

**JOINT SCHOOL DISTRICT NO. 171**

**FINANCIAL STATEMENTS**

Year Ended June 30, 2017

# 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, 2017, 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, 2017, 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, 2017, 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 42 through 46, 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 2016 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 November 8, 2016. 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 5, 2017, 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 5, 2017

## JOINT SCHOOL DISTRICT NO. 171

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2017.

#### **USING THIS ANNUAL REPORT**

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

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

#### **THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES**

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

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

#### ***Financial Highlights***

- Total District assets amount to \$6,528,774 (vs. \$6,640,249 in 2016 and \$6,508,415 in 2015). This includes \$3,223,235 in capital assets and \$2,692,000 in deferred outflows related to PERSI (vs. \$ 1,689,000 in 2016)

**JOINT SCHOOL DISTRICT NO. 171**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

***Financial Highlights (Continued)***

- Total District liabilities amount to \$6,235,642 vs. \$4,946,778 in 2016. Liabilities are primarily salary, benefits, and taxes due of \$1,260,065 in July and August for employees working the prior year plus \$3,938,000 for PERSI net pension liability and \$1,288,000 in deferred inflows related to PERSI (vs. \$2,564,000 and \$1,654,000 in 2016)
- The District's net position decreased by \$(31,339) from operations. After recognizing the effects of GASB 68, net position was \$1,697,132 at year-end (vs. a \$337,468 increase in 2016 and a \$342,047 increase in 2015).
- The total cost of District operations amounted to \$14,697,523, an increase from \$13,567,681 in 2016.
- District revenue amounted to \$14,666,184, an increase from \$13,905,149 in 2016.

**TABLE 1 – FUNCTIONAL EXPENDITURES**

The following table compares expenses by function to the 2016 expenses:

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
<b>Program Expenses</b>			
Instruction			
Regular programs	\$ 7,338,345	\$ 6,610,778	\$ 727,567
Special programs	624,486	713,608	(89,122)
Interscholastic and school activity	257,217	188,323	68,894
Total instruction	<u>8,220,048</u>	<u>7,512,709</u>	<u>707,339</u>
Support services			
Pupil support	530,902	420,485	110,417
Staff support	1,503,107	1,536,650	(33,543)
General administration	209,209	195,479	13,730
School administration	630,319	617,640	12,679
Business services	192,986	184,244	8,742
Maintenance and operations	1,441,135	1,077,661	363,474
Transportation	821,354	777,617	43,737
Total support services	<u>5,329,012</u>	<u>4,809,776</u>	<u>519,236</u>
Food services	1,030,517	1,037,913	(7,396)
Capital outlay	90,310	307,834	(217,524)
Debt services	22,636	25,124	(2,488)
PERSI retirement actuarial charges	5,000	(125,675)	130,675
Total governmental activities	<u>\$ 14,697,523</u>	<u>\$ 13,567,681</u>	<u>\$ 1,129,842</u>

Expenditures were up in 2017 primarily due to the continued operation of the Youth Challenge Program in Pierce and approximately \$400,000 in capital projects under Supplemental Tax Levy. The District has also absorbed the increased costs of salaries and benefits.

**JOINT SCHOOL DISTRICT NO. 171**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

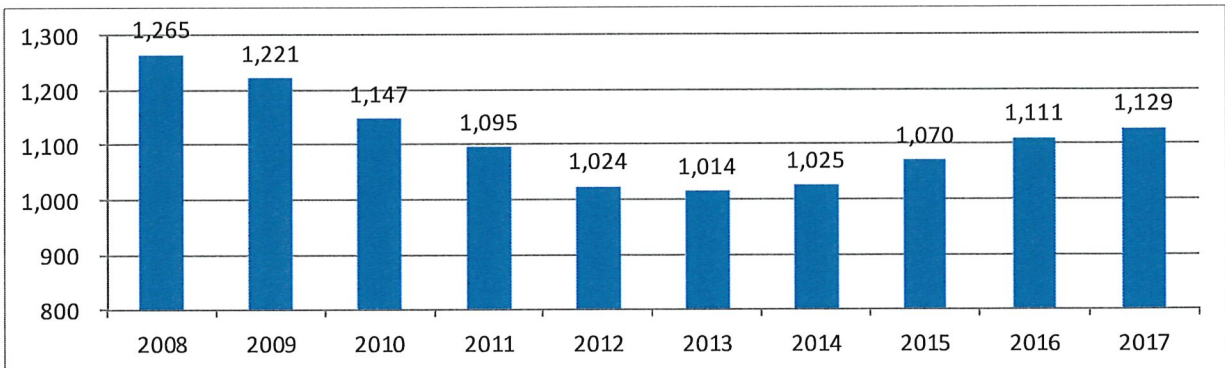
**THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)**

**TABLE 2 – FOUNDATION PROGRAM REVENUE**

Foundation program revenue from the State of Idaho remains the District's primary revenue source. For 2016-17, District revenue increased by \$752,781 primarily due to the continued operation of the Youth Challenge Program and a general increase in state funding for education.

	<u>2017</u>	<u>2016</u>	<u>2017 vs. 2016</u>
<b><u>State Foundation Program</u></b>			
State salary apportionment	\$ 5,557,896	\$ 5,158,464	\$ 399,432
State transportation funding	445,177	448,572	(3,395)
Entitlement	2,005,830	1,870,774	135,056
Other	520,756	299,068	221,688
Total State Foundation Program	<u>\$ 8,529,659</u>	<u>\$ 7,776,878</u>	<u>\$ 752,781</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 1,265 students 10 years ago to 1,129 in 2016-17. The 2014 opening of the Youth Challenge Program is largely responsible for a continuing increase in students over the last 4 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 2017 revenue to the 2016 and 2015 revenue.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2017 vs. 2016</u>
Total Revenue				
Program Revenue				
Charges for services	\$ 444,293	\$ 442,559	\$ 352,789	\$ 1,734
Federal and state funds	2,979,521	3,057,764	2,793,351	(78,243)
Total program revenue	<u>3,423,814</u>	<u>3,500,323</u>	<u>3,146,140</u>	<u>(76,509)</u>
General Revenue				
Property Taxes	2,929,985	2,570,459	2,428,002	359,526
Federal funds	129,184	426,079	393,680	(296,895)
State funds	7,964,867	7,347,880	6,837,539	616,987
Other revenue	218,334	60,408	(5,307)	157,926
Total general revenue	<u>11,242,370</u>	<u>10,404,826</u>	<u>9,653,914</u>	<u>837,544</u>
Total revenue	<u>\$ 14,666,184</u>	<u>\$ 13,905,149</u>	<u>\$ 12,800,054</u>	<u>\$ 761,035</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.

## JOINT SCHOOL DISTRICT NO. 171

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **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—decreased by \$(488,541) from \$1,724,546 at June 30, 2016, to \$1,236,005 at the end of this year (vs. \$(87,435) decrease in 2016).
- Total revenues increased from (\$13,950,859 in 2016) to \$14,648,364; while expenditures increased from (\$14,038,294 in 2016) to \$15,136,905.

The District continues to face the challenge of adequate state funding. However, state foundation funding increased in 2017 due largely to the full year operation of the Youth Challenge Program and the implementation of the career ladder. The Supplemental Levy was increased in 2017 from \$2,285,000 to \$2,685,000 and will be the same for 2017-18.

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 2017-2018.

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 2016-17 (\$2,285,000 for 2015-16).

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 2016) to other funds to balance the budget, and has a remaining balance of \$672,812 (\$1,280,609 in 2016). The District did expend \$642,204 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 2017 was \$19,582 (\$320,388 in 2016 and \$329,216 in 2015). 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.

## JOINT SCHOOL DISTRICT NO. 171

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **FUND FINANCIAL STATEMENTS (CONTINUED)**

##### ***Financial Highlights (Continued)***

The School Lunch Fund operated at a net loss of \$44,961 for the year of which \$32,683 was reimbursed by the Youth Challenge Program and the balance was reimbursed from the General Fund.

