

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2018

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2018

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Statement of Net Position	4 - 5
Statement of Activities	6 - 7
Balance Sheet	8 - 9
Statement of Revenues, Expenditures and Changes in Fund Balance	10 - 11
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	12
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Fiduciary Funds	14
Notes to Basic Financial Statements	15 - 35
Required Supplementary Information	36
Budgetary Comparison Schedule - General Fund	37 - 42
Food Service	43
Schedule of Employer's Share of Net Pension Liability	44
Schedule of Employer's Contributions	44
Notes to Required Supplementary Information	45 - 46
Supplemental Information	47
Combining Balance Sheet - Nonmajor Special Revenue Funds	48 - 52
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	53 - 57
Combining Balance Sheet - Capital Projects Funds	58 - 59
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Funds	60 - 61
Schedule of Change in Net Position - Agency Funds	62
Report on Compliance and Internal Control	63 - 64
Schedule of Findings and Responses	65

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229
Twin Falls, ID 83303-2229

(208) 736-8747

INDEPENDENT AUDITOR'S REPORT

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

September 1, 2018

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Qualified Opinion

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

Summary of Opinions

Governmental Activities	Qualified Opinion
Each major fund	Unmodified Opinion
Aggregate remaining fund information	Unmodified Opinion

Qualified Opinion

In my opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide activities of Dietrich School District No. 314, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Dietrich School District No. 314, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer's contribution on pages 36 through 46 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dietrich School District No. 314's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual financial statements 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 my opinion, the combining and individual nonmajor fund financial statements 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, I have also issued my report dated September 1, 2018, on our consideration of the Dietrich School District No. 314's internal control over financial reporting and on my 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 Dietrich School District No. 314's internal control over financial reporting and compliance

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET POSITION
JUNE 30, 2018

		<u>Governmental Activities</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 12,064	
Cash and Cash Equivalents - Restricted	139,105	
Investments	1,113,110	
Net Receivables	81,128	
Inventory	<u>11,953</u>	
<u>TOTAL CURRENT ASSETS</u>		\$ 1,357,360
 <u>NONCURRENT ASSETS</u>		
Long-Term Receivables	\$ 14,475	
Investments - Restricted	494,400	
Capital Assets (non-depreciated)	2,318,276	
Capital Assets (depreciated - net)	<u>2,148,791</u>	
<u>TOTAL NONCURRENT ASSETS</u>		<u>4,975,942</u>
<u>TOTAL ASSETS</u>		<u>6,333,302</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Obligations	<u>\$ 230,369</u>	
<u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>		<u>230,369</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 47,048	
Salaries and Benefits Payable	176,616	
Interest Payable	37,711	
Current Portion of Long-Term Debt	<u>113,976</u>	
<u>TOTAL CURRENT LIABILITIES</u>		375,351
 <u>NONCURRENT LIABILITIES</u>		
Net Pension Liability	\$ 598,373	
Lease Payable (net of current portion)	49,864	
Bond Payable (net of current portion)	<u>2,305,000</u>	
<u>TOTAL NONCURRENT LIABILITIES</u>		<u>2,953,237</u>
<u>TOTAL LIABILITIES</u>		<u>3,328,588</u>

See accompanying notes to the basic financial statements

	<u>Governmental Activities</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Sources	\$ 89,759	
Deferred Amount on Net Bond Premium	<u>102,895</u>	
 <u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>		 <u>192,654</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, net of related debt	\$ 1,857,621	
Restricted for:		
Capital Projects	462,488	
Debt Service	246,991	
Federal and State Programs	49,216	
Seagraves Grant	35,000	
Unrestricted	<u>391,113</u>	
 <u>TOTAL NET POSITION</u>		 <u>\$ 3,042,429</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Primary Government Functions/Programs</u>	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Governmental Activities:</u>				
Instruction	\$ 1,281,639		\$ 435,736	
Support	189,757		32,849	\$ 50,885
General Administrative	329,877			
Custodial/Maintenance	199,269		23,867	
Student Transportation	149,596	\$ 1,109	95,520	
Non-Instructional - Food Service	159,681	27,243	111,652	
Debt Service - Interest on Debt	92,804		122,032	
<u>Total Governmental Activities</u>	2,402,623	28,352	821,656	50,885
 <u>Business-Type Activities</u>				
None	0	0	0	0
<u>Total Business-Type Activities</u>	0	0	0	0
<u>Total Primary Government</u>	\$ 2,402,623	\$ 28,352	\$ 821,656	\$ 50,885

General Revenue

Property Taxes
State Formula Support
Other State Support
Local Revenue
Investment Earnings

Total General Revenue

Changes in Net Assets

Net Position - Beginning (Restated)

