				
School Breakfast Program	10.553	201818N109947	None	\$ 234,024 *
National School Lunch Program	10.555	201818N109947	None	356,056 *
Special Milk Program for Children	10.556	201818N109947	None	313 *
Subtotal School Lunch cluster				<u>590,393</u>
Passed through the State of Idaho - Department of Education				
State administrative expenses for child nutrition	10.560	201717N253347	None	571
Fresh Fruit and Vegetable Program	10.582	201717N109947	None	5,500
Total Department of Agriculture				<u>596,464</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed through the State of Idaho - Idaho Commission for Libraries				
State Library Program	45.310	LS0017001317	None	900
Total National Endowment for the Humanities				<u>900</u>
DEPARTMENT OF EDUCATION				
Passed through the State of Idaho - Department of Education				
Title I	84.010	S010A150012	None	286,521
Title VI-B	84.027	H027A170088	None	244,875
Title VI-B Preschool	84.173	H173A170030	None	19,204
Subtotal Title VI-B cluster				<u>264,079</u>
Carl Perkins Vocational Education	84.048	V048A160012	None	13,482
Rural Education	84.358	S358B170012	None	21,501
Title II-A Improving Teacher Quality	84.367	S367A160011	None	46,765
	84.424	S424A170013	None	6,932
Total Department of Education				<u>639,280</u>
TOTAL FEDERAL AWARDS				<u>\$ 1,236,644</u>

NOTE 1: BASIS OF PRESENTATION

The schedule includes federal award activity of the District under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in compliance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: DE MINIMIS INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis cost rate.

NOTE 4: MAJOR PROGRAMS

Programs indicated with "*" are major programs as reported on the schedule of findings and questioned costs.

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

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 X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified yes X no

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

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

Any audit findings disclosed that are required to be reported in accordance with the *Uniform Guidance* : yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
---------------------	---

School Lunch cluster

10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children

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

Auditee qualified as low-risk auditee? yes X no

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2018-001

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 – The District has received various grants and contributions from local sources for specific projects.

Angela Miller Memorial – The District has received various contributions from local sources for scholarships in memory of Angela Miller.

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 \$150 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.

Substance Abuse - The State of Idaho taxes the sale of cigarettes, a portion of which is used to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis upon average daily attendance. 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.

Challenge DOL Youth Training – The District has received dedicated funding for additional training opportunities for student at the Youth Challenge Program. The general fund of the District is responsible for expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

FEDERALLY FUNDED PROJECTS

Title I, Challenge 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.

IDEA Part 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.

IDEA 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.

Title IV-A Student Support – The federal government provides Title IV-A grants to local school districts to provide all students with access to a well-rounded education, improve school conditions for student learning; and improve the use of technology to improve the academic achievement and digital literacy of all students.

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.

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.

OTHER PROJECTS

Healthy School Nurse – The District has received a one-time grant to provide assistance in providing school nurse services within the District. The General Fund of the District is responsible for expenses in excess of the grant.

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, 2018

	General	Forest Reserve	District Property	Nez Perce Tribe	Angela Miller Memorial	Youth Challenge
ASSETS						
Cash	\$ 42					
Investments	1,540,346	\$ 10,668	\$ 3,374			
Property taxes receivable	1,133,295					
Accounts receivable	290,399					\$ 91,455
Due from other funds		984,891	66,903	\$ 1,816		
Total assets	\$ 2,964,082	\$ 995,559	\$ 70,277	\$ 1,816	\$ 0	\$ 91,455
LIABILITIES						
Accounts payable	\$ 126,202					
Payroll and taxes payable	1,072,364					
Due to other funds	1,516,028					\$ 48,326
Unearned revenue						
Total liabilities	2,714,594	\$ 0	\$ 0	\$ 0	\$ 0	48,326
DEFERRED INFLOWS OF RESOURCES						
Receivables not collected in 60 days	139,021					
Total deferred inflows of resources	139,021	0	0	0	0	0
FUND BALANCES						
Restricted for capital improvements						
Committed for capital improvements		995,559	70,277			
Assigned				1,816		43,129
Unassigned	110,467					
Total fund balances	110,467	995,559	70,277	1,816	0	43,129
Total liabilities and fund balances	\$ 2,964,082	\$ 995,559	\$ 70,277	\$ 1,816	\$ 0	\$ 91,455

