

Joint School District No. 171
BOARD OF TRUSTEES MEETING -- November 21, 2016

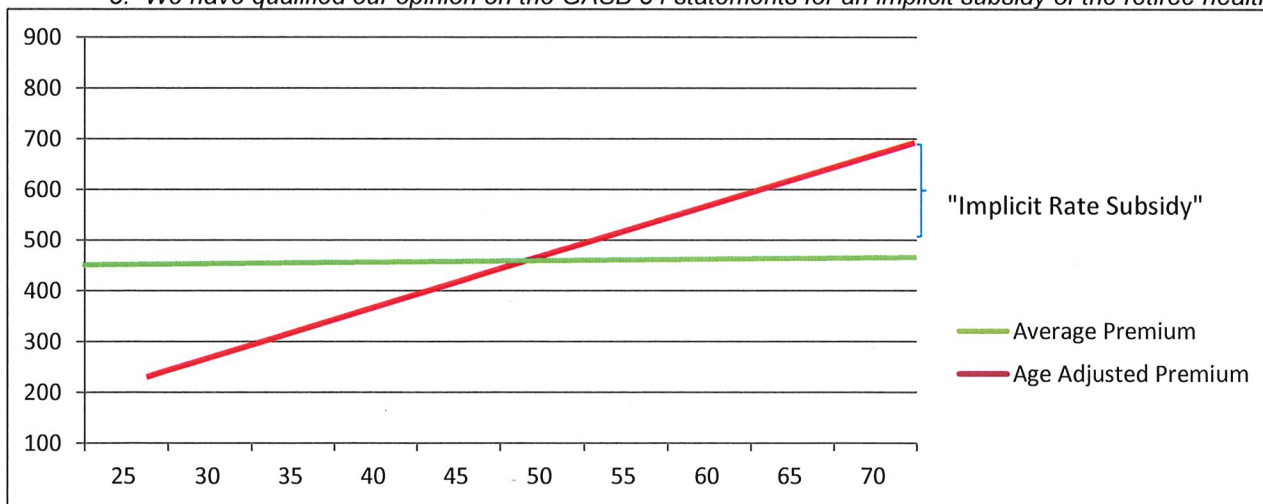
I. DISTRICT ACCOUNTING RECORDS -- positive report

- A. An audit should confirm to the Trustees what they have already seen about District finances. That is the case for 2016.
- B. You may want to discuss if the format gives you the information that you require
- C. You may contact either Tom Luper or Phil Nuxoll for any questions or concerns
- D. Items to be reported to the Governing Board under Audit Standards.
 - 1. The material adjustments were for:
 - ** capitalizing equipment and building activity
 - ** recording yearend accruals for activity after June 30
 - ** finalizing the transfers between fundsHeather Knight identified most of the adjustments and gave to us
 - 2. Difficulties and disagreements with management - none
 - 3. Timing on the audit was delayed due to State's issues with identifying federal assistance
 - 4. New business manager and new accounting software after the end of fiscal year.

II. AUDITOR'S REPORTS

A. Audit Opinion (pg 3-5)

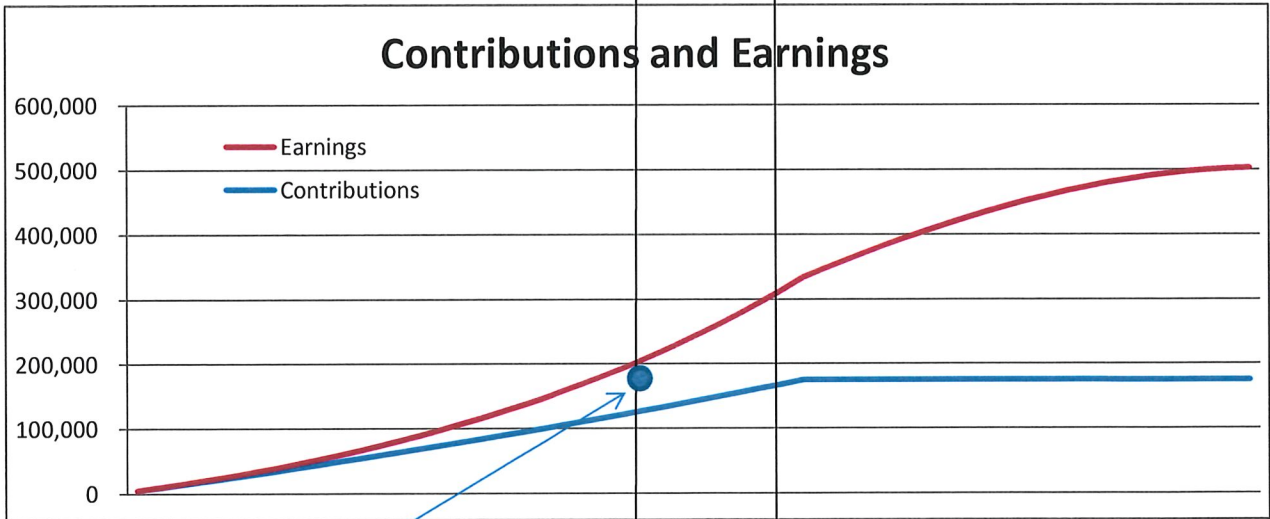
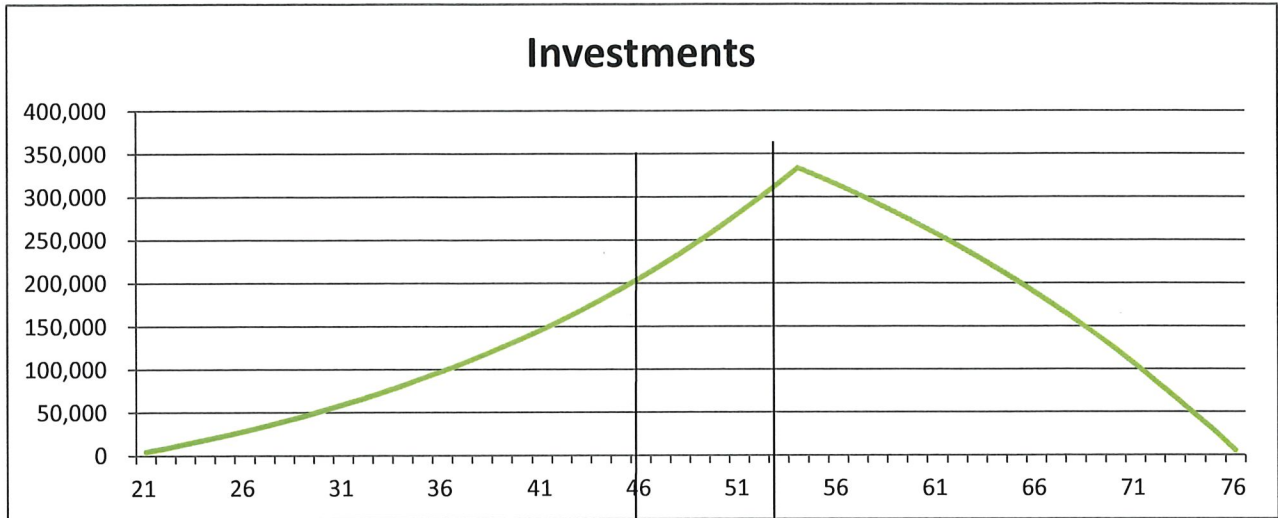
- 1. "Do the District's Basic Financial Statements accurately reflect the District's revenues, expenditures and the resulting financial position as of June 30?"
- 2. *We are issuing a "positive" opinion on the fund financial statements.*
- 3. *We have qualified our opinion on the GASB 34 statements for an implicit subsidy of the retiree healthcare.*



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II. AUDITOR'S REPORTS (con't)

- 4. Net pension liability of \$2,564,000 as of July 1, 2015 vs. \$1,427,000 in prior year
- 5. Disclosures on pages 35-36 -- 1% change in investment yield = \$6,245,000 liability



actual investments on hand
 Idaho = approx 88%
 92 state retirement systems = average of 74% in 2014

Joint School District No. 171
BOARD OF TRUSTEES MEETING -- November 21, 2016

II. AUDITOR'S REPORTS (con't)

B. Accountant's Report under Government Auditing Standards (pg 48-49, 53-54)

Accountant's Reports on Internal Controls

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

*We have identified one finding of which you need to be aware. However, we have **not** recommended any changes. See page 54*

C. Accountant's Report under Single Audit Act (pp 50-51)

1. Listing of federal awards is on page 52 -- \$1,220,517 in federal grant expenditures

This schedule is why we held up releasing the audit until the state of Idaho could identify federal awards granted

2. OMB requires "Single Audit" when grant expenditures are greater than \$750,000

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

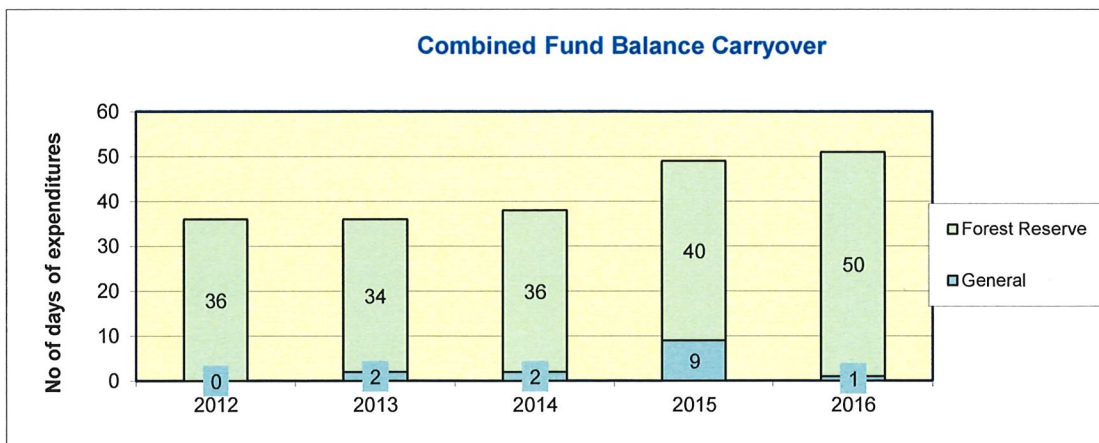
We are issuing "clean" reports.