Net Position - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (845,903)		\$ (845,903)
(106,023)		(106,023)
(329,877)		(329,877)
(175,402)		(175,402)
(52,967)		(52,967)
(20,786)		(20,786)
29,228		29,228
(1,501,730)		(1,501,730)
0	\$ 0	0
(1,501,730)	0	(1,501,730)
131,941		131,941
1,416,896		1,416,896
149,065		149,065
111,973		111,973
33,363		33,363
1,843,238	0	1,843,238
341,508	0	341,508
2,700,921	0	2,700,921
\$ 3,042,429	\$ 0	\$ 3,042,429

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,064		
Cash and Cash Equivalents - Restricted		\$ 45,672	
Investments	1,113,110		
Restricted Assets - Investments			\$ 195,877
Property Taxes Receivable			51,114
Interfund Balances			
Due From Other Governments	<u>44,489</u>		
<u>TOTAL ASSETS</u>	<u>\$ 1,169,663</u>	<u>\$ 45,672</u>	<u>\$ 246,991</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 24,539	\$ 1,247	
Interfund Balances	150,231		
Contracts and Benefits Payable	<u>157,970</u>	<u>7,544</u>	
<u>TOTAL LIABILITIES</u>	<u>332,740</u>	<u>8,791</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows from Property Taxes			<u>14,475</u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>0</u>	<u>0</u>	<u>14,475</u>
<u>FUND BALANCES</u>			
Restricted - Special Revenue Funds		36,881	
Restricted - Debt Service Fund			232,516
Restricted - Capital Projects Fund			
Restricted - Seagraves Frant			
Unassigned	<u>836,923</u>		
<u>TOTAL FUND BALANCES</u>	<u>836,923</u>	<u>36,881</u>	<u>232,516</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	<u>\$ 1,169,663</u>	<u>\$ 45,672</u>	<u>\$ 246,991</u>

See accompanying notes to the basic financial statements

<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 12,064
\$ 66,733	\$ 26,700	139,105
298,523		1,113,110
152,232		494,400
		51,114
		152,232
		44,489
<u>\$ 517,488</u>	<u>\$ 26,700</u>	<u>\$ 2,006,514</u>
\$ 20,000	\$ 1,262	\$ 47,048
	2,001	152,232
	11,102	176,616
<u>20,000</u>	<u>14,365</u>	<u>375,896</u>
		<u>14,475</u>
<u>0</u>	<u>0</u>	<u>14,475</u>
	12,335	49,216
462,488		232,516
35,000		462,488
		35,000
		836,923
<u>497,488</u>	<u>12,335</u>	<u>1,616,143</u>
<u>\$ 517,488</u>	<u>\$ 26,700</u>	<u>\$ 2,006,514</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>REVENUES</u>			
Property Taxes and Penalty and Interest	\$ 243		\$ 131,698
State Foundation Support	1,705,090		223
Other State Support/Grants	156,993		122,032
Federal Revenue/Grants		\$ 111,652	
Other Local Revenue	<u>102,106</u>	<u>27,243</u>	
<u>TOTAL REVENUES</u>	<u>1,964,432</u>	<u>138,895</u>	<u>253,953</u>
<u>EXPENDITURES</u>			
Instructional	1,075,889		
Support	61,408		
General Administrative	333,161		
Custodial/Maintenance	179,299		
Student Transportation	126,770		
Non-Instructional	15,927	143,910	
Capital Expenditures	27,817	849	
Debt Service - Principal			90,000
Debt Service - Interest and Charges			<u>83,913</u>
<u>TOTAL EXPENDITURES</u>	<u>1,820,271</u>	<u>144,759</u>	<u>173,913</u>
<u>EXCESS REVENUES OVER (UNDER) EXPENDITURES</u>	<u>144,161</u>	<u>(5,864)</u>	<u>80,040</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments	16,883	23	16,444
Proceeds From Bonds			
Premiums on Debt Issue			
Cost of Bond Issuance			
Original Issue Discount on Bond Issuance			
Transfers In (Out)	<u>(27,212)</u>	<u>1,279</u>	
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(10,329)</u>	<u>1,302</u>	<u>16,444</u>
<u>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</u>	133,832	(4,562)	96,484
<u>FUND BALANCE - BEGINNING</u>	<u>703,091</u>	<u>41,443</u>	<u>136,032</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 836,923</u>	<u>\$ 36,881</u>	<u>\$ 232,516</u>

See accompanying notes to the basic financial statements

<u>Capital Project Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 131,941
		1,705,313
	\$ 88,806	367,831
	154,256	265,908
\$ 45,275	49,435	224,059
<u>45,275</u>	<u>292,497</u>	<u>2,695,052</u>
	144,490	1,220,379
	116,433	177,841
	1,948	335,109
9,601		188,900
		126,770
		159,837
2,002,310	24,623	2,055,599
23,357		113,357
2,576		86,489
<u>2,037,844</u>	<u>287,494</u>	<u>4,464,281</u>
<u>(1,992,569)</u>	<u>5,003</u>	<u>(1,769,229)</u>
13		33,363
		0
		0
		0
		0
25,933		0
<u>25,946</u>	<u>0</u>	<u>33,363</u>
(1,966,623)	5,003	(1,735,866)
<u>2,464,111</u>	<u>7,332</u>	<u>3,352,009</u>
<u>\$ 497,488</u>	<u>\$ 12,335</u>	<u>\$ 1,616,143</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total Governmental Fund Balances \$ 1,616,143