The District approved a 10-year \$100,000 School Plant Facility Levy in 2014. The School Plant Facility Reserve Fund has borrowed \$1,000,000 on a lease to make improvements to school windows and HVAC systems. The District has pledged the proceeds of the School Plant Facilities Levy towards payment of the lease. At the end of 2016-2017, the fund has a carryover balance of \$240,372 available to make school improvements.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### ***Capital Assets***

At the end of 2017, the District had \$3,223,235 invested in capital assets, net of accumulated depreciation. This includes buildings, computer equipment, and major school equipment and is an increase of \$133,746 from the prior year. Current year depreciation of \$273,033 (\$276,458 in 2016 and \$263,586 in 2015) was less than capital purchases of \$406,779 (\$618,574 in 2016 and \$696,734 in 2015). 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 2016-17 were for new doors and a roof at the Orofino Junior Senior High School and remodeling at the Orofino Elementary 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 \$769,481 on the lease at June 30, 2017.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2018 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 2018 budget. The District hired two new 1.0 FTE teachers due to increasing enrollment in primary grade levels and retained one 0.375 FTE teacher for the metal shop program. The new Supplemental Levy will fund the new roof at Timberline Schools

#### **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, 2017

	Governmental Activities	Prior Year 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 402,175	\$ 7,900
Investments	840,340	1,514,909
Property taxes receivable	1,191,198	1,029,563
Accounts receivable	871,826	998,388
Total current assets	<u>3,305,539</u>	<u>3,550,760</u>
<b>Noncurrent assets</b>		
Capital assets	9,941,410	9,650,148
Less accumulated depreciation	<u>(6,718,175)</u>	<u>(6,560,659)</u>
Total noncurrent assets	<u>3,223,235</u>	<u>3,089,489</u>
Total assets	<u>6,528,774</u>	<u>6,640,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Defined benefit pension	<u>2,692,000</u>	<u>1,689,000</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Checks issued in excess of deposits		75,980
Accounts payable	241,742	192,710
Payroll and taxes payable	1,260,065	1,189,819
Accrued expenses	26,354	63,349
Current portion of lease payable	93,923	91,439
Total current liabilities	<u>1,622,084</u>	<u>1,613,297</u>
<b>Noncurrent liabilities</b>		
Net pension liability	3,938,000	2,564,000
Lease payable	675,558	769,481
Total noncurrent liabilities	<u>4,613,558</u>	<u>3,333,481</u>
Total liabilities	<u>6,235,642</u>	<u>4,946,778</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Defined benefit pension	<u>1,288,000</u>	<u>1,654,000</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	2,453,754	2,228,569
Restricted for:		
Capital projects	245,975	351,140
Unrestricted	<u>(1,002,597)</u>	<u>(851,238)</u>
Total net position	<u>\$ 1,697,132</u>	<u>\$ 1,728,471</u>

See accompanying notes

**JOINT SCHOOL DISTRICT NO. 171**

**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	Prior Year 2016
	Expenses	Charges for Services	Operating Grants and Contributions		
Instruction					
Regular programs	\$ 7,338,345	\$ 12,270	\$ 803,085	\$ (6,522,990)	\$ (5,654,175)
Special programs	624,486		270,469	(354,017)	(450,583)
Interscholastic and school activity	257,217			(257,217)	(188,323)
Support services					
Pupil support	530,902		17,375	(513,527)	(420,485)
Staff support	1,503,107		835,647	(667,460)	(681,291)
General administration	209,209			(209,209)	(195,479)
School administration	630,319			(630,319)	(617,640)
Business services	192,986			(192,986)	(184,244)
Maintenance and operations	1,441,135			(1,441,135)	(1,077,661)
Transportation	821,354	14,752	445,177	(361,425)	(376,946)
Food services	1,030,517	417,271	607,768	(5,478)	(13,248)
Capital outlay	90,310			(90,310)	(307,834)
Debt services	22,636			(22,636)	(25,124)
PERSI retirement actuarial charges	5,000			(5,000)	125,675
Total governmental activities	\$ 14,697,523	\$ 444,293	\$ 2,979,521	(11,273,709)	(10,067,358)
General revenues:					
Property taxes, levied for general purposes				2,929,985	2,570,459
State base support				7,960,763	7,343,776
In lieu revenue				4,104	4,104
Other state and federal funding not restricted to specific programs				129,184	426,079
Interest and investment earnings				15,238	11,502
Other general revenues				203,096	48,906
				11,242,370	10,404,826
Change in net position				(31,339)	337,468
Net position, beginning				1,728,471	1,391,003
Net position, ending				\$ 1,697,132	\$ 1,728,471

See accompanying notes

**JOINT SCHOOL DISTRICT NO. 171**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2017

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2016
<b>ASSETS</b>								
Cash	\$ 42			\$ 3,242	\$ 17,136	\$ 11,055	\$ 31,475	\$ 7,900
Investments	700,230	\$ 10,527			105,461	3,330	819,548	1,494,261
Property taxes receivable	1,185,595				5,603		1,191,198	1,029,563
Accounts receivable	271,209	709	\$ 155,828	45,137		398,943	871,826	998,388
Due from other funds		661,576		25,292	130,175	106,017	923,060	1,616,359
<b>Total assets</b>	<b>\$ 2,157,076</b>	<b>\$ 672,812</b>	<b>\$ 155,828</b>	<b>\$ 73,671</b>	<b>\$ 258,375</b>	<b>\$ 519,345</b>	<b>\$ 3,837,107</b>	<b>\$ 5,146,471</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Checks issued in excess of deposits								\$ 75,980
Accounts payable	\$ 142,045		\$ 71,655	\$ 3,659	\$ 12,400	\$ 11,983	\$ 241,742	191,210
Payroll and taxes payable	1,057,551			39,671		162,843	1,260,065	1,189,819
Due to other funds	626,291		58,411	30,341		208,017	923,060	1,769,363
Unearned revenue						26,354	26,354	63,349
<b>Total liabilities</b>	<b>1,825,887</b>	<b>\$ 0</b>	<b>130,066</b>	<b>73,671</b>	<b>12,400</b>	<b>409,197</b>	<b>2,451,221</b>	<b>3,289,721</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Receivables not collected in 60 days	144,278				5,603		149,881	132,204
<b>Total deferred inflows of resources</b>	<b>144,278</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,603</b>	<b>0</b>	<b>149,881</b>	<b>132,204</b>
<b>FUND BALANCES</b>								
Restricted for capital improvements					240,372		240,372	345,894
Committed for capital improvements		672,812	25,762			70,233	743,045	1,350,819
Assigned	186,911					39,915	65,677	12,231
Unassigned	186,911	672,812	25,762	0	240,372	110,148	186,911	15,602
<b>Total fund balances</b>	<b>186,911</b>	<b>672,812</b>	<b>25,762</b>	<b>0</b>	<b>240,372</b>	<b>110,148</b>	<b>1,236,005</b>	<b>1,724,546</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,157,076</b>	<b>\$ 672,812</b>	<b>\$ 155,828</b>	<b>\$ 73,671</b>	<b>\$ 258,375</b>	<b>\$ 519,345</b>	<b>\$ 3,837,107</b>	<b>\$ 5,146,471</b>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF NET POSITION  
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2017

	Total Governmental Funds	Prior Year 2016
<b>Total fund balances - Governmental Funds</b>	<b>\$ 1,236,005</b>	<b>\$ 1,724,546</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Cost of capital assets	9,941,410	9,650,148
Accumulated depreciation	(6,718,175)	(6,560,659)
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.	149,881	132,204
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	2,692,000	1,689,000
Deferred inflows	(1,288,000)	(1,654,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Lease payable	(769,481)	(860,920)
Net pension liability	(3,938,000)	(2,564,000)
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.		
	391,492	172,152
<b>Total net position - Governmental Activities</b>	<b>\$ 1,697,132</b>	<b>\$ 1,728,471</b>