III. FINANCIAL RESULTS OF 2015-16 SCHOOL YEAR

FUND FINANCIAL STATEMENTS

General Fund (pg 63)

1. General fund has to be evaluated in conjunction with Forest Reserve in JSD171
2. Carryover of \$15,602 in general fund, plus \$1,280,609 in the Forest Reserve fund. (pg 63)
 - a. Combined carryover is 51 days worth of expenditures (49 days in 2015, 38 days in 2014)
 - b. Presnell Gage recommends maintaining 60 days of working capital through fund balance carryover plus financing. Any specific identified needs would be in addition to the 60 days.



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III. FINANCIAL RESULTS OF 2015-16 SCHOOL YEAR

Youth Challenge (pg 63) -- contributed \$177,124 towards District "overhead" for capital improvements, fund balance remaining of \$546,115.

Several Grant funds required funding from the general fund, but most are operated within the scope of the grant revenue available -- pg 63 - Nez Perce Tribe grants; pg 64 - Driver education; Challenge DOL Youth Training Grant pg 64 -- Title I; page 65 - Carl Perkins Vocational Education.

School Lunch (pg 66) -- loss of \$28,613 in this fund, \$16,714 funded from Challenge School Lunch

School Plant Facility Reserve (pg 66) -- after paying bus deprecation to fund and property taxes, the fund has carryover of \$345,894 for capital improvements

JOINT SCHOOL DISTRICT NO. 171

FINANCIAL STATEMENTS

Year Ended June 30, 2016

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, 2016, 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, 2016, 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, 2016, 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 2015 financial statements, and we expressed unqualified audit opinions on the financial statements of each major fund and the aggregate remaining fund information in our report dated October 16, 2015. 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 November 08, 2016, 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

November 08, 2016

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016.

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 \$6,640,249 (vs. \$6,508,415 in 2015 and \$5,397,094 in 2014). This includes \$3,089,489 in capital assets.
- Total District liabilities amount to \$4,946,778 vs. \$3,889,737 in 2015. Liabilities are primarily salary, benefits, and taxes due of \$1,189,819 in July and August for employees working the prior year plus \$2,564,000 for PERSI net pension liability.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights (Continued)

- The District recognized \$2,564,000 for its share of PERSI net pension liability as a result of implementing GASB 68. This liability was \$1,427,000 at the prior year-end.
- The District's net position increased by \$337,468 from operations. After recognizing the effects of GASB 68, net position was \$1,728,471 at year-end (vs. a \$342,047 increase in 2015 and a \$658,815 increase in 2014).
- The total cost of District operations amounted to \$13,567,681, an increase from \$12,458,007 in 2015.
- District revenue amounted to \$13,905,149, an increase from \$12,800,054.

TABLE 1 – FUNCTIONAL EXPENDITURES

The following table compares expenses by function to the 2015 expenses:

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Program Expenses			
Instruction			
Regular programs	\$ 6,610,778	\$ 5,822,416	\$ 788,362
Special programs	713,608	648,770	64,838
Interscholastic and school activity	188,323	174,971	13,352
Total instruction	<u>7,512,709</u>	<u>6,646,157</u>	<u>866,552</u>
Support services			
Pupil support	420,485	460,724	(40,239)
Staff support	1,536,650	1,645,301	(108,651)
General administration	195,479	176,045	19,434
School administration	617,640	577,999	39,641
Business services	184,244	175,428	8,816
Maintenance and operations	1,077,661	1,038,844	38,817
Transportation	777,617	818,433	(40,816)
Total support services	<u>4,809,776</u>	<u>4,892,774</u>	<u>(82,998)</u>
Food services	1,037,913	917,864	120,049
Capital outlay	307,834	452,031	(144,197)
Debt services	25,124	7,200	17,924
PERSI retirement actuarial charges	(125,675)	(458,019)	332,344
Total governmental activities	<u>\$ 13,567,681</u>	<u>\$ 12,458,007</u>	<u>\$ 1,109,674</u>

Expenditures were up in 2016 primarily due to the continued operation of the Youth Challenge Program in Pierce and approximately \$400,000 in capital projects under a new Plant Facilities lease. The District has also implemented a metal fabrication and design program at Orofino Jr. Sr. High School.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

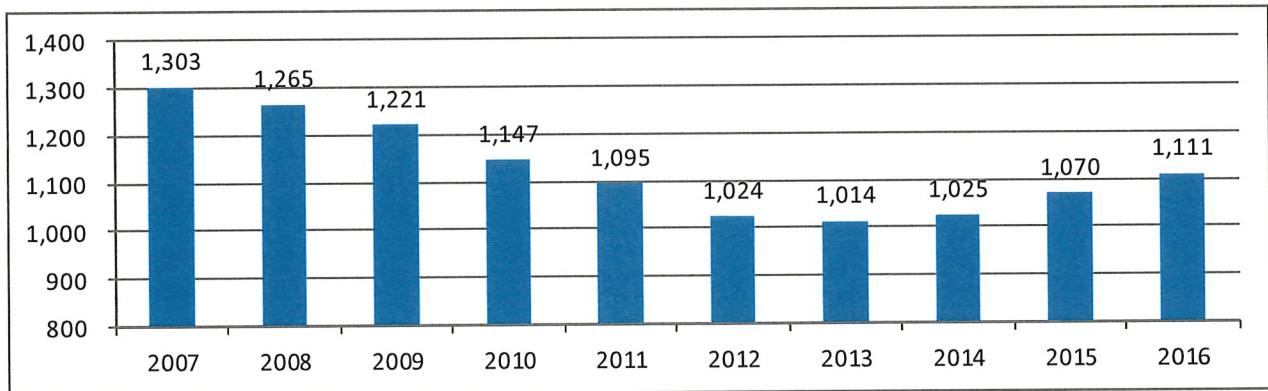
THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES (CONTINUED)

TABLE 2 – FOUNDATION PROGRAM REVENUE

Foundation program revenue from the State of Idaho remains the District's primary revenue source. For 2015, District revenue increased by \$537,915 primarily due to the continued operation of the Youth Challenge Program and a general increase in state funding for education.

	2016	2015	2016 vs. 2015
State Foundation Program			
State salary apportionment	\$ 5,158,464	\$ 4,828,075	\$ 330,389
State transportation funding	448,572	430,340	18,232
Entitlement	1,870,774	1,648,053	222,721
Other	29,550	62,977	(33,427)
Total State Foundation Program	\$ 7,507,360	\$ 6,969,445	\$ 537,915

The funding formula for the State Foundation Program revenue is largely dependent on student counts, which had been falling. Fall enrollment has declined from 1,303 students 10 years ago to 1,111 in 2015-16. The 2014 opening of the Youth Challenge Program is largely responsible for a continuing increase in students for the last 3 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 2016 revenue to the 2015 and 2014 revenue.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2016 vs. 2015</u>
Total Revenue				
Program Revenue				
Charges for services	\$ 442,559	\$ 352,789	\$ 117,526	\$ 89,770
Federal and state funds	3,057,764	2,793,351	3,417,528	264,413
Total program revenue	<u>3,500,323</u>	<u>3,146,140</u>	<u>3,535,054</u>	<u>354,183</u>
General Revenue				
Property Taxes	2,570,459	2,428,002	2,383,078	142,457
Federal funds	426,079	393,680	381,644	32,399
State funds	7,347,880	6,837,539	5,476,746	510,341
Other revenue	<u>60,408</u>	<u>(5,307)</u>	<u>294,723</u>	<u>65,715</u>
Total general revenue	<u>10,404,826</u>	<u>9,653,914</u>	<u>8,536,191</u>	<u>750,912</u>
Total revenue	<u><u>\$ 13,905,149</u></u>	<u><u>\$ 12,800,054</u></u>	<u><u>\$ 12,071,245</u></u>	<u><u>\$ 1,105,095</u></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

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 \$(87,435) from \$1,811,981 at June 30, 2015, to \$1,724,546 at the end of this year (vs. \$580,234 increase in 2015).
- Total revenues increased from (\$12,678,932 in 2015) to \$13,950,859; while expenditures increased from \$13,084,233 in 2015) to \$14,038,294.