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets (non-depreciated and depreciated) used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, \$80,000 of land, \$2,238,276 construction-in-process, and \$4,378,244 net of accumulated depreciation of \$2,229,453 \$ 4,467,067

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 14,475

Supplies purchased are reported as expenditures for fund reporting but are expensed as used for government-wide statements. 11,953

Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements. (37,711)

Amounts resulting from pension liabilities as a result of GASB 68 are not recorded in the fund statements:

- Deferred Outflows Pension Obligations 230,369
- Deferred Inflows Pension Sources (89,759)
- Net Pension Liability (598,373)

Bond premiums are financial resources to fund statements but are reported as earned for government-wide reporting. Bond premiums of \$114,327 net of amortization of \$11,432. (102,895)

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

- Current Portion of Long-term Debt (113,976)
- Capital Leases (49,864)
- Outstanding Bonds (2,305,000)

Net Changes 1,426,286

Net Position of Governmental Activities \$ 3,042,429

See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Governmental Fund Balances \$ (1,735,866)

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

- Depreciation	\$ (116,377)
- Capital Expenditures	2,015,410

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	10,000
--	--------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Assets.	113,357
--	---------

Proceeds from bond premiums are listed as other financing sources in the funds but are reported as earned in the Statement of Activities	
- Premium Earned	5,716

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds.	55,583
---	--------

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.	(6,315)
---	---------

<u>Net Changes</u>	2,077,374
--------------------	-----------

<u>Change in Net Position of Governmental Activities</u>	\$ 341,508
--	------------

See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 43,822
<u>Total Assets</u>	<u>43,822</u>
<u>Liabilities</u>	
Due to Student Groups	<u>43,822</u>
<u>Total Liabilities</u>	<u>43,822</u>
<u>Total Net Position</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Dietrich School District No. 314 are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2018.

The District is governed by an elected Board of Trustees which possesses final decision making authority and is held primarily accountable for those decisions. The Board is responsible for approving the budget, establishing spending limitations, funding any deficits, and borrowing funds and/or issuing bonds to finance school system operations and construction. All operations controlled by the Board are included within these financial statements.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

B - REPORTING ENTITY

These financial statements present the District (the primary government) and any component units of the District. As defined by GASB No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationships with the District. Based on this definition, the District has no component units.

The District was established on July 18, 1910, as petitioned to Lincoln County under the laws and regulations of the State of Idaho. Idaho Code 33-301 School Districts Bodies Corporate states that each school district, now or hereafter established, when validly organized and existing, is declared to be a body corporate and politic, and in its corporate capacity, the District may sue and be sued and may acquire, hold and convey real and personal property necessary to its establishment, extension and existence. It shall have authority to issue negotiable coupon bonds and incur such other debt, in the amounts and manner, as provided by law. Title 33 of Idaho statutes dictates the laws that the District must operate under.

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's federal grants, state grants, debt service, capital projects, plant facilities, and general administrative services are classified as governmental activities. The District has no services classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Neither fiduciary funds nor component units that are fiduciary in nature are included in the Statement of Net Positions.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (local revenue, education foundation support, grants, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (instruction, support, administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs. All interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. *GASBS No. 34* sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District can electively add funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds - Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects

Capital Project Funds - The Capital Project Fund is used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Debt Service Fund - The Debt Service Fund accounts for all financial resources restricted, committed or assigned for the payment of interest and principle on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's judgment.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The District has no enterprise funds.

FIDUCIARY FUNDS (Not included in government-wide statements)

Agency Funds - Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund maintained by the District is the student body account.

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item 2. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

3. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

1. Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits of the District.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Note 2.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods/services type transactions are classified as "due to/from other funds." Short-term interfund loans are reported as "interfund receivable/payable ." Long-term interfund loans (noncurrent portion) are reported as "advances to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 7 for details of interfund transactions, including receivables and payables at year-end. All interfund activity has been eliminated in the government-wide statement of activity.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, grants, and State foundation funding. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Allowances for uncollectable accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

In the government-wide statements, materials, supplies and food commodities are carried in an inventory account at the lower of cost or market and are subsequently charged to expenditures when consumed. Inventories also include plant maintenance, operating, and instructional supplies. In the fund financial statements, inventory items are recorded as expenditures when purchased.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to bond proceeds to be used for a capital construction project of the District and to state and federal grants. For expenditures that apply to both restricted and unrestricted resources, the District uses restricted funds first.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts and can represent a reservation of fund balances in the governmental fund financial statements. The District does not use encumbrance accounting. Therefore, there is no reservation of fund balance.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

Deferred outflows of resources are decreases in net assets that relate to future periods and are reported in a separate section of its government-wide and governmental funds financial statements. Deferred outflows of resources from pension obligations affect the government-wide statements and no deferred outflows effect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

Deferred inflows of resources reflects an increase in net assets that applies to a future period(s) and is because the District will not recognize the related revenues until a future event occurs. The District's governmental funds report a separate section for deferred inflows of resources and has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred property taxes and grants are reported in the governmental funds balance sheet. The deferred outflows of resources reported in its government-wide financial statements is from pension sources.