See accompanying notes



JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	General	Forest Reserve	Youth Challenge	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2016
<b>REVENUES</b>								
General property taxes	\$ 2,814,176				\$ 98,132	\$ 123,719	\$ 2,912,308	\$ 2,587,486
State foundation program	6,738,988		\$ 1,666,952			96,949	8,529,659	7,776,878
Other state revenue	112,806	\$ 19,582		\$ 607,768		1,199,674	209,755	189,256
Federal revenue	900			113,754		12,270	1,827,924	2,205,959
Charges for services	14,268	73		4	727	23	15,095	118,747
Earnings on investments	200,193	14,752	496,234	306,320		10,100	1,027,599	1,436
Other revenues		34,407	2,163,186	1,027,846	98,859	1,442,735	14,648,364	13,950,859
<b>Total revenues</b>	<b>9,881,331</b>	<b>642,204</b>	<b>2,137,424</b>	<b>1,040,124</b>	<b>306,900</b>	<b>1,474,110</b>	<b>15,136,905</b>	<b>14,038,294</b>
<b>EXPENDITURES</b>								
Instruction								
Regular programs	5,057,270		2,137,424			438,314	7,633,008	7,154,212
Special programs	354,017					270,469	624,486	713,608
Interscholastic and school activity	257,217						257,217	188,323
Support services								
Pupil support	530,902					15,185	546,087	424,576
Staff support	752,965					750,142	1,503,107	1,536,656
General administration	199,703						199,703	187,932
School administration	630,319						630,319	617,640
Business services	192,986						192,986	184,244
Maintenance and operations	893,400	549,235			102,515		1,442,635	814,029
Transportation	645,885	92,969		1,040,124	90,310		1,061,603	740,451
Food services	21,479				114,075		90,310	307,834
Capital outlay							114,075	119,204
Debt services								
<b>Total expenditures</b>	<b>9,536,143</b>	<b>642,204</b>	<b>2,137,424</b>	<b>1,040,124</b>	<b>306,900</b>	<b>1,474,110</b>	<b>15,136,905</b>	<b>14,038,294</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>345,188</b>	<b>(607,797)</b>	<b>25,762</b>	<b>(12,278)</b>	<b>(208,041)</b>	<b>(31,375)</b>	<b>(488,541)</b>	<b>(87,435)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers from other funds				44,961	102,519	59,082	206,562	619,771
Transfers to other funds	(173,879)			(32,683)			(206,562)	(619,771)
Total other financing sources (uses)	(173,879)	0	0	12,278	102,519	59,082	0	0
<b>NET CHANGE IN FUND BALANCES</b>	<b>171,309</b>	<b>(607,797)</b>	<b>25,762</b>	<b>0</b>	<b>(105,522)</b>	<b>27,707</b>	<b>(488,541)</b>	<b>(87,435)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>15,602</b>	<b>1,280,609</b>	<b>0</b>	<b>0</b>	<b>345,894</b>	<b>82,441</b>	<b>1,724,546</b>	<b>1,811,981</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 186,911</b>	<b>\$ 672,812</b>	<b>\$ 25,762</b>	<b>\$ 0</b>	<b>\$ 240,372</b>	<b>\$ 110,148</b>	<b>\$ 1,236,005</b>	<b>\$ 1,724,546</b>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2017

	Total Governmental Funds	Prior Year 2016
<b>Net change in fund balances - Total Governmental Funds</b>	<b>\$ (488,541)</b>	<b>\$ (87,435)</b>
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	406,779	618,574
Current year depreciation	(273,033)	(276,458)
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	91,439	94,080
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	149,881	132,204
Prior year taxes receivable	(132,204)	(177,980)
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	(5,000)	125,675
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.		
	219,340	(91,192)
<b>Change in net position - Governmental Activities</b>	<b>\$ (31,339)</b>	<b>\$ 337,468</b>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - PROPRIETARY FUNDS

June 30, 2017

	Governmental Activities	Prior Year 2016
	Internal Service Fund	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 370,700	
Investments	20,792	\$ 20,648
Due from other funds		153,004
Total current assets	\$ 391,492	\$ 173,652
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 0	\$ 1,500
Total current liabilities	0	1,500
<b>NET POSITION</b>		
Unreserved	391,492	172,152
Total net position	391,492	172,152
Total liabilities and net position	\$ 391,492	\$ 173,652

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2017

	Governmental Activities	Prior Year 2016
	Internal Service Fund	
REVENUES		
Interfund charges for medical insurance	\$ 301,071	\$ 232,849
Total revenues	301,071	232,849
OPERATING EXPENSES		
Instruction improvement	6,283	6,111
Maintenance and operations	75,591	317,996
Total operating expenses	81,874	324,107
OPERATING INCOME (LOSS)	219,197	(91,258)
NONOPERATING REVENUES		
Earnings on investments	143	66
Total nonoperating revenues	143	66
CHANGE IN NET POSITION	219,340	(91,192)
NET POSITION AT BEGINNING OF YEAR	172,152	263,344
NET POSITION AT END OF YEAR	\$ 391,492	\$ 172,152

See accompanying notes

**JOINT SCHOOL DISTRICT NO. 171**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
 Year Ended June 30, 2017

	Governmental Activities	Prior Year 2016
	Internal Service Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from interfund charges	\$ 301,071	\$ 232,849
Cash paid for fund expenses	(83,374)	(357,308)
Net cash provided (used) by operating activities	<u>217,697</u>	<u>(124,459)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan to other funds	153,004	(29,087)
Purchase of investments	(144)	(66)
Interest received	143	66
Net cash provided (used) by investing activities	<u>153,003</u>	<u>(29,087)</u>
<b>NET CHANGE IN CASH</b>	370,700	(153,546)
<b>CASH AT BEGINNING OF YEAR</b>	0	153,546
<b>CASH AT END OF YEAR</b>	<u>\$ 370,700</u>	<u>\$ 0</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 219,197	\$ (91,258)
Changes in accounts payable	(1,500)	(33,201)
Net cash provided (used) by operating activities	<u>\$ 217,697</u>	<u>\$ (124,459)</u>

See accompanying notes

**JOINT SCHOOL DISTRICT NO. 171**

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
June 30, 2017

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	Private- Purpose Trusts	Agency Funds
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	545	\$ 152,395
Investments	26,809	
Total assets	<u>27,354</u>	<u>\$ 152,395</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Due to student groups		\$ 152,395
Total current liabilities	<u>0</u>	<u>152,395</u>
Total liabilities	<u>0</u>	<u>\$ 152,395</u>
<b>NET POSITION</b>		
Held in trust	<u>27,354</u>	
Total net position	<u>\$ 27,354</u>	

See accompanying notes

**JOINT SCHOOL DISTRICT NO. 171**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
 FIDUCIARY FUNDS  
 Year Ended June 30, 2017

	Private- Purpose Trusts	Prior Year 2016
<b>ADDITIONS</b>		
Earnings on investments	\$ 2,127	\$ 518
Total additions	<u>2,127</u>	<u>518</u>
<b>DEDUCTIONS</b>		
Scholarships		13,139
Total deductions	<u>0</u>	<u>13,139</u>
Change in net position	2,127	(12,621)
Net position at beginning of year	<u>25,227</u>	<u>37,848</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 27,354</u>	<u>\$ 25,227</u>

See accompanying notes

## JOINT SCHOOL DISTRICT NO. 171

### NOTES TO FINANCIAL STATEMENTS

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#### 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 1,130 students.