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2018

	<u>Driver Education</u>	<u>Vocational Education</u>	<u>Public School Technology</u>	<u>Substance Abuse</u>	<u>Challenge DOL Youth Training</u>	<u>Title I</u>	<u>Challenge Title I</u>
ASSETS							
Cash							
Investments							
Property taxes receivable							
Accounts receivable	\$ 4,436					\$ 44,688	\$ 24,243
Due from other funds	<u>2,085</u>	<u>\$ 1,905</u>	<u>\$ 43,070</u>	<u>\$ 25,871</u>	<u>\$ 0</u>		
Total assets	<u>\$ 6,521</u>	<u>\$ 1,905</u>	<u>\$ 43,070</u>	<u>\$ 25,871</u>	<u>\$ 0</u>	<u>\$ 44,688</u>	<u>\$ 24,243</u>
LIABILITIES							
Accounts payable		\$ 1,905	\$ 13,893				
Payroll and taxes payable			4,138			\$ 31,778	
Due to other funds						12,910	\$ 23,096
Unearned revenue							1,147
Total liabilities	<u>\$ 0</u>	<u>1,905</u>	<u>18,031</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>44,688</u>	<u>24,243</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>	<u>0</u>
FUND BALANCES							
Restricted for capital improvements							
Committed for capital improvements							
Assigned	6,521		25,039	25,871			
Unassigned							
Total fund balances	<u>6,521</u>	<u>0</u>	<u>25,039</u>	<u>25,871</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 6,521</u>	<u>\$ 1,905</u>	<u>\$ 43,070</u>	<u>\$ 25,871</u>	<u>\$ 0</u>	<u>\$ 44,688</u>	<u>\$ 24,243</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2018

	IDEA Part B	IDEA Preschool	Title IV-A Student Support	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Rural Education	Healthy School Nurse
ASSETS							
Cash							
Investments							
Property taxes receivable							
Accounts receivable	\$ 35,919	\$ 3,612	\$ 3,066	\$ 13,482	\$ 30,659		
Due from other funds		678				\$ 5,106	\$ 7,911
Total assets	<u>\$ 35,919</u>	<u>\$ 4,290</u>	<u>\$ 3,066</u>	<u>\$ 13,482</u>	<u>\$ 30,659</u>	<u>\$ 5,106</u>	<u>\$ 7,911</u>
LIABILITIES							
Accounts payable				\$ 273			
Payroll and taxes payable	\$ 31,622	\$ 4,290			\$ 487	\$ 5,106	\$ 7,911
Due to other funds	4,297		\$ 3,066	13,209	10,142		
Unearned revenue					20,030		
Total liabilities	<u>35,919</u>	<u>4,290</u>	<u>3,066</u>	<u>13,482</u>	<u>30,659</u>	<u>5,106</u>	<u>7,911</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>	<u>0</u>
FUND BALANCES							
Restricted for capital improvements							
Committed for capital improvements							
Assigned							
Unassigned							
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 35,919</u>	<u>\$ 4,290</u>	<u>\$ 3,066</u>	<u>\$ 13,482</u>	<u>\$ 30,659</u>	<u>\$ 5,106</u>	<u>\$ 7,911</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2018