Capital Assets

The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. For fund financial statements, the District has maintained a \$500 limit before an item is recorded as a capital expenditure. The limits for the government-wide statements vary and are shown below.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets are not required to be valued and reported on the District's financial statements and the District has not elected to report them. Therefore, the value of any infrastructure assets purchased prior to July 1, 2003, are not included in these statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation based on its capitalization amount. The range of estimated useful lives and capitalization limits by type of asset are as follows:

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Description</u>	<u>Life</u>	<u>Capitalization Amount</u>
Aggregate Cost of Library Books	3	\$5,000
Automobiles	5	\$5,000
Office and Light-weight Equipment	5	\$5,000
Heavy Equipment	7	\$10,000
Buildings and Improvements	40	\$15,000
Infrastructure	50	\$50,000

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Liability for Compensated Absences

Employees are allowed to accrue 5 days personal leave each year. At the end of the year, the employees are paid for all unused personal days. The days are paid at the rate paid to substitutes and is included in their June pay check. Therefore, no liability for compensated absences has been incurred or recorded at year end.

Vacation and sick days are not allowed to be carried over at the District level. Therefore, there is no liability associated with vacation or sick leave days.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method. Bond premiums are reported in the deferred inflows of resources section in the statement of net position. Bonds payable are reported net of the applicable bond premium of discount.

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

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense;(expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. This policy is due to GASB 75 which the District has not yet implemented.

Budget

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

1. At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
2. At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
3. The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
4. The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because they were not used. Net position on the Statement of Net Position include the following:

Investment in Capital Assets, Net of Related Debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted net position—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted net position—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision making authority, the Board of Trustees. Formal action is done by making and approving a motion of the Board.

Assigned Fund Balance - Includes amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board delegates, in Policy 7215, to the Superintendent or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance - Includes the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned. If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing committed, then assigned, then unassigned fund balances will be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 - CASH AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of Idaho Code Sections 33-701 and 67-1210. Under Idaho Code, the District, at its own discretion, may invest funds in time deposits and certificates of deposits provided by the depository bank at interest rates approximating United States treasury bill rates.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

2 - CASH AND INVESTMENTS (Continued)

The classifications of risk associated with cash and investments are concentration of credit risk, interest rate risk, credit risk, and custodial credit risk. These are defined as:

Concentration of Credit Risk - The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Interest Rate Risk - The exposure to an unfavorable change in interest rates.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The District does not have formal investment policies to limit the concentration of credit risk or the interest rate risk.

At June 30, 2018, the District had a carrying value of cash deposits of \$194,991 and a bank balance of \$185,174. Based on the above definitions, the District is subject to \$0 of concentration of credit risk.

Restricted cash is to be used as follows:

State and Federal grants	\$ 72,372
Capital Projects (includes Seagraves Grant)	<u>66,733</u>
Total	<u>\$ 139,105</u>

Fiduciary funds cash balance is \$46,822.

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was \$1,607,510 (Idaho State Local Government Investment Pool) which approximates market value. The Idaho State Local Government Investment Pool has no credit rating. There are no sinking fund or reserve funds required.

Investments by the District in the State Treasury Pool are specifically excluded from reporting for custodial credit risk and concentration of credit risk by GASB 40.

Restricted investments are to be used as follows:

Capital Projects (includes Seagraves Grant)	\$ 298,523
Debt Service	<u>195,877</u>
Total	<u>\$ 494,400</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2017, upon which the 2017 levy was based was \$52,992,765.

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2018, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

<u>Type</u>	<u>Rate</u>	<u>Maximum Rate</u>
General	0.0000	Not Allowed
Bond	0.2597	No Limit

At June 30, 2018, the components of taxes receivable are as follows:

<u>Property Tax year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
2017	\$ 0	\$ 49,466	\$ 49,466
2016	0	1,452	1,452
2015	0	196	196
<u>Total</u>	<u>\$ 0</u>	<u>\$ 51,114</u>	<u>\$ 51,114</u>

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2018, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2018, are deferred inflows of resources (deferred revenue). The components of deferred inflows of resources are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 0
Debt Service Fund	14,475
<u>Total</u>	<u>\$ 14,475</u>

For government-wide statements, an allowance for uncollectable taxes is calculated. However, historical information shows that the uncollectable amount is immaterial to these statements and no allowance will be recorded until it becomes a material amount.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho through the School Foundation Program. Amounts due from federal and state governments at June 30, 2018, are as follows:

<u>Source - Description</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
State - Foundation	\$ 44,489	\$ 0	\$ 44,489
<u>Total</u>	<u>\$ 44,489</u>	<u>\$ 0</u>	<u>\$ 44,489</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The District controls risk of loss by having adequate insurance coverage. The type and coverage amount is listed below and is believed to be proper to protect the District from any losses:

Workers Compensation Insurance	Limited by State Law
General Liability	\$ 2,000,000
Building	10,000,000
Auto	2,000,000
Errors and Omissions	2,000,000
Chemical	500,000

NOTE 6 - CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2018, was as follows (beginning amounts restated to reflect GASB 34):

	<u>Primary Government - Governmental Activities</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Non-depreciated assets:				
Land	\$ 80,000			\$ 80,000
Construction-in-progress	265,735	\$ 1,972,541		2,238,276
Subtotal	<u>345,735</u>	<u>1,972,541</u>	<u>\$ 0</u>	<u>2,318,276</u>
Other capital assets:				
Buildings and Improvements	3,362,172			3,362,172
Library	210,879			210,879
Heavy Equipment and Busses	584,232	42,869		627,101
Equipment	178,092			178,092
Subtotal	<u>4,335,375</u>	<u>42,869</u>	<u>0</u>	<u>4,378,244</u>
Less accumulated depreciation for:				
Buildings and Improvements	(1,316,073)	(74,890)		(1,390,963)
Library	(210,879)			(210,879)
Heavy Equipment and Busses	(431,306)	(34,491)		(465,797)
Equipment	(154,818)	(6,996)		(161,814)
Subtotal	<u>(2,113,076)</u>	<u>(116,377)</u>	<u>0</u>	<u>(2,229,453)</u>
Net Depreciated Assets	<u>2,222,299</u>	<u>(73,508)</u>	<u>0</u>	<u>2,148,791</u>
Net Capital Assets	<u>\$ 2,568,034</u>	<u>\$ 1,899,033</u>	<u>\$ 0</u>	<u>\$ 4,467,067</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 - CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 68,737
Support	14,291
Administration	2,977
Custodial/Maintenance	4,459
Student Transportation	24,966
Non-Instructional - Food Service	<u>947</u>
 Total	 <u><u>\$ 116,377</u></u>

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2018, are summarized below:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
<u>Transfers:</u>			
To cover old over expenditures	Food Service	General Fund	\$ 1,279
To cover debt payment expenditures	Capital Projects	General Fund	25,933
 <u>Due To/From:</u>			
To cover current expenditures	Special Revenue	Capital Projects	201
To cover current expenditures	General Fund	Capital Projects	150,231

NOTE 8 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2018, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements are contained on pages 63 to 65. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 9 - REQUIRED DISCLOSURE - DEFICIT FUND BALANCES

The following nonmajor funds had deficit fund balances at June 30, 2018:

Title I-A Local Program	\$ (2,849)
REAP	(3,919)
Special Education—Grants to States (IDEA, Part B)	(1,888)
Perkins III - Vocational Technology	(3,123)
Title I-C Migrant Program	(20)

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - DEBT

The following is a summary of the District's long-term debt obligations and transactions for the year ended June 30, 2018:

	Amount Outstanding Beginning	Issued	Retired	Amount Outstanding Ending
Capital Lease @ 2.65% - Bus	\$ 97,198		\$ 23,358	\$ 73,840
2016 Bond Issue @ 3.25%	2,485,000		90,000	2,395,000
<u>Total</u>	<u>\$ 2,582,198</u>	<u>\$ 0</u>	<u>\$ 113,358</u>	<u>\$ 2,468,840</u>

The capital leases have no special assessments made for funding of the leases. A special, voter approved, tax assessment is used to pay for the bond debt requirements. See Note 3 for the levy rate and other tax information concerning the debt funding assessment. Bond funds are to be used for the construction/remodel of the school building.

The annual requirements to amortize the bond issue as of June 30, 2018, is as follows:

Year Ended June 30,	Bond Principal	Lease Principal	Interest	Total
2019	\$ 90,000	\$ 23,976	\$ 82,494	\$ 196,470
2020	95,000	24,612	78,609	198,221
2021	95,000	25,252	74,167	194,419
2022	100,000		69,588	169,588
2023	105,000		66,538	171,538
2024	110,000		63,288	173,288
2025	110,000		58,888	168,888
2026	115,000		54,388	169,388
2027	120,000		49,688	169,688
2028	125,000		45,256	170,256
2029	130,000		41,113	171,113
2030	135,000		36,806	171,806
2031	140,000		32,338	172,338
2032	145,000		27,706	172,706
2033	150,000		22,913	172,913
2034	150,000		18,038	168,038
2035	155,000		13,081	168,081
2036	160,000		7,963	167,963
2037	165,000		2,681	167,681
<u>Total</u>	<u>\$ 2,395,000</u>	<u>\$ 73,840</u>	<u>\$ 845,539</u>	<u>\$ 3,314,379</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2017 was as follows:

Retirees and beneficiaries currently receiving benefits	45,468
Terminated employees entitled to but not yet receiving benefits	12,669
Active plan members	<u>70,073</u>
Total	<u><u>128,210</u></u>

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

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

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.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. The District's employer contributions required and paid were \$136,410, \$133,716 and \$129,174 for the three years ended June 30, 2018, 2017, and 2016, respectively.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the District's proportion was .0295573 percent.