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

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

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

**Economic Resources Measurement Focus and Accrual Basis of Accounting**

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



JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

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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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

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1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Restricted Resources (Continued).***

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

**Unassigned**

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

***District-Wide Financial Statements.*** The statement of net position and the statement of activities display information about the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the School District. The District's Medical Benefit Pool is reported as an internal service fund and combined with the governmental activities in the district-wide statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different functions of the District's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Program Revenue**

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

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

## JOINT SCHOOL DISTRICT NO. 171

### NOTES TO FINANCIAL STATEMENTS

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#### 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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

---

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

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

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

## JOINT SCHOOL DISTRICT NO. 171

### NOTES TO FINANCIAL STATEMENTS

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#### 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 July 01, 2016, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

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

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

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

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**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	\$ 9,505,427	\$ 9,710,022
Forest Reserve	522,900	642,204
After School Fund	1,050	1,200
Youth Challenge	483,586	2,137,424
Nez Perce Tribe	0	9,391
Challenge DOL Youth Training	0	12,944
Healthy School Nurse	40,000	47,151
Public School Technology	99,814	100,070
Challenge Title I	0	86,460
Title 1	219,835	238,983
IDEA Part B	253,924	255,940
Rural Education	23,792	28,185
Carl Perkins Vocational Education	13,857	13,876
Title II-A Improving Teacher Quality	66,670	69,560
School Lunch	825,489	1,072,807
School Plant Facility	271,821	306,900

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

**Deficit Fund Balance in Individual Funds.** There are no funds with a deficit fund balance at June 30.

**JOINT SCHOOL DISTRICT NO. 171**

NOTES TO FINANCIAL STATEMENTS

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**3. DEPOSITS AND INVESTMENTS**

**Deposits.** At June 30, 2017, the carrying amount of the District's deposits was \$402,175 in governmental activities, and \$152,940 in fiduciary activities. The bank balance was \$404,691 of which \$154,691 would be considered uninsured or uncollateralized.

**Investments.** At June 30, 2017, District investments are classified in the following categories of credit risk. The carrying value of investments approximates market value.

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
FDIC insured certificates of deposit	\$ 130,764	
Uninsured balance held by Idaho Department of Health and Welfare	65,639	
Uninsured and unregistered with securities held in the District's name		
Pioneer Value Fund		\$ 11,529
Idaho State Treasurer's Local Government Investment Pool	643,937	15,280
Total investments	\$ 840,340	\$ 26,809

**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**

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**4. ACCOUNTS RECEIVABLE**

Details of accounts receivable at June 30, 2017, are as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
State of Idaho - Foundation program	\$ 227,440	
State of Idaho - State grants	32,205	
State of Idaho - Federal grants	166,552	
Federal funds due from other agencies	211,413	
Youth Challenge Program	56,349	
Other	<u>177,867</u>	
	<u>\$ 871,826</u>	<u>\$ 0</u>

**5. PROPERTY TAXES**

The District's property tax levies for calendar years 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Certified Budget Request		
Tort levy	\$ 57,604	\$ 55,926
Supplemental levy approved	2,685,000	2,285,000
Plant facilities levy approved	100,000	100,000

District assessed market value and tax levies:

	<u>Actual Tax Charge</u>	<u>Total Market Valuation</u>	<u>Levy</u>
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%
2007	1,340,853	535,819,686	0.2334720%



**JOINT SCHOOL DISTRICT NO. 171**

**NOTES TO FINANCIAL STATEMENTS**

**6. CAPITAL ASSETS**

A summary of changes in capital assets at June 30, 2017, is as follows:

	6/30/16			6/30/17
	<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	458,681	\$ 14,027		472,708
School lunch	377,385		\$ (2,529)	374,856
Other	83,298	19,589		102,887
Buildings				
Elementary	2,559,763	26,495		2,586,258
Secondary	3,512,448	164,930		3,677,378
Bus Shop	502,546			502,546
Buses	1,844,751	184,268	(115,517)	1,913,502
Vehicles	109,865			109,865
	<u>\$ 9,650,147</u>	<u>\$ 409,309</u>	<u>\$ (118,046)</u>	<u>9,941,410</u>
Accumulated depreciation				
Equipment				
Elementary	\$ 66,419	\$ 214		66,633
Secondary	334,317	13,574		347,891
School lunch	288,746	12,788		301,534
Other	15,376	9,506		24,882
Buildings				
Elementary	1,863,007	27,171		1,890,178
Secondary	2,399,308	58,315		2,457,623
Bus Shop	262,255	16,225		278,480
Buses	1,241,459	131,221	\$ (115,517)	1,257,163
Vehicles	89,772	4,019		93,791
	<u>\$ 6,560,659</u>	<u>\$ 273,033</u>	<u>\$ (115,517)</u>	<u>6,718,175</u>
Capital assets, net				<u>\$ 3,223,235</u>

Depreciation of \$273,033 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 99,274
School lunch	12,788
Transportation	151,465
Other	9,506

**JOINT SCHOOL DISTRICT NO. 171**

**NOTES TO FINANCIAL STATEMENTS**

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**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, 2017, are as follows:

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

Interest expense of \$22,636 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:

	<u>Balance 7/1/16</u>	<u>Additions</u>	<u>Repayment</u>	<u>Balance 6/30/17</u>
Lease agreement	<u>\$ 860,920</u>	<u>\$ 0</u>	<u>\$ 91,439</u>	\$ 769,481
Current portion of lease				<u>93,923</u>
Non-current portion of lease				<u>\$ 675,558</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](http://www.persi.idaho.gov). Financial reports for the Plan are available from PERSI upon request.

**JOINT SCHOOL DISTRICT NO. 171**

NOTES TO FINANCIAL STATEMENTS

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**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, 2017, 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 \$687,106, \$652,438 and \$609,105 for the three years ended June 30, 2017, 2016, and 2015, respectively.

**Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2017, the District reported a liability of \$3,938,000 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2016, 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, 2016, the District's proportion was .001942833 percent.

For the year ended June 30, 2017, the District recognized a net gain on pension expense of \$5,000. At June 30, 2017, 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, 2016	\$ 687,000	
Differences between expected and actual experience		\$ 392,000
Changes in assumptions or other inputs	\$ 88,000	
Net difference between projected and actual earnings on pension plan investments	\$ 1,917,000	\$ 896,000

**JOINT SCHOOL DISTRICT NO. 171**

**NOTES TO FINANCIAL STATEMENTS**

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**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	\$ 691,000
2019	4,000
2020	457,300
2021	251,700

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

The total pension liability in the July 01, 2016, 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	\$ 7,725,000 liability	\$ 3,938,000 liability	\$789,000 liability

**9. RISK MANAGEMENT**

The District purchases commercial insurance through the Idaho Counties Risk Management Program (ICRMP) to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2017, 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.

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

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**9. RISK MANAGEMENT (CONTINUED)**

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

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

**10. TRANSFERS TO/FROM OTHER FUNDS**

The State Department of Education requires that the District pay for the costs of school lunch personnel's Social Security and retirement expense from general fund revenues as a condition of participation in the National School Lunch Program. The amount paid from the general fund for the school lunch fund for the year ended June 30, 2017, amounted to \$21,479. An additional \$44,961 was transferred to the school lunch fund to pay bills for the 2017 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 \$102,519 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	\$ 32,683
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JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

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11. FUND BALANCE RESERVES AND DESIGNATIONS

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

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

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

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

**JOINT SCHOOL DISTRICT NO. 171**

NOTES TO FINANCIAL STATEMENTS

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**12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

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

***Individual Fund Interfund Receivable and Payable Balances.*** Such balances at June 30, 2017, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Forest Reserve	\$ 661,576	
Afterschool fund	5,810	
Challenge DOL Youth Training	4,014	
District Property	66,903	
Driver Education	5,917	
Vocational Education	964	
Public School Technology	11,637	
Title I	3,313	
IDEA Preschool	5,978	
Title II-A Improving Teacher Quality	1,481	
School Lunch/Challenge School Lunch	25,292	\$ 30,341
School Plant Facility Reserve	130,175	
General		626,291
Youth Challenge Program		58,411
Nez Perce Tribe		9,391
Healthy School Nurse		10,907
Challenge Title I		15,086
IDEA Part B		17,943
Rural Education		2,554
Carl Perkins Vocational Education		9,989
Medicaid		142,147

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

**13. CONTINGENT LIABILITIES**

The District participates in a number of state and federally assisted grant programs, mainly Forest Reserve, Title I, Title VI-B grants, and the National School Lunch Program. These programs were subjected to financial and compliance audits as outlined in the *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.