The District continues to face the challenge of adequate state funding. However, state foundation funding increased in 2016 due largely to the full year operation of the Youth Challenge Program. The Supplemental Levy was approved at the same level in 2016 as 2015 at \$2,285,000 and \$2,685,000 for 2016-17.

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 2016-2017.

The District's base property tax was eliminated through the change in the state funding formula in 2007. However, patrons approved a supplemental tax levy of \$2,285,000 for 2015-16 (\$2,285,000 for 2014-15).

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 2015) to other funds to balance the budget, and has a remaining balance of \$1,280,609 (\$973,812 in 2015). The District did expend \$24,295 from this fund for District needs. The District receives a substantial amount of Forest Reserve Fund revenue, which is temporarily underwritten by the Craig-Wyden legislation guaranteeing districts a comparable amount of revenue relative to base years before timber harvesting was curtailed on the national forests. The amount received during 2016 was \$320,388 (\$329,216 in 2015 and \$335,747 in 2014). Terms for the future renewal of the Craig-Wyden support is uncertain.

JOINT SCHOOL DISTRICT NO. 171

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

The School Lunch Fund operated at a net loss of \$28,613 for the year of which \$16,714 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 2015-2016, the fund has a carryover balance of \$345,894 available to make school improvements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had \$3,089,489 invested in capital assets, net of accumulated depreciation. This includes buildings, computer equipment, and major school equipment and is an increase of \$342,116 from the prior year. Current year depreciation of \$276,458 (\$263,586 in 2015 and \$206,994 in 2014) was less than capital purchases of \$618,574 (\$696,734 in 2015 and \$417,755 in 2014). More detailed information about the District's capital assets is presented in Notes 1 and 6 to the financial statements. The primary capital asset purchases in 2015 were for school windows and HVAC systems at Timberline Schools 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 \$860,920 on the lease at June 30, 2016.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2017 budget, tax rates, and fees that will be charged to students. Personnel costs are tied to a state-wide salary index and certified staff and classified staff received a 3 percent increase for 2017. The District has added no new major programs or initiatives to the 2017 budget. The District hired two new 1.0 FTE teachers due to increasing enrollment in primary grade levels and one 0.5 FTE teacher for the metal shop program. The new Supplemental Levy will fund the new roof at Orofino Jr. Sr. High School

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Prior Year 2015
ASSETS		
Current assets		
Cash	\$ 7,900	\$ 202,342
Investments	1,514,909	1,757,289
Property taxes receivable	1,029,563	985,159
Accounts receivable	998,388	816,252
Total current assets	<u>3,550,760</u>	<u>3,761,042</u>
Noncurrent assets		
Capital assets	9,650,148	9,192,686
Less accumulated depreciation	<u>(6,560,659)</u>	<u>(6,445,313)</u>
Total noncurrent assets	<u>3,089,489</u>	<u>2,747,373</u>
Total assets	<u>6,640,249</u>	<u>6,508,415</u>
DEFERRED OUTFLOWS OF RESOURCES		
Defined benefit pension	<u>1,689,000</u>	<u>736,325</u>
LIABILITIES		
Current liabilities		
Checks issued in excess of deposits	75,980	
Accounts payable	192,710	374,631
Payroll and taxes payable	1,189,819	1,121,120
Accrued expenses	63,349	11,986
Current portion of lease payable	91,439	94,080
Total current liabilities	<u>1,613,297</u>	<u>1,601,817</u>
Noncurrent liabilities		
Net pension liability	2,564,000	1,427,000
Lease payable	769,481	860,920
Total noncurrent liabilities	<u>3,333,481</u>	<u>2,287,920</u>
Total liabilities	<u>4,946,778</u>	<u>3,889,737</u>
DEFERRED INFLOWS OF RESOURCES		
Defined benefit pension	<u>1,654,000</u>	<u>1,964,000</u>
NET POSITION		
Invested in capital assets, net of related debt	2,228,569	1,792,373
Restricted for:		
Capital projects	351,140	546,115
Unrestricted	<u>(851,238)</u>	<u>(947,485)</u>
Total net position	<u>\$ 1,728,471</u>	<u>\$ 1,391,003</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

	Program Revenues			Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position	Prior Year 2015
	Expenses	Charges for Services	Operating Grants and Contributions			
Functions/Programs						
Instruction						
Regular programs	\$ 6,610,778	\$ 8,235	\$ 948,368		\$ (5,654,175)	\$ (4,915,863)
Special programs	713,608		263,025		(450,583)	(385,098)
Interscholastic and school activity	188,323				(188,323)	(174,971)
Support services						
Pupil support	420,485				(420,485)	(460,724)
Staff support	1,536,650		855,359		(681,291)	(948,419)
General administration	195,479				(195,479)	(176,045)
School administration	617,640				(617,640)	(577,999)
Business services	184,244				(184,244)	(175,428)
Maintenance and operations	1,077,661				(1,077,661)	(1,038,844)
Transportation	777,617	10,671	390,000		(376,946)	(379,351)
Food services	1,037,913	423,653	601,012		(13,248)	(77,913)
Capital outlay	307,834				(307,834)	(452,031)
Debt services	25,124				(25,124)	(7,200)
PERSI retirement actuarial charges	(125,675)				125,675	458,019
Total governmental activities	\$ 13,567,681	\$ 442,559	\$ 3,057,764	\$ 0	(10,067,358)	(9,311,867)
General revenues:						
Property taxes, levied for general purposes					2,570,459	2,428,002
State base support					7,343,776	6,833,435
In lieu revenue					4,104	4,104
Other state and federal funding not restricted to specific programs					426,079	393,680
Interest and investment earnings					11,502	13,561
Other general revenues					48,906	(18,868)
					<u>10,404,826</u>	<u>9,653,914</u>
Change in net position					337,468	342,047
Net position, beginning					1,391,003	1,048,956
Net position, ending					\$ 1,728,471	\$ 1,391,003

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior year 2015
ASSETS								
Cash	\$ 0			\$ 7,900	\$ 104,734	\$ 0	\$ 7,900	\$ 48,796
Investments	1,375,765	\$ 10,455			\$ 5,246	3,307	1,494,261	1,736,707
Property taxes receivable	1,024,317						1,029,563	985,159
Accounts receivable	295,251		\$ 189,219	107,413		406,505	998,388	816,252
Due from other funds		1,270,154		5,507	241,160	99,538	1,616,359	1,042,788
Total assets	\$ 2,695,333	\$ 1,280,609	\$ 189,219	\$ 120,820	\$ 351,140	\$ 509,350	\$ 5,146,471	\$ 4,629,702
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Checks issued in excess of deposits	\$ 75,980			\$ 8,019		\$ 8,101	\$ 75,980	\$ 339,930
Accounts payable	175,090			35,567		137,695	191,210	1,121,120
Payroll and taxes payable	1,016,557			77,234		217,764	1,189,819	1,166,705
Due to other funds	1,285,146		\$ 189,219			63,349	1,769,363	26,651
Unearned revenue							63,349	
Total liabilities	2,552,773	\$ 0	189,219	120,820	\$ 0	426,909	3,289,721	2,654,406
DEFERRED INFLOWS OF RESOURCES								
Receivables not collected in 60 days	126,958				5,246		132,204	163,315
Total deferred inflows of resources	126,958	0	0	0	5,246	0	132,204	163,315
FUND BALANCES								
Restricted for capital improvements		1,280,609			345,894		345,894	546,115
Committed for capital improvements						70,210	1,350,819	991,924
Assigned	15,602					12,231	12,231	56,167
Unassigned	15,602	1,280,609	0	0	345,894	82,441	15,602	217,775
Total fund balances	15,602	1,280,609	0	0	345,894	82,441	1,724,546	1,811,981
Total liabilities and fund balances	\$ 2,695,333	\$ 1,280,609	\$ 189,219	\$ 120,820	\$ 351,140	\$ 509,350	\$ 5,146,471	\$ 4,629,702

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016**

	Total Governmental Funds	Prior Year 2015
Total fund balances - Governmental Funds	\$ 1,724,546	\$ 1,811,981
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	9,650,148	9,192,686
Accumulated depreciation	(6,560,659)	(6,445,313)
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.	132,204	128,520
Note receivable not due in the current year and not available soon enough to pay for the current period's expenditures and, therefore, is deferred in the funds.		49,460
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.	1,689,000	736,325
Deferred outflows	(1,654,000)	(1,964,000)
Deferred inflows		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(860,920)	(955,000)
Lease payable	(2,564,000)	(1,427,000)
Net pension liability		
An internal service fund is used by management to charge employee medical insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	172,152	263,344
Total net position - Governmental Activities	\$ 1,728,471	\$ 1,391,003