For the year ended June 30, 2018, the District recognized pension expense (revenue) of \$96,546. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 82,894	\$ 53,908
Changes in assumptions or other inputs	11,065	-
Net difference between projected and actual earnings on pension plan investments	-	35,851
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
District contributions subsequent to the measurement date	136,410	
Total	<u>\$ 230,369</u>	<u>\$ 89,759</u>

\$136,410 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2016 the beginning of the measurement period ended June 30, 2017 is 4.9 and 5.5 for the measurement period June 30, 2016.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

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

Year ended		
<u>June 30,</u>		
2018	\$	(32,530)
2019	\$	56,217
2020	\$	15,951
2021	\$	(35,439)
2022	\$	-
Thereafter - Additional future deferred inflows and outflows of resources may impact these numbers.	\$	-

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases including inflation	3.75%
Investment rate of return	7.10%, net of pension plan investment expenses

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

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2017 is based on the results of an actuarial valuation date July 1, 2017.

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

Capital Market Assumptions

Asset Class:	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70.00%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55.00%	50% - 65%
International	9.25%	20.20%	15.00%	10% - 20%
Fixed Income	3.05%	3.75%	30.00%	23% - 33%
Cash	2.25%	0.90%	0.00%	0% - 5%
Total Fund:	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

Note: Expected arithmetic return net of fees and expenses.

Actuarial Assumptions:

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	<u>0.40%</u>

Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	<u><u>7.10%</u></u>
--	---------------------

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - RETIREMENT PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,390,742	\$ 598,373	\$ (60,107)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At June 30, 2018, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Dietrich School District No. 314 has not implemented *Governmental Accounting Standards Board (GASB) Statement 75*. *Statement 75* is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other postemployment benefits (OPEB) other than pensions. Reported OPEBs may include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Typically an actuary (or actuaries) with both pension and health experience must perform the calculations following generally accepted actuarial methods. *GASB 75* was instigated by the Governmental Accounting Standards Board (GASB) in June, 2015, because of the growing concern over the potential magnitude of government employer obligations for postemployment benefits.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description

The District participates in a postretirement health insurance program administered by Public Employee Retirement System of Idaho (PERSI). PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave.

Funding Policy

Payment to the Fund is done monthly and is based on a percentage of salary. The percentage is determined by PERSI and reported and paid by the District on a monthly basis.

Annual OPEB Cost and Net OPEB Obligation

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of GASB 75 is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

NOTE 13 - EARNINGS ON INVESTMENTS

The components of earnings on investments are:

	Fund Statements	Govt-Wide Statements
Interest Income	\$ 33,363	\$ 33,363
Amortization of Bond Premium	0	5,716
Net Income	\$ 33,363	\$ 39,079

NOTE 14 - MAINTENANCE OF EFFORT

Under federal law, local educational agencies (LEAs) that receive Individuals with Disabilities Education Act, Part B (IDEA-B) funds must maintain local or combined local and state expenditures in each subsequent year of funding. This requirement is called "maintenance of effort" (MOE). Below is the MOE for the District.

Account	For the year ended June 30,			
	2018	2017	2016	2015
100-521XXX	\$ 66,726	\$ 63,890	\$ 61,442	\$ 50,671
100-522XXX	0	0	0	0
100-616XXX	202	202	52,630	108,150
Medicaid Reimbursement	n/a	n/a	(51,637)	(102,426)
Maintenance of Effort	\$ 66,928	\$ 64,092	\$ 62,435	\$ 56,395