## JOINT SCHOOL DISTRICT NO. 171

### NOTES TO FINANCIAL STATEMENTS

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#### 14. OTHER POST-EMPLOYMENT BENEFITS

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



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REQUIRED SUPPLEMENTARY INFORMATION

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**JOINT SCHOOL DISTRICT NO. 171**

**SCHEDULE OF PENSION FUNDING  
Year Ended June 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution	Share of PERSI Net Pension Liability		Net Pension Liability as % of Covered Payroll
					as a % of Covered Payroll	%	Amount	
2008	\$ 591,700	\$ 591,700	\$ 0	\$ 5,694,900	10.39%	(1)	(1)	
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	
2015	609,100	609,100	0	5,380,700	11.32%	0.193791%	1,427,000	27%
2016	652,400	652,400	0	5,763,300	11.32%	0.194697%	2,564,000	44%
2017	687,100	687,100	0	6,069,800	11.32%	0.194283%	3,938,000	65%

(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, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 2,751,215	\$ 2,751,215	\$ 2,814,176	\$ 62,961
State foundation program	6,554,973	6,554,973	6,738,988	184,015
Other state revenue	172,139	172,139	112,806	(59,333)
Federal revenue			900	900
Earnings on investments	2,100	2,100	14,268	12,168
Other revenues	25,000	25,000	200,193	175,193
<b>Total revenues</b>	<u>9,505,427</u>	<u>9,505,427</u>	<u>9,881,331</u>	<u>375,904</u>
<b>EXPENDITURES</b>				
Payroll	5,156,039	5,156,039	5,307,507	(151,468)
Payroll burden and employee benefits	2,646,273	2,646,273	2,601,277	44,996
Purchased services	738,651	748,651	1,030,656	(282,005)
Supplies and materials	532,728	522,728	509,599	13,129
Capital outlay	18,150	18,150	25,384	(7,234)
Insurance	63,500	63,500	61,720	1,780
Contingency budget	70,567	70,567		70,567
<b>Total expenditures</b>	<u>9,225,908</u>	<u>9,225,908</u>	<u>9,536,143</u>	<u>(310,235)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>279,519</u>	<u>279,519</u>	<u>345,188</u>	<u>65,669</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(279,519)	(279,519)	(173,879)	105,640
<b>Total other financing     sources (uses)</b>	<u>(279,519)</u>	<u>(279,519)</u>	<u>(173,879)</u>	<u>105,640</u>
<b>NET CHANGE IN FUND BALANCES</b>	0	0	171,309	171,309
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>15,602</u>	<u>15,602</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 186,911</u>	<u>\$ 186,911</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, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 974,000	\$ 974,000	\$ 19,582	\$ (954,418)
Earnings on investments	1,000	1,000	73	(927)
Other revenues	10,000	10,000	14,752	4,752
Total revenues	<u>985,000</u>	<u>985,000</u>	<u>34,407</u>	<u>(950,593)</u>
<b>EXPENDITURES</b>				
Purchased services	275,000	275,000	310,679	(35,679)
Supplies and materials	175,000	175,000	238,556	(63,556)
Capital outlay	72,900	72,900	92,969	(20,069)
Total expenditures	<u>522,900</u>	<u>522,900</u>	<u>642,204</u>	<u>(119,304)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>462,100</u>	<u>462,100</u>	<u>(607,797)</u>	<u>(1,069,897)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	462,100	462,100	(607,797)	(1,069,897)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>1,280,609</u>	<u>1,280,609</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 462,100</u>	<u>\$ 462,100</u>	<u>\$ 672,812</u>	<u>\$ 210,712</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 -  
YOUTH CHALLENGE PROGRAM  
Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
State foundation program	\$ 502,057	\$ 502,057	\$ 1,666,952	\$ 1,164,895
Other revenues			496,234	496,234
Total revenues	<u>502,057</u>	<u>502,057</u>	<u>2,163,186</u>	<u>1,661,129</u>
<b>EXPENDITURES</b>				
Payroll	342,477	342,477	342,436	41
Payroll burden and employee benefits	126,109	126,109	127,211	(1,102)
Purchased services	15,000	15,000	1,667,777	(1,652,777)
Total expenditures	<u>483,586</u>	<u>483,586</u>	<u>2,137,424</u>	<u>(1,653,838)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>18,471</u>	<u>18,471</u>	<u>25,762</u>	<u>7,291</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>18,471</u>	<u>18,471</u>	<u>25,762</u>	<u>7,291</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 18,471</u>	<u>\$ 18,471</u>	<u>\$ 25,762</u>	<u>\$ 7,291</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 -  
SCHOOL LUNCH  
Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Federal revenue	\$ 521,100	\$ 521,100	\$ 607,768	\$ 86,668
Charges for services	74,510	74,510	113,754	39,244
Earnings on investments			4	4
Other revenues	184,879	184,879	306,320	121,441
Total revenues	<u>780,489</u>	<u>780,489</u>	<u>1,027,846</u>	<u>247,357</u>
<b>EXPENDITURES</b>				
Payroll	260,544	260,544	294,419	(33,875)
Payroll burden and employee benefits	149,841	149,841	192,314	(42,473)
Purchased services	7,404	7,404	2,318	5,086
Supplies and materials	397,700	397,700	519,203	(121,503)
Capital outlay	10,000	10,000	31,870	(21,870)
Total expenditures	<u>825,489</u>	<u>825,489</u>	<u>1,040,124</u>	<u>(214,635)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(45,000)</u>	<u>(45,000)</u>	<u>(12,278)</u>	<u>32,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	45,000	45,000	44,961	(39)
Transfers to other funds			(32,683)	(32,683)
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>12,278</u>	<u>(32,722)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES AT END OF YEAR</b>	<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.

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SUPPLEMENTARY INFORMATION

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## INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint School District No. 171, as of and for the year ended June 30, 2017, 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 5, 2017.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Joint School District No. 171's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Joint School District No. 171's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding #2017-001).



## **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 5, 2017



## 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, 2017. 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, 2017.

## 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 5, 2017

**JOINT SCHOOL DISTRICT NO. 171**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS**  
 Year Ended June 30, 2017

	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>				
Passed through the State of Idaho - Department of Education				
School Breakfast Program	10.553	201717N109947	None	\$ 244,654 *
National School Lunch Program	10.555	201717N109947	None	327,888 *
Special Milk Program for Children	10.556	201717N109947	None	313 *
Summer Food Service Program for Children	10.559	201616N109947	None	2,348 *
Subtotal School Lunch cluster				<u>575,203</u>
Passed through the State of Idaho - Department of Education				
Child Nutrition Discretionary Grants	10.579	201414OL430330	None	7,968
Fresh Fruit and Vegetable Program	10.582	201717N109947	None	24,597
Passed through Idaho County, State of Idaho				
Schools and Roads - Grants to Counties	10.666		None	642,204 *
Total Department of Agriculture				<u>1,249,972</u>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>				
Passed through the State of Idaho - Idaho Commission for Libraries				
State Library Program	45.310	LS0016001316	None	900
Total National Endowment for the Humanities				<u>900</u>
<b>DEPARTMENT OF EDUCATION</b>				
Passed through the State of Idaho - Department of Education				
Title I	84.010	S010A150012	None	325,443
Title VI-B	84.027	H027A150088	None	255,940
Title VI-B Preschool	84.173	H173A150030	None	14,529
Subtotal Title VI-B cluster				<u>270,469</u>
Carl Perkins Vocational Education	84.048A	V048A140012	None	12,539
Rural Education	84.358	S358B150012	None	28,185
Title II-A Improving Teacher Quality	84.367	S367A150011	None	69,560
Total Department of Education				<u>706,196</u>
<b>TOTAL FEDERAL AWARDS</b>				<u>\$ 1,957,068</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, 2017. 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, 2017

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Qualified

Internal control over financial reporting:

\* Material weakness(es) identified  yes  no

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

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

\* Material weakness(es) identified  yes  no

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of federal program or cluster</u>
10.666	Schools and Roads - Grants to Counties
<u>School Lunch cluster</u>	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children

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

Auditee qualified as low-risk auditee?  yes  no

**JOINT SCHOOL DISTRICT NO. 171**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2017

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**Section II – Financial Statement Findings**

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**SIGNIFICANT DEFICIENCY**

Finding #2017-001

*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.