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	General	Forest Reserve	Youth Challenge Program	School Lunch	School Plant Facility Reserve	Other Governmental Funds	Total Governmental Funds	Prior Year 2015
REVENUES								
General property taxes	\$ 2,432,685		\$ 1,622,111		\$ 134,090	\$ 20,711	\$ 2,587,486	\$ 2,433,263
Slate foundation program	6,111,665					43,102	7,776,878	7,302,702
Other state revenue	108,895					80,361	189,256	139,580
Federal revenue	900	\$ 320,388		\$ 601,012		1,283,659	2,205,959	1,911,786
Charges for services				110,512		8,235	118,747	115,843
Earnings on investments	7,346	33		1	1,418	2,638	11,436	13,530
Other revenues	36,952	10,671	598,921	313,095	11,900	89,558	1,061,097	762,228
Total revenues	8,698,443	331,092	2,221,032	1,024,620	147,408	1,528,264	13,950,859	12,678,932
EXPENDITURES								
Instruction								
Regular programs	4,682,195		2,084,872			387,145	7,154,212	6,398,875
Special programs	450,583					263,025	713,608	648,770
Interscholastic and school activity	188,323						188,323	174,971
Support services								
Pupil support	420,485					4,091	424,576	460,724
Staff support	852,939					683,717	1,536,656	1,645,278
General administration	187,932						187,932	176,045
School administration	617,640						617,640	577,999
Business services	184,244						184,244	175,428
Maintenance and operations	810,338				3,691		814,029	883,112
Transportation	597,256	24,295		1,036,519	118,900		740,451	852,505
Food services	13,066						1,049,585	586,295
Capital outlay					307,834		307,834	452,031
Debt services					119,204		119,204	52,200
Total expenditures	9,005,001	24,295	2,084,872	1,036,519	549,629	1,337,978	14,038,294	13,084,233
EXCESS OF REVENUES OVER EXPENDITURES	(306,558)	306,797	136,160	(11,899)	(402,221)	190,286	(87,435)	(405,301)
OTHER FINANCING SOURCES (USES)								
Transfers from other funds	353,721			28,613	202,000	35,437	619,771	307,545
Proceeds from bonds								1,000,000
Transfers to other funds	(249,336)			(16,714)		(176,597)	(619,771)	(322,010)
Total other financing sources (uses)	104,385	0	(177,124)	11,899	202,000	(141,160)	0	985,535
NET CHANGE IN FUND BALANCES	(202,173)	306,797	(40,964)	0	(200,221)	49,126	(87,435)	580,234
FUND BALANCES AT BEGINNING OF YEAR	217,775	973,812	40,964	0	546,115	33,315	1,811,981	1,231,747
FUND BALANCES AT END OF YEAR	\$ 15,602	\$ 1,280,609	\$ 0	\$ 0	\$ 345,894	\$ 82,441	\$ 1,724,546	\$ 1,811,981

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, 2016

	Total Governmental Funds	Prior Year 2015
Net change in fund balances - Total Governmental Funds	\$ (87,435)	\$ 580,234
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	618,574	696,734
Current year depreciation	(276,458)	(263,586)
Undepreciated basis on equipment disposed during the year		(145,600)
Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However for governmental activities, the repayment of funds is reflected as a payment of outstanding long-term debt:		
Current year long-term debt issued		(1,000,000)
Current year repayment of long-term debt	94,080	45,000
Some revenues will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues:		
Current year taxes receivable	132,204	82,980
Current year note receivable		95,000
Prior year taxes receivable and note receivable	(177,980)	(228,781)
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	125,675	458,019
An internal service fund is used by management to charge employee medical insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		
	(91,192)	22,047
Change in net position - Governmental Activities	\$ 337,468	\$ 342,047

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

BALANCE SHEET - PROPRIETARY FUNDS

June 30, 2016

	Governmental Activities Internal Service Fund	Prior Year 2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 153,546	\$ 153,546
Investments	20,648	20,582
Due from other funds	153,004	123,917
Total current assets	\$ 173,652	\$ 298,045
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 1,500	\$ 34,701
Total current liabilities	1,500	34,701
NET POSITION		
Unreserved	172,152	263,344
Total net position	172,152	263,344
Total liabilities and net position	\$ 173,652	\$ 298,045

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 PROPRIETARY FUNDS
 Year Ended June 30, 2016**

	Governmental Activities	Prior Year 2015	Prior Year 2014
REVENUES			
Interfund charges for medical insurance		\$ 232,849	\$ 214,263
Total revenues		<u>232,849</u>	<u>214,263</u>
OPERATING EXPENSES			
Instruction improvement	6,111	5,870	46,175
Maintenance and operations	317,996	214,672	159,983
Total operating expenses	<u>324,107</u>	<u>220,542</u>	<u>206,158</u>
OPERATING INCOME (LOSS)	<u>(91,258)</u>	<u>22,016</u>	<u>8,105</u>
NONOPERATING REVENUES			
Earnings on investments	66	31	180
Total nonoperating revenues	<u>66</u>	<u>31</u>	<u>180</u>
CHANGE IN NET POSITION	<u>(91,192)</u>	<u>22,047</u>	<u>8,285</u>
NET POSITION AT BEGINNING OF YEAR	<u>263,344</u>	<u>241,297</u>	<u>233,012</u>
NET POSITION AT END OF YEAR	<u>\$ 172,152</u>	<u>\$ 263,344</u>	<u>\$ 241,297</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2016

	Governmental Activities	Prior Year 2015
	Internal Service Fund	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund charges	\$ 232,849	\$ 242,558
Cash paid for fund expenses	(357,308)	(193,006)
Net cash provided (used) by operating activities	(124,459)	49,552
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to other funds	(29,087)	(123,917)
Purchase of investments	(66)	(31)
Interest received	66	31
Net cash used by investing activities	(29,087)	(123,917)
NET CHANGE IN CASH	(153,546)	(74,365)
CASH AT BEGINNING OF YEAR	153,546	227,911
CASH AT END OF YEAR	\$ 0	\$ 153,546
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (91,258)	\$ 22,016
Changes in accounts payable	(33,201)	27,536
Net cash provided (used) by operating activities	\$ (124,459)	\$ 49,552

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2016

	Private- Purpose Trusts	Agency Funds
ASSETS		
Current assets		
Cash	\$ 428	\$ 143,893
Investments	24,799	
Total assets	<u>25,227</u>	<u>\$ 143,893</u>
LIABILITIES		
Current liabilities		
Due to student groups		\$ 143,893
Total current liabilities	0	<u>143,893</u>
Total liabilities	0	<u>\$ 143,893</u>
NET POSITION		
Held in trust	<u>25,227</u>	
Total net position	<u>\$ 25,227</u>	

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
Year Ended June 30, 2016**

	Private- Purpose Trusts	Prior Year 2015
ADDITIONS		
Earnings on investments	\$ 518	\$ 515
Total additions	<u>518</u>	<u>515</u>
DEDUCTIONS		
Scholarships	13,139	1,083
Total deductions	<u>13,139</u>	<u>1,083</u>
Change in net position	(12,621)	(568)
Net position at beginning of year	<u>37,848</u>	<u>38,416</u>
NET POSITION AT END OF YEAR	<u>\$ 25,227</u>	<u>\$ 37,848</u>

See accompanying notes

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity. Joint School District No. 171 is based in Orofino, Idaho, and located primarily within Clearwater County but also includes part of Lewis and Nez Perce Counties. The District operates a kindergarten through twelve grade program through two high school facilities: Orofino High School and Timberline High School; and four elementary schools: Orofino Elementary, Timberline Schools Elementary, Cavendish Elementary, and Peck Elementary. Total District enrollment is approximately 1,111 students.

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

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

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

Economic Resources Measurement Focus and Accrual Basis of Accounting

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

Under this measurement focus, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 30 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, the state foundation program, federal and state grants, and interest are considered susceptible to accrual.

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

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

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

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

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

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Resources (Continued).

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

Unassigned

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

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

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

Program Revenue

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Employees Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. The liability is measured as of July 01, 2015, 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

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	\$ 8,777,521	\$ 9,266,299
After School Fund		1,050
Youth Challenge	514,165	2,084,872
Community Foundation Grants	0	19,998
Nez Perce Tribe Grants	0	19,852
Challenge DOL Youth Training Grant	0	11,807
Healthy School Nurse Grant	40,000	44,015
Public School Technology	56,782	62,566
Challenge Title I	0	45,017
Title I	215,667	215,697
Carl Perkins Vocational Education	13,500	15,650
Medicaid	475,000	681,558
School Lunch	468,210	617,445

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

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2016, the carrying amount of the District's deposits was \$7,900 in governmental activities, and \$144,321 in fiduciary activities. The bank balance was an overdraft of \$43,827. None of the balance would be considered uninsured or uncollateralized.