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 703,000	\$ 703,000	\$ 703,091	\$ 91
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	0	0	243	243
Property Tax Penalty and Interest	0	0	0	0
Other Local Revenue	98,800	98,800	102,106	3,306
<u>Total Local Revenue</u>	<u>98,800</u>	<u>98,800</u>	<u>102,349</u>	<u>3,549</u>
<u>State Revenue</u>				
Base Support Program	1,413,900	1,413,900	1,416,896	2,996
Transportation Support	95,100	95,100	95,520	420
Benefit Apportionment	192,600	192,600	192,674	74
Other State Support	115,700	115,700	131,226	15,526
Lottery Revenue	36,900	36,900	23,867	(13,033)
Revenue in Lieu / Ag Replacement Tax	1,900	1,900	1,900	0
<u>Total State Revenue</u>	<u>1,856,100</u>	<u>1,856,100</u>	<u>1,862,083</u>	<u>5,983</u>
<u>Other Sources</u>				
Earnings on Investments	12,000	12,000	16,883	4,883
<u>Total Other Sources</u>	<u>12,000</u>	<u>12,000</u>	<u>16,883</u>	<u>4,883</u>
<u>Amounts Available for Appropriations</u>	<u>2,669,900</u>	<u>2,669,900</u>	<u>2,684,406</u>	<u>14,506</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	318,400	318,400	317,177	1,223
Benefits	96,800	96,800	96,362	438
Supplies	9,800	9,800	9,433	367
<u>Total Elementary School Program</u>	<u>425,000</u>	<u>425,000</u>	<u>422,972</u>	<u>2,028</u>
<u>Secondary School Program</u>				
Salaries	314,100	314,100	312,106	1,994
Benefits	92,400	92,400	91,780	620
Purchased Services	3,000	3,000	8,000	(5,000)
Supplies	10,900	10,900	7,398	3,502
<u>Total Secondary School Program</u>	<u>420,400</u>	<u>420,400</u>	<u>419,284</u>	<u>1,116</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Summer School Program</u>				
Salaries	\$ 3,100	\$ 3,100	\$ 3,027	\$ 73
Benefits	800	800	840	(40)
Purchased Services	0	0	0	0
Supplies	700	700	91	609
	<u>4,600</u>	<u>4,600</u>	<u>3,958</u>	<u>642</u>
<u>Exceptional Child Program</u>				
Salaries	50,900	50,900	50,962	(62)
Benefits	15,800	15,800	15,764	36
Supplies	0	0	0	0
	<u>66,700</u>	<u>66,700</u>	<u>66,726</u>	<u>(26)</u>
<u>Vocational</u>				
Salaries	76,600	76,600	74,961	1,639
Benefits	23,900	23,900	23,719	181
Supplies	12,300	12,300	12,349	(49)
Capital Purchases	17,200	17,200	17,172	28
	<u>130,000</u>	<u>130,000</u>	<u>128,201</u>	<u>1,799</u>
<u>School Activity</u>				
Salaries	2,500	2,500	2,218	282
Benefits	500	500	397	103
Purchased Services	0	0	0	0
Supplies	0	0	0	0
	<u>3,000</u>	<u>3,000</u>	<u>2,615</u>	<u>385</u>
<u>Interscholastic</u>				
Salaries	33,600	33,600	37,217	(3,617)
Benefits	9,800	9,800	9,484	316
Purchased Services	1,200	1,200	1,289	(89)
Supplies	1,600	1,600	1,315	285
	<u>46,200</u>	<u>46,200</u>	<u>49,305</u>	<u>(3,105)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Total Instructional</u>	<u>\$ 1,095,900</u>	<u>\$ 1,095,900</u>	<u>\$ 1,093,061</u>	<u>\$ 2,839</u>
<u>Support</u>				
<u>Guidance</u>				
Salaries	0	0	0	0
Benefits	0	0	0	0
Purchased Services	2,200	2,200	2,165	35
Supplies	700	700	658	42
<u>Total Guidance</u>	<u>2,900</u>	<u>2,900</u>	<u>2,823</u>	<u>77</u>
<u>Special Services</u>				
Purchased Services	200	200	202	(2)
Supplies	0	0	0	0
<u>Total Special Services</u>	<u>200</u>	<u>200</u>	<u>202</u>	<u>(2)</u>
<u>Instruction Improvement</u>				
Salaries	15,600	15,600	15,600	0
Benefits	3,200	3,200	3,140	60
Purchased Services	15,900	15,900	2,863	13,037
Supplies	500	500	401	99
<u>Total Instruction Improvement</u>	<u>35,200</u>	<u>35,200</u>	<u>22,004</u>	<u>13,196</u>
<u>Educational Media</u>				
Salaries	6,100	6,100	6,061	39
Benefits	1,700	1,700	1,437	263
Supplies	1,600	1,600	1,646	(46)
<u>Total Educational Media</u>	<u>9,400</u>	<u>9,400</u>	<u>9,144</u>	<u>256</u>
<u>Technology Coordinator</u>				
Salaries	0	0	0	0
Purchased Services	2,200	2,200	2,199	1
Supplies	25,100	25,100	25,036	64
Capital Outlay	0	0	0	0
<u>Total Technology Coordinator</u>	<u>27,300</u>	<u>27,300</u>	<u>27,235</u>	<u>65</u>