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**Section III – Federal Award Findings and Questioned Costs**

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No matters were reported.

## GOVERNMENTAL FUNDS

### GENERAL FUND

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

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

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

### SPECIAL REVENUE FUNDS

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

#### LOCAL SPECIAL PROJECTS

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

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

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

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

#### STATE FUNDED PROJECTS

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

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

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

**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.

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



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

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

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

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

#### OTHER PROJECTS

**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, 2017

	General	Forest Reserve	District Property	Nez Perce Tribe	After School	Youth Challenge
<b>ASSETS</b>						
Cash	\$ 42					
Investments	700,230	\$ 10,527	\$ 3,330			
Property taxes receivable	1,185,595					
Accounts receivable	271,209	709		\$ 10,000		\$ 155,828
Due from other funds		661,576			\$ 5,810	
Total assets	\$ 2,157,076	\$ 672,812	\$ 70,233	\$ 10,000	\$ 5,810	\$ 155,828
<b>LIABILITIES</b>						
Accounts payable	\$ 142,045					\$ 71,655
Payroll and taxes payable	1,057,551					
Due to other funds	626,291			\$ 9,391		58,411
Unearned revenue						
Total liabilities	1,825,887	\$ 0	\$ 0	9,391	\$ 0	130,066
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Receivables not collected in 60 days	144,278					
Total deferred inflows of resources	144,278	0	0	0	0	0
<b>FUND BALANCES</b>						
Restricted for capital improvements		672,812	70,233	609	5,810	25,762
Committed for capital improvements						
Assigned	186,911					
Unassigned	186,911	672,812	70,233	609	5,810	25,762
Total fund balances	\$ 2,157,076	\$ 672,812	\$ 70,233	\$ 10,000	\$ 5,810	\$ 155,828
Total liabilities and fund balances						

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2017

	Driver Education	Vocational Education	Public School Technology	Substance Abuse	Challenge DOL Youth Training	Title I	Challenge Title I
<b>ASSETS</b>							
Cash				\$ 11,055			
Investments							
Property taxes receivable	\$ 3,875	\$ 9,125			\$ 4,014	\$ 32,894	\$ 27,304
Accounts receivable	5,917	964	\$ 11,637			3,313	
Due from other funds							
Total assets	\$ 9,792	\$ 10,089	\$ 11,637	\$ 11,055	\$ 4,014	\$ 36,207	\$ 27,304
<b>LIABILITIES</b>							
Accounts payable		\$ 9,064	\$ 4,027			\$ 36,207	\$ 15,086
Payroll and taxes payable							12,218
Due to other funds							27,304
Unearned revenue							
Total liabilities	\$ 0	9,064	4,027	\$ 0	\$ 0	36,207	27,304
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Receivables not collected in 60 days							
Total deferred inflows of resources	0	0	0	0	0	0	0
<b>FUND BALANCES</b>							
Restricted for capital improvements					4,014		
Committed for capital improvements							
Assigned	9,792	1,025	7,610	11,055			
Unassigned							
Total fund balances	9,792	1,025	7,610	11,055	4,014	0	0
Total liabilities and fund balances	\$ 9,792	\$ 10,089	\$ 11,637	\$ 11,055	\$ 4,014	\$ 36,207	\$ 27,304

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2017

	IDEA Part B	IDEA Preschool	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Healthy School Nurse
<b>ASSETS</b>						
Cash						
Investments						
Property taxes receivable						
Accounts receivable	\$ 59,770	\$ 5,978	\$ 9,785	\$ 12,758	\$ 3,839	\$ 18,180
Due from other funds					1,481	
Total assets	<u>\$ 59,770</u>	<u>\$ 5,978</u>	<u>\$ 9,785</u>	<u>\$ 12,758</u>	<u>\$ 5,320</u>	<u>\$ 18,180</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 35,773		\$ 5,127	\$ 2,769	\$ 5,320	\$ 7,273
Payroll and taxes payable	17,943		2,554	9,989		10,907
Due to other funds	6,054	\$ 5,978	2,104			
Unearned revenue	59,770	5,978	9,785	12,758	5,320	18,180
Total liabilities	<u>\$ 119,530</u>	<u>\$ 11,930</u>	<u>\$ 19,570</u>	<u>\$ 25,516</u>	<u>\$ 10,640</u>	<u>\$ 28,360</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Receivables not collected in 60 days	0	0	0	0	0	0
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>						
Restricted for capital improvements						
Committed for capital improvements						
Assigned						
Unassigned	0	0	0	0	0	0
Total fund balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 119,530</u>	<u>\$ 11,930</u>	<u>\$ 19,570</u>	<u>\$ 25,516</u>	<u>\$ 10,640</u>	<u>\$ 28,360</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2017

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
<b>ASSETS</b>					
Cash		\$ 3,242		\$ 17,136	\$ 31,475
Investments				105,461	819,548
Property taxes receivable		14,586	\$ 30,551	5,603	1,191,198
Accounts receivable	\$ 211,413	25,292		130,175	871,826
Due from other funds					923,060
Total assets	\$ 211,413	\$ 43,120	\$ 30,551	\$ 258,375	\$ 3,837,107
<b>LIABILITIES</b>					
Accounts payable	\$ 150	\$ 3,449	\$ 210	\$ 12,400	\$ 241,742
Payroll and taxes payable	69,116	39,671			1,260,065
Due to other funds	142,147		30,341		923,060
Unearned revenue					26,354
Total liabilities	211,413	43,120	30,551	12,400	2,451,221
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Receivables not collected in 60 days				5,603	149,881
Total deferred inflows of resources	0	0	0	5,603	149,881
<b>FUND BALANCES</b>					
Restricted for capital improvements				240,372	240,372
Committed for capital improvements					743,045
Assigned					65,677
Unassigned					186,911
Total fund balances	0	0	0	240,372	1,236,005
Total liabilities and fund balances	\$ 211,413	\$ 43,120	\$ 30,551	\$ 258,375	\$ 3,837,107

JOINT SCHOOL DISTRICT NO. 171

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

Year Ended June 30, 2017

	General	Forest Reserve	District Property	Nez Perce Tribe	After School	Youth Challenge
<b>REVENUES</b>						
General property taxes	\$ 2,814,176					\$ 1,666,952
State foundation program	6,738,988					
Other state revenue	112,806					
Federal revenue	900	\$ 19,582				
Charges for services	14,268	73	\$ 23			
Earnings on investments	200,193	14,752		\$ 10,000	\$ 100	496,234
Other revenues	9,881,331	34,407	23	10,000	100	2,163,186
<b>Total revenues</b>						
<b>EXPENDITURES</b>						
Instruction						
Regular programs	5,057,270			9,391		2,137,424
Special programs	354,017					
Interscholastic and school activity	257,217					
Support services						
Pupil support	530,902					
Staff support	752,965				1,200	
General administration	199,703					
School administration	630,319					
Business services	192,986					
Maintenance and operations	893,400	549,235				
Transportation	645,885	92,969				
Food services	21,479					
Debt services						
Capital outlay						
<b>Total expenditures</b>	<u>9,536,143</u>	<u>642,204</u>	<u>0</u>	<u>9,391</u>	<u>1,200</u>	<u>2,137,424</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>345,188</u>	<u>(607,797)</u>	<u>23</u>	<u>609</u>	<u>(1,100)</u>	<u>25,762</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	(173,879)					
Transfers to other funds	(173,879)	0	0	0	0	0
<b>Total other financing sources (uses)</b>						
<b>NET CHANGE IN FUND BALANCES</b>	171,309	(607,797)	23	609	(1,100)	25,762
<b>FUND BALANCES A BEGINNING OF YEAR</b>	15,602	1,280,609	70,210	0	6,910	0
<b>FUND BALANCES AT END OF YEAR</b>	\$ 186,911	\$ 672,812	\$ 70,233	\$ 609	\$ 5,810	\$ 25,762