Investments. At June 30, 2016, 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	\$ 130,725	
Uninsured balance held by Idaho Department of Health and Welfare	12,317	
Uninsured and unregistered with securities held in the District's name		
Pioneer Value Fund		\$ 9,625
Idaho State Treasurer's Local Government Investment Pool	1,371,867	15,174
Total investments	\$ 1,514,909	\$ 24,799

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

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

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

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

Details of accounts receivable at June 30, 2016, are as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>
State of Idaho - Foundation program	\$ 279,273	
State of Idaho - State grants	18,513	
State of Idaho - Federal grants	269,202	
Federal funds due from other agencies	149,040	
Youth Challenge Program	67,319	
Other	<u>215,041</u>	
	<u><u>\$ 998,388</u></u>	<u><u>\$ 0</u></u>

5. PROPERTY TAXES

The District's property tax levies for calendar years 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Certified Budget Request		
Tort levy	\$ 55,926	\$ 54,297
Supplemental levy approved	2,285,000	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>
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%
2006	1,331,637	467,719,755	0.2774459%

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2016, is as follows:

	6/30/15			6/30/16
	<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	454,686	\$ 3,995		458,681
School lunch	365,713	11,672		377,385
Other	7,829	75,469		83,298
Buildings				
Elementary	2,532,996	26,767		2,559,763
Secondary	3,148,810	363,638		3,512,448
Bus Shop	502,546			502,546
Buses	1,868,831	137,032	\$ (161,112)	1,844,751
Vehicles	109,865			109,865
	<u>\$ 9,192,686</u>	<u>\$ 618,573</u>	<u>\$ (161,112)</u>	<u>9,650,147</u>
Accumulated depreciation				
Equipment				
Elementary	\$ 66,205	\$ 214		66,419
Secondary	318,955	15,362		334,317
School lunch	269,323	19,423		288,746
Other	7,829	7,547		15,376
Buildings				
Elementary	1,836,719	26,288		1,863,007
Secondary	2,346,459	52,849		2,399,308
Bus Shop	246,030	16,225		262,255
Buses	1,268,619	133,952	\$ (161,112)	1,241,459
Vehicles	85,174	4,598		89,772
	<u>\$ 6,445,313</u>	<u>\$ 276,458</u>	<u>\$ (161,112)</u>	<u>6,560,659</u>
Capital assets, net				<u>\$ 3,089,488</u>

Depreciation of \$276,458 was charged to the following functions in the statement of activities:

Instruction, regular programs	\$ 94,713
School lunch	19,423
Transportation	154,775
Other	7,547

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

7. GENERAL LONG-TERM DEBT

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

Future payments under bonds payable as of June 30, 2016, are as follows:

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

Interest expense of \$25,124 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 7/1/15</u>	<u>Additions</u>	<u>Repayment</u>	<u>Balance 6/30/16</u>
Lease agreement	<u>\$ 955,000</u>	<u>\$ 0</u>	<u>\$ 94,080</u>	\$ 860,920
Current portion of lease				91,439
Non current portion of lease				<u>\$ 769,481</u>

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

8. DEFINED BENEFIT PENSION PLAN

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits. After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2.0 percent of the average monthly salary for the highest consecutive 42 months. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent or more. The PERSI board has the authority to provide higher cost of living increases to a maximum of the *Consumer Price Index* movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

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

The contribution rates for employees are set by statute at 60 percent of the employer rate. As of June 30, 2016, 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 \$652,438, \$609,105 and \$583,649 for the three years ended June 30, 2016, 2015, and 2014, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$2,564,000 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2015, 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, 2015, the District's proportion was .001946968 percent.

For the year ended June 30, 2016, the District recognized a net gain on pension expense of \$(125,675). At June 30, 2016, 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, 2015	\$ 584,000	
Differences between expected and actual experience		\$ 308,000
Changes in assumptions or other inputs	\$ 93,000	
Net difference between projected and actual earnings on pension plan investments	\$ 944,000	\$ 1,346,000

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

2016	\$ 320,909
2017	(263,091)
2018	(263,091)
2019	190,957
2020	(18,684)

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, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Sensitivity – a 1% change in the discount rate would affect the District's net pension liability as follows:			
	1% Decrease	7.1% rate used	1% Increase
District Net Pension Liability	\$ 6,245,000 liability	\$ 2,564,000 liability	\$1,506,000 asset

9. RISK MANAGEMENT

The District purchases commercial insurance through the Idaho Counties Risk Management Program (ICRMP) to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2016, 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

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, 2016, amounted to \$13,066. An additional \$28,613 was transferred to the school lunch fund to pay bills for the 2016 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 \$202,000 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 Program to General Fund	\$	177,124
From Youth Challenge School Lunch to School Lunch		16,714

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

11. FUND BALANCE RESERVES AND DESIGNATIONS

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

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

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

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

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

JOINT SCHOOL DISTRICT NO. 171

NOTES TO FINANCIAL STATEMENTS

12. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

Individual Fund Interfund Receivable and Payable Balances. Such balances at June 30, 2016, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Forest Reserve	\$ 1,270,154	
Afterschool fund	6,910	
Driver Education	1,927	
Healthy School Nurse	6,324	
Public School Technology	4,225	
Title I	13,249	
District Property	66,903	
School Lunch	5,507	
School Plant Facility Reserve	241,160	
Medical Benefit Pool	153,004	
General		\$ 1,285,146
Youth Challenge Program		189,219
Challenge DOL Youth Training Grant		7,121
Vocational Education		9,577
Challenge Title I		18,239
Title VI-B		59,590
Title VI-B Preschool		2,362
Rural Education		4,330
Carl Perkins Vocational Education		12,072
Title II-A Improving Teacher Quality		6,233
Medicaid		98,240

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

13. CONTINGENT LIABILITIES

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

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF PENSION FUNDING
Year Ended June 30, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability		Net Pension Liability as % of Covered Payroll
						%	Amount	
2007	\$ 609,900	\$ 609,900	\$ 0	\$ 5,870,100	10.39%	(1)	(1)	
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	72%
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%

(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, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
General property taxes	\$ 2,341,755	\$ 2,341,755	\$ 2,432,685	\$ 90,930
State foundation program	6,235,156	6,235,156	6,111,665	(123,491)
Other state revenue	4,104	4,104	108,895	104,791
Federal revenue			900	900
Earnings on investments	2,100	2,100	7,346	5,246
Other revenues	51,000	51,000	36,952	(14,048)
Total revenues	<u>8,634,115</u>	<u>8,634,115</u>	<u>8,698,443</u>	<u>64,328</u>
EXPENDITURES				
Payroll	4,882,775	4,882,775	5,060,215	(177,440)
Payroll burden and employee benefits	2,355,807	2,355,807	2,397,552	(41,745)
Purchased services	673,358	673,358	1,002,565	(329,207)
Supplies and materials	501,931	501,931	475,551	26,380
Capital outlay	10,650	10,650	7,898	2,752
Insurance	63,500	63,500	61,220	2,280
Total expenditures	<u>8,488,021</u>	<u>8,488,021</u>	<u>9,005,001</u>	<u>(516,980)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>146,094</u>	<u>146,094</u>	<u>(306,558)</u>	<u>(452,652)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	47,000	47,000	353,721	306,721
Transfers to other funds	(289,500)	(289,500)	(249,336)	40,164
Total other financing sources (uses)	<u>(242,500)</u>	<u>(242,500)</u>	<u>104,385</u>	<u>346,885</u>
NET CHANGE IN FUND BALANCES	<u>(96,406)</u>	<u>(96,406)</u>	<u>(202,173)</u>	<u>(105,767)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>96,406</u>	<u>96,406</u>	<u>217,775</u>	<u>121,369</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,602</u>	<u>\$ 15,602</u>

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
FOREST RESERVE
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue			\$ 320,388	\$ 320,388
Earnings on investments	\$ 15	\$ 15	33	18
Other revenues	8,000	8,000	10,671	2,671
Total revenues	8,015	8,015	331,092	323,077
EXPENDITURES				
Capital outlay	111,000	111,000	24,295	86,705
Debt services	104,400	104,400		104,400
Total expenditures	215,400	215,400	24,295	191,105
EXCESS OF REVENUES OVER EXPENDITURES	<u>(207,385)</u>	<u>(207,385)</u>	<u>306,797</u>	<u>514,182</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(30,000)	(30,000)		30,000
Total other financing sources (uses)	(30,000)	(30,000)	0	30,000
NET CHANGE IN FUND BALANCES	<u>(237,385)</u>	<u>(237,385)</u>	<u>306,797</u>	<u>544,182</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>237,385</u>	<u>237,385</u>	<u>973,812</u>	<u>736,427</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,280,609</u>	<u>\$ 1,280,609</u>

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
YOUTH CHALLENGE PROGRAM
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
State foundation program	\$ 499,165	\$ 499,165	\$ 1,622,111	\$ 1,122,946
Other revenues	69,883	69,883	598,921	529,038
Total revenues	569,048	569,048	2,221,032	1,651,984
EXPENDITURES				
Payroll	360,905	360,905	325,663	35,242
Payroll burden and employee benefits	135,260	135,260	118,495	16,765
Purchased services	18,000	18,000	1,640,714	(1,622,714)
Total expenditures	514,165	514,165	2,084,872	(1,570,707)
EXCESS OF REVENUES OVER EXPENDITURES	54,883	54,883	136,160	81,277
OTHER FINANCING SOURCES (USES)				
Transfers to other funds			(177,124)	(177,124)
Total other financing sources (uses)	0	0	(177,124)	(177,124)
NET CHANGE IN FUND BALANCES	54,883	54,883	(40,964)	(95,847)
FUND BALANCES AT BEGINNING OF YEAR	(54,883)	(54,883)	40,964	95,847
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0