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
ASSETS					
Cash					\$ 42
Investments				\$ 106,864	1,661,252
Property taxes receivable				5,232	1,138,527
Accounts receivable	\$ 69,513	\$ 500	\$ 30,819		642,791
Due from other funds		44,630		114,998	1,299,864
Total assets	<u>\$ 69,513</u>	<u>\$ 45,130</u>	<u>\$ 30,819</u>	<u>\$ 227,094</u>	<u>\$ 4,742,476</u>
LIABILITIES					
Accounts payable	\$ 51		\$ 32		\$ 142,356
Payroll and taxes payable	61,531	\$ 45,130	32		1,264,389
Due to other funds	13,150		30,755		1,674,979
Unearned revenue					21,177
Total liabilities	<u>74,732</u>	<u>45,130</u>	<u>30,819</u>	<u>\$ 0</u>	<u>3,102,901</u>
DEFERRED INFLOWS OF RESOURCES					
Receivables not collected in 60 days				5,232	144,253
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,232</u>	<u>144,253</u>
FUND BALANCES					
Restricted for capital improvements				221,862	221,862
Committed for capital improvements					1,065,836
Assigned	(5,219)				97,157
Unassigned					110,467
Total fund balances	<u>(5,219)</u>	<u>0</u>	<u>0</u>	<u>221,862</u>	<u>1,495,322</u>
Total liabilities and fund balances	<u>\$ 69,513</u>	<u>\$ 45,130</u>	<u>\$ 30,819</u>	<u>\$ 227,094</u>	<u>\$ 4,742,476</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General	Forest Reserve	District Property	Nez Perce Tribe	Angela Miller Memorial	Youth Challenge
REVENUES						
General property taxes	\$ 2,740,414					
State foundation program	7,096,975					\$ 1,799,003
Other state revenue	113,589					
Federal revenue	900	\$ 313,253				
Charges for services						
Earnings on investments	33,624	140	\$ 44			
Other revenues	163,709	9,354		\$ 28,400	\$ 20	559,538
Total revenues	<u>10,149,211</u>	<u>322,747</u>	<u>44</u>	<u>28,400</u>	<u>20</u>	<u>2,358,541</u>
EXPENDITURES						
Instruction						
Regular programs	4,858,209			27,193		2,341,174
Special programs	434,414					
Interscholastic and school activity	255,305					
Support services						
Pupil support	657,526					
Staff support	648,719				6,930	
General administration	311,475					
School administration	617,930					
Business services	177,456					
Maintenance and operations	1,299,045					
Transportation	685,832					
Food services	21,691					
Debt services						
Capital outlay						
Total expenditures	<u>9,967,602</u>	<u>0</u>	<u>0</u>	<u>27,193</u>	<u>6,930</u>	<u>2,341,174</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>181,609</u>	<u>322,747</u>	<u>44</u>	<u>1,207</u>	<u>(6,910)</u>	<u>17,367</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds					1,100	
Transfers to other funds	(258,053)					
Total other financing sources (uses)	<u>(258,053)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,100</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(76,444)	322,747	44	1,207	(5,810)	17,367
FUND BALANCES A BEGINNING OF YEAR	<u>186,911</u>	<u>672,812</u>	<u>70,233</u>	<u>609</u>	<u>5,810</u>	<u>25,762</u>
FUND BALANCES AT END OF YEAR	<u>\$ 110,467</u>	<u>\$ 995,559</u>	<u>\$ 70,277</u>	<u>\$ 1,816</u>	<u>\$ 0</u>	<u>\$ 43,129</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Driver Education	Vocational Education	Public School Technology	Substance Abuse	Challenge DOL Youth Training	Title I	Challenge Title I
REVENUES							
General property taxes			\$ 151,691	\$ 17,251			
State foundation program							
Other state revenue	\$ 7,599	\$ 75,608					
Federal revenue						\$ 190,558	\$ 95,963
Charges for services	8,115						
Earnings on investments							
Other revenues							
Total revenues	<u>15,714</u>	<u>75,608</u>	<u>151,691</u>	<u>17,251</u>	<u>\$ 0</u>	<u>190,558</u>	<u>95,963</u>
EXPENDITURES							
Instruction							
Regular programs	18,985	76,633	91,101	2,435		214,159	65,871
Special programs							
Interscholastic and school activity							
Support services							
Pupil support							15,812
Staff support			43,161		4,014	919	14,280
General administration							
School administration							
Business services							
Maintenance and operations							
Transportation							
Food services							
Debt services							
Capital outlay							
Total expenditures	<u>18,985</u>	<u>76,633</u>	<u>134,262</u>	<u>2,435</u>	<u>4,014</u>	<u>215,078</u>	<u>95,963</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(3,271)</u>	<u>(1,025)</u>	<u>17,429</u>	<u>14,816</u>	<u>(4,014)</u>	<u>(24,520)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)							
Transfers from other funds						24,520	
Transfers to other funds							
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,520</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(3,271)	(1,025)	17,429	14,816	(4,014)	0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>9,792</u>	<u>1,025</u>	<u>7,610</u>	<u>11,055</u>	<u>4,014</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 6,521</u>	<u>\$ 0</u>	<u>\$ 25,039</u>	<u>\$ 25,871</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	IDEA Part B	IDEA Preschool	Title IV-A Student Support	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Rural Education	Healthy School Nurse
REVENUES							
General property taxes							
State foundation program							
Other state revenue							\$ 40,000
Federal revenue	\$ 244,875	\$ 19,204	\$ 7,615	\$ 13,482	\$ 46,765	\$ 21,501	
Charges for services							
Earnings on investments							
Other revenues							
Total revenues	244,875	19,204	7,615	13,482	46,765	21,501	40,000
EXPENDITURES							
Instruction							
Regular programs			6,073	12,769		32,146	
Special programs	276,176	24,650					
Interscholastic and school activity							
Support services							
Pupil support							
Staff support			1,542	814	46,765		47,427
General administration							
School administration							
Business services							
Maintenance and operations							
Transportation							
Food services							
Debt services							
Capital outlay							
Total expenditures	276,176	24,650	7,615	13,583	46,765	32,146	47,427
EXCESS OF REVENUES OVER EXPENDITURES	(31,301)	(5,446)	0	(101)	0	(10,645)	(7,427)
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	31,301	5,446		101		10,645	7,427
Transfers to other funds							
Total other financing sources (uses)	31,301	5,446	0	101	0	10,645	7,427
NET CHANGE IN FUND BALANCES	0	0	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
REVENUES					
General property taxes				\$ 98,760	\$ 2,839,174
State foundation program					9,064,920
Other state revenue					236,796
Federal revenue	\$ 474,343	\$ 410,488	\$ 185,976		2,024,923
Charges for services		81,304	639		90,058
Earnings on investments		11		1,403	35,222
Other revenues		31,202	252,684		1,044,907
Total revenues	<u>474,343</u>	<u>523,005</u>	<u>439,299</u>	<u>100,163</u>	<u>15,336,000</u>
EXPENDITURES					
Instruction					
Regular programs					7,746,748
Special programs					735,240
Interscholastic and school activity					255,305
Support services					
Pupil support					673,338
Staff support	479,562				1,294,133
General administration					311,475
School administration					617,930
Business services					177,456
Maintenance and operations					1,299,045
Transportation				86,366	772,198
Food services		600,525	427,754		1,049,970
Debt services				114,074	114,074
Capital outlay				29,771	29,771
Total expenditures	<u>479,562</u>	<u>600,525</u>	<u>427,754</u>	<u>230,211</u>	<u>15,076,683</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(5,219)</u>	<u>(77,520)</u>	<u>11,545</u>	<u>(130,048)</u>	<u>259,317</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds		77,520		111,538	269,598
Transfers to other funds			(11,545)		(269,598)
Total other financing sources (uses)	<u>0</u>	<u>77,520</u>	<u>(11,545)</u>	<u>111,538</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	(5,219)	0	0	(18,510)	259,317
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>240,372</u>	<u>1,236,005</u>
FUND BALANCES AT END OF YEAR	<u>\$ (5,219)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 221,862</u>	<u>\$ 1,495,322</u>