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	Driver Education	Vocational Education	Public School Technology	Substance Abuse	Challenge DOL Youth Training	Challenge Title I
<b>REVENUES</b>						
General property taxes						
State foundation program						
Other state revenue	\$ 9,574	\$ 30,417	\$ 106,344	\$ 17,375	\$ 16,958	\$ 86,460
Federal revenue	12,270					
Charges for services						
Earnings on investments						
Other revenues						
Total revenues	<u>21,844</u>	<u>30,417</u>	<u>106,344</u>	<u>17,375</u>	<u>16,958</u>	<u>86,460</u>
<b>EXPENDITURES</b>						
Instruction						
Regular programs	12,052	30,566	59,771	6,320		41,482
Special programs						
Interscholastic and school activity						
Support services						
Pupil support						15,185
Staff support			40,299		12,944	29,793
General administration						
School administration						
Business services						
Maintenance and operations						
Transportation						
Food services						
Debt services						
Capital outlay						
Total expenditures	<u>12,052</u>	<u>30,566</u>	<u>100,070</u>	<u>6,320</u>	<u>12,944</u>	<u>86,460</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>9,792</u>	<u>(149)</u>	<u>6,274</u>	<u>11,055</u>	<u>4,014</u>	<u>(22,847)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds						22,847
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>22,847</u>
NET CHANGE IN FUND BALANCES	<u>9,792</u>	<u>(149)</u>	<u>6,274</u>	<u>11,055</u>	<u>4,014</u>	<u>0</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>1,174</u>	<u>1,336</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END 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>



JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	IDEA Part B	IDEA Preschool	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Healthy School Nurse
<b>REVENUES</b>						
General property taxes						
State foundation program						\$ 40,000
Other state revenue	\$ 255,940	\$ 14,529	\$ 28,185	\$ 12,539	\$ 69,560	
Federal revenue						
Charges for services						
Earnings on investments						
Other revenues						
Total revenues	<u>255,940</u>	<u>14,529</u>	<u>28,185</u>	<u>12,539</u>	<u>69,560</u>	<u>40,000</u>
<b>EXPENDITURES</b>						
Instruction						
Regular programs			28,185	12,546		
Special programs	255,940	14,529				
Interscholastic and school activity						
Support services						
Pupil support				1,330	69,560	47,151
Staff support						
General administration						
School administration						
Business services						
Maintenance and operations						
Transportation						
Food services						
Debt services						
Capital outlay						
Total expenditures	<u>255,940</u>	<u>14,529</u>	<u>28,185</u>	<u>13,876</u>	<u>69,560</u>	<u>47,151</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,337)</u>	<u>0</u>	<u>(7,151)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds				1,337		4,340
Transfers to other funds						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,337</u>	<u>0</u>	<u>4,340</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,811)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,811</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES -  
ALL GOVERNMENTAL FUNDS  
Year Ended June 30, 2017

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
<b>REVENUES</b>					
General property taxes				\$ 98,132	\$ 2,912,308
State foundation program					8,529,659
Other state revenue					209,755
Federal revenue	\$ 516,325	\$ 460,377	\$ 147,391		1,827,924
Charges for services		113,230	524		126,024
Earnings on investments		4		727	15,095
Other revenues		21,857	284,463		1,027,599
Total revenues	<u>516,325</u>	<u>595,468</u>	<u>432,378</u>	<u>98,859</u>	<u>14,848,364</u>
<b>EXPENDITURES</b>					
Instruction					7,633,008
Regular programs					624,486
Special programs					257,217
Interscholastic and school activity					
Support services					546,087
Pupil support					1,503,107
Staff support	546,883				199,703
General administration					630,319
School administration					192,986
Business services					1,442,635
Maintenance and operations				102,515	841,369
Transportation		640,429	399,695		1,061,603
Food services				114,075	114,075
Debt services				90,310	90,310
Capital outlay				306,900	15,136,905
Total expenditures	<u>546,883</u>	<u>640,429</u>	<u>399,695</u>	<u>306,900</u>	<u>15,136,905</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(30,558)</u>	<u>(44,961)</u>	<u>32,683</u>	<u>(208,041)</u>	<u>(488,541)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	30,558	44,961		102,519	206,562
Transfers to other funds			(32,683)		(206,562)
Total other financing sources (uses)	<u>30,558</u>	<u>44,961</u>	<u>(32,683)</u>	<u>102,519</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	0	0	0	(105,522)	(488,541)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	0	0	0	345,894	1,724,546
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 240,372</u>	<u>\$ 1,236,005</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, 2017

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Orofino High School	Timberline Schools	Orofino Elementary School	Combined
<b>ASSETS</b>							
Cash	\$ 545			\$ 96,243	\$ 42,547	\$ 13,605	\$ 152,940
Investments	11,535	\$ 5,090	\$ 10,184				26,809
Total assets	\$ 12,080	\$ 5,090	\$ 10,184	\$ 96,243	\$ 42,547	\$ 13,605	\$ 179,749
<b>LIABILITIES</b>							
Due to student groups				\$ 96,243	\$ 42,547	\$ 13,605	\$ 152,395
Total liabilities	\$ 0	\$ 0	\$ 0	96,243	42,547	13,605	152,395
<b>FUND EQUITY</b>							
Unreserved, undesignated	12,080	5,090	10,184				27,354
Total fund equity	12,080	5,090	10,184	0	0	0	27,354
Total liabilities and fund equity	\$ 12,080	\$ 5,090	\$ 10,184	\$ 96,243	\$ 42,547	\$ 13,605	\$ 179,749

**JOINT SCHOOL DISTRICT NO. 171**

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

Year Ended June 30, 2017

	Nelson Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
<b>REVENUES</b>				
Earnings on investments	\$ 2,021	\$ 36	\$ 70	\$ 2,127
Total revenues	<u>2,021</u>	<u>36</u>	<u>70</u>	<u>2,127</u>
<b>EXPENDITURES</b>				
Regular instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures				
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,021	36	70	2,127
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>10,059</u>	<u>5,054</u>	<u>10,114</u>	<u>25,227</u>
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 12,080</u>	<u>\$ 5,090</u>	<u>\$ 10,184</u>	<u>\$ 27,354</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS  
Year Ended June 30, 2017

FUND	Balance 6/30/2016	Increases	Decreases	Balance 6/30/2017
7th grade	\$ 203	\$ 101	\$ 202	\$ 102
8th grade	361	304	362	303
A P Government	7,030	4,444	2,290	9,184
AED	1,453			1,453
Annual	2,219	9,925	8,720	3,424
AR Store	49			49
Art Fund	70			70
Athletic Fees	9,008	16,480	4,629	20,859
Athletics	3,301			3,301
Baseball	4,176	18,758	20,011	2,923
Biology grant	56		51	5
Boys basketball	5,439	11,897	15,789	1,547
Cheerleader account	2,554	8,652	8,366	2,840
Chorus	390	185	120	455
Coaches Fund	205			205
Contingency	2,290	3,954	4,332	1,912
District #171	135	9,450	9,180	405
District Baseball Tournament	1,560			1,560
District Softball Tournament	821			821
Dramatics Club	587	875	1,057	405
Drill Team	680	790	1,049	421
Drivers Ed	0	135	135	0
Early Teen Living	(1)	1		0
Extra curricular	3,960	2,696	3,345	3,311
Faculty Fund	79		75	4
Football	11	8,650	8,201	460
Football Maniac Moms	38			38
Foreign language	14			14
Freshman	1,055	642	1,173	524
Gate Receipts	(653)	10,065	9,228	184
Girls basketball	1,011	4,206	4,402	815
Golf	237			237
H2O	1		1	0
Hosa	1,428			1,428
Human Rights Club	256			256
IDLA	1,650	5,250	6,025	875
Industrial Arts	846	1,789	258	2,377
Jr High Boys Basketball	71	1,192	833	430
Jr High Football	2,375	585	506	2,454
Jr High Girls Basketball	29			29
Jr High Track	1,523	400		1,923
Jr High Volleyball	19	78		97
Jr High Wrestling	18	375	290	103
Juniors	3,664	4,998	6,552	2,110
Key Club	74	972	878	168
Knowledge Bowl	519			519
Lab fees	17			17
Balance forward	60,828	127,849	118,060	70,617