Budgets are adopted on the Modified Accrual Basis of Accounting

JOINT SCHOOL DISTRICT NO. 171

**BUDGETARY COMPARISON SCHEDULE -
SCHOOL LUNCH
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Federal revenue	\$ 497,320	\$ 497,320	\$ 601,012	\$ 103,692
Charges for services	78,010	78,010	110,512	32,502
Earnings on investments			1	1
Other revenues	179,345	179,345	313,095	133,750
Total revenues	754,675	754,675	1,024,620	269,945
EXPENDITURES				
Payroll	244,370	244,370	268,050	(23,680)
Payroll burden and employee benefits	136,897	136,897	144,796	(7,899)
Purchased services	3,950	3,950	7,117	(3,167)
Supplies and materials	394,458	394,458	605,666	(211,208)
Capital outlay	15,000	15,000	10,890	4,110
Total expenditures	794,675	794,675	1,036,519	(241,844)
EXCESS OF REVENUES OVER EXPENDITURES	(40,000)	(40,000)	(11,899)	28,101
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	40,000	40,000	28,613	(11,387)
Transfers to other funds			(16,714)	(16,714)
Total other financing sources (uses)	40,000	40,000	11,899	(28,101)
NET CHANGE IN FUND BALANCES	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0

Budgets are adopted on the Modified Accrual Basis of Accounting

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Joint School District No. 171, as of and for the year ended June 30, 2016, 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 November 08, 2016.

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 #2016-001).

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

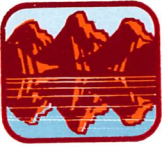
The Joint School District No. 171's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Joint School District No. 171's response was not subjected to the auditing procedures applied in the audit of the financial statements and,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

November 08, 2016



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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 *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, 2016. 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, 2016.

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

November 08, 2016

JOINT SCHOOL DISTRICT NO. 171

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended June 30, 2016

	CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Idaho - Department of Education				
School Breakfast Program	10.553	201616N109947	None	\$ 230,558 *
National School Lunch Program	10.555	201616N109947	None	360,134 *
Special Milk Program for Children	10.556	201616N109947	None	328 *
Summer Food Service Program for Children	10.559	2015IN109947	None	3,127 *
Subtotal School Lunch cluster				<u>594,147</u>
Passed through the State of Idaho - Department of Education				
Fresh Fruit and Vegetable Program	10.582	2016IL160347	None	6,865
Passed through Idaho County, State of Idaho				
Schools and Roads - Grants to Counties	10.666		None	24,295
Total Department of Agriculture				<u>625,307</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Passed through the State of Idaho - Idaho Commission for Libraries				
State Library Program	45.310	LS0015001315	None	900
Total National Endowment for the Humanities				<u>900</u>
DEPARTMENT OF EDUCATION				
Passed through the State of Idaho - Department of Education				
Title I	84.010	S010A150012	None	260,714
Title VI-B	84.027	H027A150088	None	249,859 *
Title VI-B Preschool	84.173	H173A150030	None	13,166 *
Subtotal Title VI-B cluster				<u>263,025</u>
Carl Perkins Vocational Education	84.048A	V048A140012	None	13,856
Rural Education	84.358	S358B150012	None	18,824
Title II-A Improving Teacher Quality	84.367	S367A150011	None	37,891
Total Department of Education				<u>594,310</u>
TOTAL FEDERAL AWARDS				<u>\$ 1,220,517</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, 2016. 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, 2016

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:

CFDA Numbers Name of federal program or cluster

School Lunch cluster

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

Title VI-B cluster

84.027 Title VI-B
84.173 Title VI-B Preschool

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, 2016

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2016-001

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

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

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

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

Recommendation: We concur with the District's response.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GOVERNMENTAL FUNDS

GENERAL FUND

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

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

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

SPECIAL REVENUE FUNDS

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

LOCAL SPECIAL PROJECTS

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

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

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

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

STATE FUNDED PROJECTS

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

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

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

FEDERALLY FUNDED PROJECTS

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

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

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

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

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

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

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

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

OTHER PROJECTS

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, 2016

	General	Forest Reserve	District Property	Nez Perce Tribe Grants	After School	Youth Challenge
ASSETS						
Cash						
Investments	\$ 1,375,765	\$ 10,455	\$ 3,307			
Property taxes receivable	1,024,317					\$ 189,219
Accounts receivable	295,251		66,903		\$ 6,910	
Due from other funds		1,270,154				
Total assets	\$ 2,695,333	\$ 1,280,609	\$ 70,210	\$ 0	\$ 6,910	\$ 189,219
LIABILITIES						
Checks issued in excess of deposits	\$ 75,980					
Accounts payable	175,090					
Payroll and taxes payable	1,016,557					\$ 189,219
Due to other funds	1,285,146					
Unearned revenue						
Total liabilities	2,552,773	\$ 0	\$ 0	\$ 0	\$ 0	189,219
DEFERRED INFLOWS OF RESOURCES						
Receivables not collected in 60 days	126,958					
Total deferred inflows of resources	126,958	0	0	0	0	0
FUND BALANCES						
Restricted for capital improvements		1,280,609	70,210		6,910	
Committed for capital improvements						
Assigned	15,602					
Unassigned	15,602		70,210		6,910	
Total fund balances	31,204	1,280,609	70,210	0	6,910	0
Total liabilities and fund balances	\$ 2,695,333	\$ 1,280,609	\$ 70,210	\$ 0	\$ 6,910	\$ 189,219

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2016

	<u>Driver Education</u>	<u>Vocational Education</u>	<u>Public School Technology</u>	<u>Challenge DOL Youth Training Grant</u>	<u>Title I</u>	<u>Challenge Title I</u>
ASSETS						
Cash						
Investments						
Property taxes receivable	\$ 4,875	\$ 12,612		\$ 7,791	\$ 17,785	\$ 39,277
Accounts receivable	<u>1,927</u>		<u>\$ 4,225</u>		<u>13,249</u>	
Due from other funds						
Total assets	<u>\$ 6,802</u>	<u>\$ 12,612</u>	<u>\$ 4,225</u>	<u>\$ 7,791</u>	<u>\$ 31,034</u>	<u>\$ 39,277</u>
LIABILITIES						
Checks issued in excess of deposits				\$ 670		\$ 3,618
Accounts payable	\$ 6,802	\$ 1,861	\$ 2,889		\$ 31,034	2,437
Payroll and taxes payable		9,577		7,121		18,239
Due to other funds						14,983
Unearned revenue						<u>39,277</u>
Total liabilities	<u>6,802</u>	<u>11,438</u>	<u>2,889</u>	<u>7,791</u>	<u>31,034</u>	<u>39,277</u>
DEFERRED INFLOWS OF RESOURCES						
Receivables not collected in 60 days						
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES						
Restricted for capital improvements						
Committed for capital improvements		1,174	1,336			
Assigned						
Unassigned						
Total fund balances	<u>0</u>	<u>1,174</u>	<u>1,336</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 6,802</u>	<u>\$ 12,612</u>	<u>\$ 4,225</u>	<u>\$ 7,791</u>	<u>\$ 31,034</u>	<u>\$ 39,277</u>

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2016

	Title VI-B	Title VI-B Preschool	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Healthy School Nurse Grant	Community Foundation Grants
ASSETS							
Cash							
Investments							
Property taxes receivable							
Accounts receivable	\$ 94,102	\$ 6,953	\$ 14,390	\$ 13,856	\$ 45,824	\$ 6,324	
Due from other funds							
Total assets	\$ 94,102	\$ 6,953	\$ 14,390	\$ 13,856	\$ 45,824	\$ 6,324	\$ 0
LIABILITIES							
Accounts payable	\$ 168			\$ 1,784			
Payroll and taxes payable	34,344		\$ 5,381		\$ 495	\$ 3,513	
Due to other funds	59,590	\$ 2,362	4,330	12,072	6,233		
Unearned revenue		4,591	4,679		39,096		
Total liabilities	94,102	6,953	14,390	13,856	45,824	3,513	0
DEFERRED INFLOWS OF RESOURCES							
Receivables not collected in 60 days							
Total deferred inflows of resources	0	0	0	0	0	0	0
FUND BALANCES							
Restricted for capital improvements							
Committed for capital improvements							
Assigned							
Unassigned							2,811
Total fund balances	0	0	0	0	0	0	2,811
Total liabilities and fund balances	\$ 94,102	\$ 6,953	\$ 14,390	\$ 13,856	\$ 45,824	\$ 6,324	\$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2016

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
ASSETS					
Cash		\$ 7,900		\$ 104,734	\$ 7,900
Investments				5,246	1,494,261
Property taxes receivable		30,179	\$ 77,234	241,160	1,029,563
Accounts receivable	\$ 149,040	5,507			998,388
Due from other funds					1,616,359
Total assets	\$ 149,040	\$ 43,586	\$ 77,234	\$ 351,140	\$ 5,146,471
LIABILITIES					
Checks issued in excess of deposits					\$ 75,980
Accounts payable		\$ 8,019			191,210
Payroll and taxes payable	\$ 50,800	35,567			1,189,819
Due to other funds	98,240		\$ 77,234		1,769,363
Unearned revenue					63,349
Total liabilities	149,040	43,586	77,234	\$ 0	3,289,721
DEFERRED INFLOWS OF RESOURCES					
Receivables not collected in 60 days				\$ 5,246	132,204
Total deferred inflows of resources	0	0	0	5,246	132,204
FUND BALANCES					
Restricted for capital improvements				345,894	345,894
Committed for capital improvements					1,350,819
Assigned					12,231
Unassigned					15,602
Total fund balances	0	0	0	345,894	1,724,546
Total liabilities and fund balances	\$ 149,040	\$ 43,586	\$ 77,234	\$ 351,140	\$ 5,146,471