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.

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, 2018

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Orofino High School	Timberline Schools	Orofino Elementary School	Combined
ASSETS							
Cash	\$ 1,617			\$ 110,418	\$ 49,682	\$ 19,398	\$ 181,115
Investments	12,171	\$ 5,158	\$ 10,319				27,648
Total assets	<u>\$ 13,788</u>	<u>\$ 5,158</u>	<u>\$ 10,319</u>	<u>\$ 110,418</u>	<u>\$ 49,682</u>	<u>\$ 19,398</u>	<u>\$ 208,763</u>
LIABILITIES							
Due to student groups				\$ 110,418	\$ 49,682	\$ 19,398	\$ 179,498
Total liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>110,418</u>	<u>49,682</u>	<u>19,398</u>	<u>179,498</u>
FUND EQUITY							
Unreserved, undesignated	13,788	5,158	10,319				29,265
Total fund equity	<u>13,788</u>	<u>5,158</u>	<u>10,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,265</u>
Total liabilities and fund equity	<u>\$ 13,788</u>	<u>\$ 5,158</u>	<u>\$ 10,319</u>	<u>\$ 110,418</u>	<u>\$ 49,682</u>	<u>\$ 19,398</u>	<u>\$ 208,763</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - ALL TRUST FUNDS

Year Ended June 30, 2018

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
REVENUES				
Earnings on investments	\$ 1,708	\$ 68	\$ 135	\$ 1,911
Total revenues	<u>1,708</u>	<u>68</u>	<u>135</u>	<u>1,911</u>
EXPENDITURES				
Regular instruction				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,708	68	135	1,911
FUND EQUITY AT BEGINNING OF YEAR	<u>12,080</u>	<u>5,090</u>	<u>10,184</u>	<u>27,354</u>
FUND EQUITY AT END OF YEAR	<u>\$ 13,788</u>	<u>\$ 5,158</u>	<u>\$ 10,319</u>	<u>\$ 29,265</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS

Year Ended June 30, 2018

FUND	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
7th grade	\$ 102	\$ 234	\$ 101	\$ 235
8th grade	303	326	304	325
A P Government	9,184	3,488	5,386	7,286
AED	1,453			1,453
Annual	3,424	9,867	12,320	971
AR Store	49		49	0
Art Fund	70			70
Athletic Fees	20,859	15,625	12,329	24,155
Athletics	3,301	758	4,661	(602)
Baseball	2,923	11,593	9,679	4,837
Biology grant	5	450	13	442
Boys basketball	1,547	9,026	5,721	4,852
Cheerleader account	2,840	12,387	9,774	5,453
Chorus	455	489	451	493
Coaches Fund	205			205
Contingency	1,912	3,000	3,258	1,654
District #171	405	7,770	4,590	3,585
District Baseball Tournament	1,560			1,560
District Softball Tournament	821	1		822
Dramatics Club	405	450	338	517
Drill Team	421	1,282	1,143	560
Drivers Ed	0		3,585	(3,585)
Extra curricular	3,311	3,106	5,675	742
Faculty Fund	4	245	136	113
Football	460	422	882	0
Football Maniac Moms	38			38
Foreign language	14			14
Freshman	524	742	1,266	0
Gate Receipts	184			184
Girls basketball	815	176		991
Golf	237		74	163
Hosa	1,428			1,428
Human Rights Club	256			256
IDLA	875	3,825	2,250	2,450
Industrial Arts	2,377	948	1,163	2,162
Jr High Boys Basketball	430	846	736	540
Jr High Football	2,454	96		2,550
Jr High Girls Basketball	29	56		85
Jr High Track	1,923	544	280	2,187
Jr High Volleyball	97	28	70	55
Jr High Wrestling	103	1,351		1,454
Juniors	2,110	8,177	9,001	1,286
Key Club	168	965	330	803
Knowledge Bowl	519	136		655
Lab fees	17			17
Balance forward	70,617	98,409	95,565	73,461

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS

Year Ended June 30, 2018

FUND	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
Balance forward	\$ 70,617	\$ 98,409	\$ 95,565	\$ 73,461
Leadership	549	529	258	820
Library	312	1,521	37	1,796
Math Tech	441			441
Mediacs	2,296			2,296
Michelle's Recycling	(49)	49		0
Music	926	4,941	4,558	1,309
Nat Honor Society	28	409	395	42
NNU	6,785	3,150	4,025	5,910
OHS Alumni Fund	172			172
School Garden	200			200
Senior Project	100	1,517	1,517	100
Seniors	17	6,375	2,805	3,587
Shop (regular account)	1,775	1,620	769	2,626
Shop Lab	117			117
Silk screening	386	35	35	386
Skills USA	1,880		108	1,772
Soccer	62	1,178	598	642
Softball	6	4,489	4,188	307
Sophomores	2,645	2,029	4,115	559
State Baseball Tournament	1,412	1		1,413
Student Association	799	25,934	27,994	(1,261)
Student Council	610	4,416	3,917	1,109
Supplies	(493)	970	492	(15)
Tax	78	3,258	3,231	105
Tennis	0	2,482	250	2,232
Towels	192			192
Track	31	10,585	8,448	2,168
Volleyball - Dig for a Cure	3,827	5,042	8,869	0
Volleyball - Other	(5,493)	10,519	2,819	2,207
Weight training	321		16	305
Wrestling	1,237	7,451	6,606	2,082
Youth Leg	0	1,308	825	483
Bad Checks	(1,447)	449	1,549	(2,547)
Bank charge	(1,051)	46	139	(1,144)
Reconciliation Discrepancies	0		350	(350)
	89,288	198,712	184,478	103,522
Savings account	6,955	1	60	6,896
	<u>\$ 96,243</u>	<u>\$ 198,713</u>	<u>\$ 184,538</u>	<u>\$ 110,418</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