**JOINT SCHOOL DISTRICT NO. 171**

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS  
Year Ended June 30, 2017

FUND	Balance 6/30/2016	Increases	Decreases	Balance 6/30/2017
Balance forward	\$ 60,828	\$ 127,849	\$ 118,060	\$ 70,617
Leadership	589	604	644	549
Library	141	171		312
Library Club	(1)	1		0
Math Tech	441			441
Mediacs	1,717	579		2,296
Michelle's Recycling	(49)			(49)
Music	696	4,213	3,983	926
Nat Honor Society	16	192	180	28
NNU	3,650	3,702	567	6,785
OHS Alumni Fund	172			172
School Garden	200			200
Rodeo Club	1		1	0
Senior Project	100			100
Seniors	468	3,569	4,020	17
Shop (regular account)	1,643	1,781	1,649	1,775
Shop Lab	117			117
Silk screening	386			386
Skills USA	1,880			1,880
Soccer	1,012	3,146	4,096	62
Softball	881	7,370	8,245	6
Sophomores	1,106	3,086	1,547	2,645
State Baseball Tournament	1,456		44	1,412
Student Association	712	21,697	21,610	799
Student Council	347	5,439	5,176	610
Supplies	(175)	534	852	(493)
Tax	91	3,648	3,661	78
Towels	192			192
Track	1	1,356	1,326	31
Volleyball - Dig for a Cure	0	6,432	2,605	3,827
Volleyball - Other	5,471	11,155	22,119	(5,493)
Weight training	632		311	321
Wrestling	2,084	4,739	5,586	1,237
Youth Leg	58	1,965	2,023	0
Bad Checks	(1,317)	688	818	(1,447)
Bank charge	(893)		158	(1,051)
	84,653	213,916	209,281	89,288
Savings account	6,980		25	6,955
	<u>\$ 91,633</u>	<u>\$ 213,916</u>	<u>\$ 209,306</u>	<u>\$ 96,243</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS  
Year Ended June 30, 2017

FUND	Balance 6/30/2016	Increases	Decreases	Balance 6/30/2017
30 Hour Famine	\$ 0	\$ 124	\$ 136	\$ (12)
8th Grade Field Trip Exp	0	1,015	1,434	(419)
Accelerated Reading	1,049	275	1,480	(156)
Associated Student Body	855	1,478	1,793	540
Athletics	3,598	15,531	20,099	(970)
Attendance Reward Parties	290		71	219
Baseball	849	67		916
Boys basketball	2,170	5,545	6,786	929
Building rent	751			751
Class of 2007	0	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	192		2	190
Class of 2016	111			111
Class of 2017	345	4,682	5,000	27
Class of 2018	(71)	1,783	1,009	703
Class of 2019	306	2,340	1,496	1,150
Class of 2020	161	421		582
Class of 2021	0	348		348
College Credit	(2,972)		195	(3,167)
COMPASS test	70		54	16
Computer lab	324			324
Concessions	10,866	8,286	6,234	12,918
Contingency	1,262	4,469	4,942	789
Costa Rica	228	1		229
Counselor	0	195		195
District sport fee	662		662	0
Donation	736	5	1,412	(671)
Drama	621	2,026	1,826	821
Drivers Ed	3,120	2,805	2,595	3,330
Elementary School	1,898	363	1,772	489
EPIC	0	708	537	171
Faculty	(78)	245	131	36
Fees	319			319
Girls basketball	906	979	255	1,630
Girls softball	1,628			1,628
Grants	211			211
Green Club	1,465	77		1,542
H.S. football	1,232	801	1,532	501
H.S. track	(789)	1,070	91	190
Herff-Jones	(38)			(38)
Home Economics	92	1,200	1,520	(228)
Honor Society	(6)		385	(391)
Balance forward	<u>33,401</u>	<u>56,956</u>	<u>63,449</u>	<u>26,908</u>



JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS  
Year Ended June 30, 2017

FUND	Balance 6/30/2016	Increases	Decreases	Balance 6/30/2017
Balance forward	\$ 33,401	\$ 56,956	\$ 63,449	\$ 26,908
HOSA	39			39
IDFY	100			100
Jr. High ASB	600	450	470	580
Jr. High basketball	278			278
Jr. High football	0	120		120
Jr. High girls basketball	20	749	628	141
Jr. High Journalism	134			134
Jr. High Shop	127			127
Jr. High track	(140)		35	(175)
Jr. High volleyball	87			87
Leadership Class	8			8
Library	(103)	4,762	3,157	1,502
Metal Shop	3,921	28	2,000	1,949
Music	743	200		943
Pay to Play	0	903	710	193
PBIS	289			289
PE	151	20	494	(323)
Pee Wee Basketball	61	1		62
Play Shed	1,426			1,426
PSAT	90			90
Red Cross donation	6			6
Reimbursement	(421)	38	1,135	(1,518)
Sales tax	356	905	768	493
Scholarships	1		1	0
School Store	547	677	640	584
Science Club	322			322
Science lab	178			178
Scratch for Schools	597		403	194
Spanish Club	71			71
Spartan Spirit Squad	218			218
SS-AD	(1,088)			(1,088)
Staff Development	0	1,000		1,000
Steps for Schools	0	3,000		3,000
Technology	1,084			1,084
THS Cookbooks	43			43
Veteran Wall	7			7
Volleyball	553	893	580	866
Wood Shop	1,689	77	27	1,739
Yearbook	217	653		870
	<u>\$ 45,612</u>	<u>\$ 71,432</u>	<u>\$ 74,497</u>	<u>\$ 42,547</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO ELEMENTARY SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS  
Year Ended June 30, 2017

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	Balance 6/30/2016	Increases	Decreases	Balance 6/30/2017
OROFINO ELEMENTARY	<u>\$ 6,648</u>	<u>\$ 17,553</u>	<u>\$ 10,596</u>	<u>\$ 13,605</u>

**JOINT SCHOOL DISTRICT NO. 171**

**COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
Years Ended June 30, 2017 and 2016**

	General Fund		All Other Funds	
	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017
BEGINNING BALANCES	\$ 217,775	\$ 15,602	\$ 1,895,398	\$ 1,906,323
REVENUES				
General property taxes	2,432,685	2,814,176	154,801	98,132
Other local revenue	44,298	214,461	1,319,055	1,257,598
Intergovernmental revenue				
State of Idaho	6,220,560	6,851,794	1,745,574	1,887,620
Federal	900	900	2,205,059	1,827,024
Other revenue			61,360	
Transfers	353,721		266,050	206,562
Total revenues	9,052,164	9,881,331	5,751,899	5,276,936
EXPENDITURES				
Salaries	5,060,209	5,307,507	1,206,973	1,341,402
Benefits	2,397,552	2,601,277	628,243	792,441
Purchased services	1,002,565	1,030,656	2,053,051	2,223,795
Supplies and materials	475,557	509,599	869,999	822,986
Capital outlay	7,898	25,384	492,069	387,436
Debt service			119,204	114,075
Insurance	61,220	61,720	1,000	501
Transfers	249,336	173,879	370,435	32,683
Total expenditures	9,254,337	9,710,022	5,740,974	5,715,319
ENDING BALANCES	\$ 15,602	\$ 186,911	\$ 1,906,323	\$ 1,467,940