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	General	Forest Reserve	District Property	Nez Perce Tribe Grants	After School	Youth Challenge
REVENUES						
General property taxes	\$ 2,432,685					\$ 1,622,111
State foundation program	6,111,665					
Other state revenue	108,895					
Federal revenue	900	\$ 320,388				
Charges for services	7,346	33	\$ 2,638			
Earnings on investments	36,952	10,671	49,460	\$ 20,000	\$ 100	598,921
Other revenues	8,698,443	331,092	52,098	20,000	100	2,221,032
Total revenues						
EXPENDITURES						
Instruction	4,682,195			19,852		2,084,872
Regular programs	450,583					
Special programs	188,323					
Interscholastic and school activity						
Support services	420,485				1,050	
Pupil support	852,939					
Staff support	187,932					
General administration	617,640					
School administration	184,244					
Business services	810,338					
Maintenance and operations	597,256	24,295				
Transportation	13,066					
Food services						
Debt services						
Capital outlay						
Total expenditures	9,005,001	24,295	0	19,852	1,050	2,084,872
EXCESS OF REVENUES OVER EXPENDITURES	(306,558)	306,797	52,098	148	(950)	136,160
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	353,721			510		(177,124)
Transfers to other funds	(249,336)					(177,124)
Total other financing sources (uses)	104,385	0	0	510	0	(40,964)
NET CHANGE IN FUND BALANCES	(202,173)	306,797	52,098	658	(950)	(40,964)
FUND BALANCES A BEGINNING OF YEAR	217,775	973,812	18,112	(658)	7,860	40,964
FUND BALANCES AT END OF YEAR	\$ 15,602	\$ 1,280,609	\$ 70,210	\$ 0	\$ 6,910	\$ 0

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	Driver Education	Vocational Education	Public School Technology	Challenge DOL Youth Training Grant	Title I	Challenge Title I	Title VI-B	Title VI-B Preschool
REVENUES								
General property taxes			\$ 20,711					
State foundation program			43,102					
Other state revenue	\$ 9,499	\$ 30,862		\$ 7,791	\$ 215,697	\$ 45,017	\$ 249,859	\$ 13,166
Federal revenue	8,235							
Charges for services								
Earnings on investments								
Other revenues	17,734	30,862	63,813	7,791	215,697	45,017	249,859	13,166
Total revenues								
	19,270	29,688	20,085		239,201	5,184	249,859	13,166
EXPENDITURES								
Instruction								
Regular programs								
Special programs								
Interscholastic and school activity								
Support services								
Pupil support			42,481	11,807	5,163	4,091		
Staff support						35,742		
General administration								
School administration								
Business services								
Maintenance and operations								
Transportation								
Food services								
Debt services								
Capital outlay								
Total expenditures	19,270	29,688	62,566	11,807	244,364	45,017	249,859	13,166
	(1,536)	1,174	1,247	(4,016)	(28,667)	0	0	0
EXCESS OF REVENUES OVER EXPENDITURES								
	450			4,016	28,667			
OTHER FINANCING SOURCES (USES)								
Transfers from other funds	450	0	0	4,016	28,667	0	0	0
Transfers to other funds								
Total other financing sources (uses)	(1,086)	1,174	1,247	0	0	0	0	0
NET CHANGE IN FUND BALANCES	1,086	0	89	0	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	\$ 0	\$ 1,174	\$ 1,336	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES AT END OF YEAR								

JOINT SCHOOL DISTRICT NO. 171

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2016

	Rural Education	Carl Perkins Vocational Education	Title II-A Improving Teacher Quality	Healthy School Nurse Grant	Community Foundation Grants
REVENUES					
General property taxes					
State foundation program					
Other state revenue	\$ 18,824	\$ 13,856	\$ 37,891	\$ 40,000	
Federal revenue					
Charges for services					
Earnings on investments					
Other revenues					\$ 19,998
Total revenues	<u>18,824</u>	<u>13,856</u>	<u>37,891</u>	<u>40,000</u>	<u>19,998</u>
EXPENDITURES					
Instruction					
Regular programs	18,824	15,043			19,998
Special programs					
Interscholastic and school activity					
Support services					
Pupil support		607	37,891	44,015	
Staff support					
General administration					
School administration					
Business services					
Maintenance and operations					
Transportation					
Food services					
Debt services					
Capital outlay					
Total expenditures	<u>18,824</u>	<u>15,650</u>	<u>37,891</u>	<u>44,015</u>	<u>19,998</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>(1,794)</u>	<u>0</u>	<u>(4,015)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds		1,794			
Transfers to other funds	0	1,794	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>1,794</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,015)</u>	<u>0</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,826</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,811</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, 2016

	Medicaid	School Lunch	Challenge School Lunch	School Plant Facility Reserve	Combined
REVENUES					
General property taxes				\$ 134,090	\$ 2,587,486
State foundation program					7,776,878
Other state revenue					189,256
Federal revenue	\$ 681,558	\$ 471,329	\$ 129,683		2,205,959
Charges for services		109,997	515		118,747
Earnings on investments		1		1,418	11,436
Other revenues		7,505	305,590	11,900	1,061,097
Total revenues	681,558	588,832	435,788	147,408	13,950,859
EXPENDITURES					
Instruction					7,154,212
Regular programs					713,608
Special programs					188,323
Interscholastic and school activity					424,576
Support services					1,536,656
Pupil support	504,961				187,932
Staff support					617,640
General administration					184,244
School administration					814,029
Business services				3,691	740,451
Maintenance and operations				118,900	1,049,585
Transportation					119,204
Food services		617,445	419,074		119,204
Debt services					307,834
Capital outlay					307,834
Total expenditures	504,961	617,445	419,074	549,629	14,038,294
EXCESS OF REVENUES OVER EXPENDITURES	176,597	(28,613)	16,714	(402,221)	(87,435)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds		28,613		202,000	619,771
Transfers to other funds	(176,597)		(16,714)		(619,771)
Total other financing sources (uses)	(176,597)	28,613	(16,714)	202,000	0
NET CHANGE IN FUND BALANCES	0	0	0	(200,221)	(87,435)
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	546,115	1,811,981
FUND BALANCES AT END OF YEAR	0	0	0	\$ 345,894	\$ 1,724,546

TRUST AND AGENCY FUNDS

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

PRIVATE PURPOSE TRUST FUNDS

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

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

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

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

AGENCY FUNDS

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

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

JOINT SCHOOL DISTRICT NO. 171

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS
June 30, 2016

	Nelson Scholarship Trust	Robbie Miller Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Orofino High School	Timberline Schools	Orofino Elementary School	Combined
ASSETS								
Cash	\$ 428							\$ 144,321
Investments	9,631		\$ 5,054	\$ 10,114		\$ 45,612	\$ 6,648	24,799
Total assets	\$ 10,059	\$ 0	\$ 5,054	\$ 10,114	\$ 91,633	\$ 45,612	\$ 6,648	\$ 169,120
LIABILITIES								
Due to student groups					\$ 91,633	\$ 45,612	\$ 6,648	\$ 143,893
Total liabilities	\$ 0	\$ 0	\$ 0	\$ 0	91,633	45,612	6,648	143,893
FUND EQUITY								
Unreserved, undesignated	10,059	0	5,054	10,114				25,227
Total fund equity	10,059	0	5,054	10,114	0	0	0	25,227
Total liabilities and fund equity	\$ 10,059	\$ 0	\$ 5,054	\$ 10,114	\$ 91,633	\$ 45,612	\$ 6,648	\$ 169,120

JOINT SCHOOL DISTRICT NO. 171

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

Year Ended June 30, 2016

	Nelson Scholarship Trust	Robbie Miller Scholarship Trust	Portfor Athletic Trust	Portfor Band Trust	Combined
REVENUES					
Earnings on investments	\$ 471	\$ 15	\$ 32	\$ 518	\$ 518
Total revenues	<u>471</u>	<u>15</u>	<u>32</u>	<u>518</u>	<u>518</u>
EXPENDITURES					
Regular instruction	739	12,400			13,139
Total expenditures	<u>739</u>	<u>12,400</u>	<u>0</u>	<u>0</u>	<u>13,139</u>
EXCESS OF REVENUES OVER EXPENDITURES	(268)	(12,400)	15	32	(12,621)
FUND EQUITY AT BEGINNING OF YEAR	<u>10,327</u>	<u>12,400</u>	<u>5,039</u>	<u>10,082</u>	<u>37,848</u>
FUND EQUITY AT END OF YEAR	<u>\$ 10,059</u>	<u>\$ 0</u>	<u>\$ 5,054</u>	<u>\$ 10,114</u>	<u>\$ 25,227</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