FUND	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
30 Hour Famine	\$ (12)			\$ (12)
4th Grade Field Trip Exp		\$ 3,338	\$ 1,850	1,488
8th Grade Field Trip Exp	(419)	6,539	5,384	736
Accelerated Reading	(156)	1,000		844
Associated Student Body	540	813	1,181	172
Athletics	(970)	14,790	16,588	(2,768)
Attendance Reward Parties	219		52	167
Baseball	916		165	751
Boys basketball	929	4,998	4,900	1,027
Building rent	751		333	418
Class of 2007	117			117
Class of 2010	673			673
Class of 2011	257			257
Class of 2012	81			81
Class of 2013	(87)			(87)
Class of 2014	114			114
Class of 2015	190			190
Class of 2016	111			111
Class of 2017	27			27
Class of 2018	703	3,706	4,260	149
Class of 2019	1,150	2,965	3,363	752
Class of 2020	582	2,610	1,001	2,191
Class of 2021	348	147		495
College Credit	(3,167)	267	72	(2,972)
COMPASS test	16			16
Computer lab	324			324
Concessions	12,918	7,666	3,854	16,730
Contingency	789	1,158	1,728	219
Costa Rica	229			229
Counselor	195			195
Cross Country		841	32	809
Donation	(671)			(671)
Drama	821	2,499	2,934	386
Drivers Ed	3,330	1,275	975	3,630
Elementary School	489	5,042	3,086	2,445
EPIC	171	107	215	63
Faculty	36	196	239	(7)
Fees	319			319
Girls basketball	1,630	1,523	1,211	1,942
Girls softball	1,628			1,628
Grants	211			211
Green Club	1,542		203	1,339
H.S. football	501	1,378	438	1,441
H.S. track	190	655	40	805
Herff-Jones	(38)			(38)
Home Economics	(228)			(228)
Honor Society	(391)		440	(831)
Balance forward	26,908	63,513	54,544	35,877

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

FUND	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
Balance forward	\$ 26,908	\$ 63,513	\$ 54,544	\$ 35,877
HOSA	39			39
IDFY	100			100
Jr. High ASB	580			580
Jr. High basketball	278	500	857	(79)
Jr. High football	120	200	847	(527)
Jr. High girls basketball	141	230	93	278
Jr. High Journalism	134			134
Jr. High Shop	127			127
Jr. High track	(175)	20		(155)
Jr. High volleyball	87			87
Leadership Class	8			8
Library	1,502	2,990	3,544	948
Metal Shop	1,949	2,150	16	4,083
Music	943			943
Pay to Play	193	370	250	313
PBIS	289			289
PE	(323)		79	(402)
Pee Wee Basketball	62			62
Play Shed	1,426			1,426
PSAT	90			90
Red Cross donation	6			6
Reimbursement	(1,518)	1,508	1,854	(1,864)
Sales tax	493	832	832	493
School Store	584	748	979	353
Science Club	322		21	301
Science lab	178	200		378
Scratch for Schools	194			194
Spanish Club	71			71
Spartan Spirit Squad	218			218
SS-AD	(1,088)			(1,088)
Staff Development	1,000			1,000
Steps for Schools	3,000			3,000
Technology	1,084		742	342
THS Cookbooks	43			43
Veteran Wall	7			7
Volleyball	866	1,444	1,911	399
Wood Shop	1,739	12		1,751
Yearbook	870	310	1,323	(143)
	<u>\$ 42,547</u>	<u>\$ 75,027</u>	<u>\$ 67,892</u>	<u>\$ 49,682</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO ELEMENTARY SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
OROFINO ELEMENTARY	<u>\$ 13,605</u>	<u>\$ 27,050</u>	<u>\$ 21,257</u>	<u>\$ 19,398</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Years Ended June 30, 2018 and 2017

	General Fund		All Other Funds	
	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018
BEGINNING BALANCES	\$ 15,602	\$ 186,911	\$ 1,906,323	\$ 1,467,940
REVENUES				
General property taxes	2,814,176	2,740,414	98,132	98,760
Other local revenue	214,461	197,333	1,257,598	1,300,904
Intergovernmental revenue				
State of Idaho	6,851,794	7,210,564	1,887,620	2,091,152
Federal	900	900	1,827,024	2,024,023
Transfers			206,562	269,598
Total revenues	9,881,331	10,149,211	5,276,936	5,784,437
EXPENDITURES				
Salaries	5,305,563	5,429,462	1,341,402	1,282,046
Benefits	2,600,871	2,575,893	792,441	763,946
Purchased services	1,007,522	1,104,594	2,217,342	2,181,169
Supplies and materials	535,083	421,149	829,439	600,532
Capital outlay	25,384	374,784	387,436	262,715
Debt service			114,075	114,074
Insurance	61,720	61,720	501	500
Transfers	173,879	258,053	32,683	11,545
Total expenditures	9,710,022	10,225,655	5,715,319	5,216,527
ENDING BALANCES	\$ 186,911	\$ 110,467	\$ 1,467,940	\$ 2,035,850