FUND	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
7th grade	\$ 338	\$ 202	\$ 337	\$ 203
8th grade	63	421	123	361
A P Government	1,154	47,841	41,965	7,030
AED	1,453			1,453
Annual	5,332	11,450	14,563	2,219
AR Store	49			49
Art Fund	0	70		70
Art Neumeyer Scholarship	350		350	0
Athletic Fees	0	15,934	6,926	9,008
Athletics	2,053	1,248		3,301
Baseball	2,571	28,506	26,901	4,176
Biology grant	1	375	320	56
Boys basketball	3,486	10,852	8,899	5,439
Cheerleader account	2,517	16,123	16,086	2,554
Chorus	247	783	640	390
Coaches Fund	205			205
Contingency	3,699	2,572	3,981	2,290
District #171	0	8,705	8,570	135
District Baseball Tournament	1,637		77	1,560
District Softball Tournament	898		77	821
Dramatics Club	621	897	931	587
Drill Team	800	915	1,035	680
Early Teen Living	365	448	814	(1)
Extra curricular	3,326	3,297	2,663	3,960
Faculty Fund	(36)	440	325	79
Football	0	901	890	11
Football Maniac Moms	38			38
Foreign language	14			14
Freshman	64	1,108	117	1,055
Gate Receipts	500	18,398	19,551	(653)
Girls basketball	1,641	1,260	1,890	1,011
Golf	387	35	185	237
H2O	21	43	63	1
Hosa	1,428			1,428
Human Rights Club	256			256
IDLA	300	1,575	225	1,650
Industrial Arts	846			846
Jr High Boys Basketball	162	1,135	1,226	71
Jr High Football	1,739	636		2,375
Jr High Girls Basketball	5	24		29
Jr High Track	1,114	559	150	1,523
Jr High Volleyball	1,026	20	1,027	19
Jr High Wrestling	18			18
Juniors	1,154	5,966	3,456	3,664
Key Club	704	602	1,232	74
Knowledge Bowl	519			519
Lab fees	17	250	250	17
Balance forward	43,082	183,591	165,845	60,828

JOINT SCHOOL DISTRICT NO. 171

OROFINO HIGH SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
For the year Ended June 30, 2016

FUND	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
Balance forward	\$ 43,082	\$ 183,591	\$ 165,845	\$ 60,828
Leadership	640	22	73	589
Library	92	135	86	141
Library Club	40	672	713	(1)
Math Tech	141	300		441
Mediacs	1,292	425		1,717
Michelle's Recycling	(49)			(49)
Music	958	1,830	2,092	696
Nat Honor Society	(8)	132	108	16
NNU	1,681	2,800	831	3,650
OHS Alumni Fund	172			172
School Garden	200			200
Rodeo Club	(499)	500		1
Senior Project	100			100
Seniors	1,316	3,900	4,748	468
Shop (regular account)	1,064	1,626	1,047	1,643
Shop Lab	0	117		117
Silk screening	505	96	215	386
Skills USA	1,880			1,880
Soccer	848	544	380	1,012
Softball	801	6,857	6,777	881
Sophomores	1,926	1,476	2,296	1,106
State Baseball Tournament	1,091	12,212	11,847	1,456
Student Association	734	15,646	15,668	712
Student Council	(880)	6,847	5,620	347
Supplies	(287)	1,792	1,680	(175)
Tax	71	4,517	4,497	91
Towels	192			192
Track	404	1,542	1,945	1
Volleyball	(974)	21,877	15,432	5,471
Weight training	674	101	143	632
Wrestling	1,208	5,176	4,300	2,084
Youth Leg	1,430	392	1,764	58
Bad Checks	(842)	682	1,157	(1,317)
Bank charge	(681)		212	(893)
	58,322	275,807	249,476	84,653
Savings account	6,979	1		6,980
	<u>\$ 65,301</u>	<u>\$ 275,808</u>	<u>\$ 249,476</u>	<u>\$ 91,633</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

FUND	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
Accelerated Reading	\$ 412	\$ 1,574	\$ 937	\$ 1,049
Associated Student Body	442	2,521	2,108	855
Athletics	2,920	19,736	19,058	3,598
Attendance Reward Parties	217	500	427	290
Baseball	459	709	319	849
Boys basketball	299	4,549	2,678	2,170
Building rent	751			751
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			192
Class of 2016	591	4,334	4,814	111
Class of 2017	680	1,048	1,383	345
Class of 2018	(71)			(71)
Class of 2019	0	516	210	306
Class of 2020	161			161
College Credit	(2,537)	670	1,105	(2,972)
COMPASS test	70			70
Computer lab	324			324
Concessions	7,546	11,347	8,027	10,866
Contingency	781	4,918	4,437	1,262
Costa Rica	134	94		228
Counselor	(222)	222		0
District sport fee	662			662
Donation	943		207	736
Drama	37	2,421	1,837	621
Drivers Ed	1,230	1,890		3,120
Elementary School	1,434	2,509	2,045	1,898
Faculty	142	450	670	(78)
Fees	314	5		319
Girls basketball	388	1,659	1,141	906
Girls softball	1,628			1,628
Grants	211			211
Green Club	1,235	230		1,465
H.S. football	7,821	4,370	10,959	1,232
H.S. track	690	695	2,174	(789)
Herff-Jones	226	506	770	(38)
Home Economics	131	233	272	92
Honor Society	113		119	(6)
Balance forward	<u>31,392</u>	<u>67,706</u>	<u>65,697</u>	<u>33,401</u>

JOINT SCHOOL DISTRICT NO. 171

TIMBERLINE SCHOOLS

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

FUND	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
Balance forward	\$ 31,392	\$ 67,706	\$ 65,697	\$ 33,401
HOSA	39			39
IDFY	100			100
Jr. High ASB	271	329		600
Jr. High basketball	(150)	428		278
Jr. High football	721		721	0
Jr. High girls basketball	428	20	428	20
Jr. High Journalism	134			134
Jr. High Shop	127			127
Jr. High track	(64)	10	86	(140)
Jr. High volleyball	87			87
Leadership Class	8			8
Library	649	3,571	4,323	(103)
Metal Shop	4,785	365	1,229	3,921
Music	743			743
PBIS	289			289
PE	(347)	726	228	151
Pee Wee Basketball	61			61
Play Shed	1,426			1,426
PSAT	90			90
Red Cross donation	6			6
Reimbursement	62	1,225	1,708	(421)
Sales tax	356	1,130	1,130	356
Scholarships	1			1
School Store	725	935	1,113	547
Science Club	51	322	51	322
Science lab	292	902	1,016	178
Scratch for Schools	0	597		597
Spanish Club	71			71
Spartan Spirit Squad	218			218
SS-AD	1,088		2,176	(1,088)
Technology	1,084			1,084
THS Cookbooks	43			43
Veteran Wall	7			7
Volleyball	(8)	1,121	560	553
Wood Shop	1,705	219	235	1,689
Yearbook	515	215	513	217
Other	(708)	708		0
	<u>\$ 46,297</u>	<u>\$ 80,529</u>	<u>\$ 81,214</u>	<u>\$ 45,612</u>

JOINT SCHOOL DISTRICT NO. 171

OROFINO ELEMENTARY SCHOOL

STATEMENT OF STUDENT ACTIVITY FUNDS
Year Ended June 30, 2016

	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
OROFINO ELEMENTARY	<u>\$ 9,321</u>	<u>\$ 12,842</u>	<u>\$ 15,515</u>	<u>\$ 6,648</u>

JOINT SCHOOL DISTRICT NO. 171

**COMBINING STATEMENTS OF REVENUES, FUNCTIONAL EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Years Ended June 30, 2016 and 2015**

	General Fund		All Other Funds	
	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016
BEGINNING BALANCES	\$ 54,957	\$ 217,775	\$ 1,456,503	\$ 1,895,398
REVENUES				
General property taxes	2,376,642	2,432,685	56,621	154,801
Other local revenue	121,228	44,298	1,190,797	1,086,206
Intergovernmental revenue				
State of Idaho	6,079,705	6,220,560	1,362,577	1,745,574
Federal	900	900	2,005,478	2,268,408
Other revenue	40		1,045,540	61,360
Transfers	255,586	353,721	87,220	266,050
Total revenues	<u>8,834,101</u>	<u>9,052,164</u>	<u>5,748,233</u>	<u>5,582,399</u>
EXPENDITURES				
Salaries	4,869,820	5,060,215	1,168,341	1,206,973
Benefits	2,311,472	2,397,552	621,643	628,243
Purchased services	938,089	1,002,565	1,728,478	1,820,202
Supplies and materials	449,707	475,551	684,376	869,999
Capital outlay	6,310	7,898	762,953	492,069
Debt service			52,200	119,204
Insurance	43,926	61,220	500	1,000
Transfers	51,959	249,336	290,847	370,435
Total expenditures	<u>8,671,283</u>	<u>9,254,337</u>	<u>5,309,338</u>	<u>5,508,125</u>
ENDING BALANCES	\$ 217,775	\$ 15,602	\$ 1,895,398	\$ 1,969,672