<u>Total Support</u>	<u>75,000</u>	<u>75,000</u>	<u>61,408</u>	<u>13,592</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis) (See</u> <u>Note 1)</u>	<u>Variance With</u> <u>Final Budget -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>General Administrative</u>				
<u>Board of Education</u>				
Salaries	\$ 6,100	\$ 6,100	\$ 5,529	\$ 571
Benefits	500	500	423	77
Purchased Services	7,400	7,400	7,620	(220)
Supplies	1,800	1,800	1,209	591
Capital Outlay	0	0	0	0
<u>Total Board of Education</u>	<u>15,800</u>	<u>15,800</u>	<u>14,781</u>	<u>1,019</u>
<u>District Administration</u>				
Salaries	36,700	36,700	36,620	80
Benefits	21,100	21,100	21,090	10
Purchased Services	15,900	15,900	15,526	374
Supplies	1,000	1,000	1,154	(154)
Capital Outlay	1,600	1,600	1,629	(29)
Insurance	29,900	29,900	29,873	27
<u>Total District Administration</u>	<u>106,200</u>	<u>106,200</u>	<u>105,892</u>	<u>308</u>
<u>School Administration</u>				
Salaries	104,000	104,000	103,845	155
Benefits	31,700	31,700	31,627	73
Purchased Services	6,200	6,200	6,184	16
Supplies	2,300	2,300	2,252	48
<u>Total School Administration</u>	<u>144,200</u>	<u>144,200</u>	<u>143,908</u>	<u>292</u>
<u>Business Operations</u>				
Salaries	47,500	47,500	47,500	0
Benefits	15,300	15,300	15,111	189
Purchased Services	2,500	2,500	2,792	(292)
Supplies	2,600	2,600	2,593	7
Capital Outlay	0	0	0	0
<u>Total Business Operations</u>	<u>67,900</u>	<u>67,900</u>	<u>67,996</u>	<u>(96)</u>
<u>Admin. Technology</u>				
Supplies	2,200	2,200	2,213	(13)
<u>Total Admin. Technology</u>	<u>2,200</u>	<u>2,200</u>	<u>2,213</u>	<u>(13)</u>
<u>Total General Administrative</u>	<u>336,300</u>	<u>336,300</u>	<u>334,790</u>	<u>1,510</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	\$ 27,200	\$ 27,200	\$ 26,369	\$ 831
Benefits	6,000	6,000	5,829	171
Purchased Services	51,300	51,300	51,336	(36)
Supplies	10,400	10,400	7,935	2,465
Capital Outlay	4,000	4,000	2,837	1,163
	<u>98,900</u>	<u>98,900</u>	<u>94,306</u>	<u>4,594</u>
<u>Total Custodians</u>				
<u>Maintenance - Buildings</u>				
Benefits	0	0	0	0
Purchased Services	4,000	4,000	3,477	523
Supplies	900	900	1,095	(195)
Capital Outlay	0	0	0	0
	<u>4,900</u>	<u>4,900</u>	<u>4,572</u>	<u>328</u>
<u>Total Maintenance - Buildings</u>				
<u>Maintenance - Student Occupied</u>				
Salaries	31,400	31,400	31,334	66
Benefits	9,900	9,900	9,916	(16)
Purchased Services	5,100	5,100	3,346	1,754
Supplies	29,400	29,400	22,631	6,769
Capital Outlay	10,900	10,900	5,581	5,319
Insurance	0	0	0	0
	<u>86,700</u>	<u>86,700</u>	<u>72,808</u>	<u>13,892</u>
<u>Total Maintenance - Student Occ.</u>				
<u>Maintenance - Grounds</u>				
Purchased Services	6,100	6,100	3,912	2,188
Supplies	31,800	31,800	5,529	26,271
Capital Outlay	21,000	21,000	0	21,000
	<u>58,900</u>	<u>58,900</u>	<u>9,441</u>	<u>49,459</u>
<u>Total Maintenance - Grounds</u>				
<u>Total Custodial / Maintenance</u>				
	<u>249,400</u>	<u>249,400</u>	<u>181,127</u>	<u>68,273</u>
<u>Security Program</u>				
Purchased Services	4,900	4,900	6,015	(1,115)
Supplies	600	600	575	25
	<u>5,500</u>	<u>5,500</u>	<u>6,590</u>	<u>(1,090)</u>
<u>Total Security Program</u>				

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	\$ 60,100	\$ 60,100	\$ 62,521	\$ (2,421)
Benefits	23,200	23,200	23,593	(393)
Purchased Services	20,800	20,800	21,794	(994)
Supplies	19,900	19,900	17,895	2,005
Capital Outlay	0	0	598	(598)
<u>Total School Transportation</u>	<u>124,000</u>	<u>124,000</u>	<u>126,401</u>	<u>(2,401)</u>
<u>General Transportation</u>				
Purchased Services	0	0	0	0
Supplies	900	900	967	(67)
<u>Total General Transportation</u>	<u>900</u>	<u>900</u>	<u>967</u>	<u>(67)</u>
<u>Total Transportation</u>	<u>124,900</u>	<u>124,900</u>	<u>127,368</u>	<u>(2,468)</u>
<u>Other Support Services</u>				
Purchased Services	19,100	19,100	11,964	7,136
Supplies	1,500	1,500	1,361	139
<u>Total Other Support Services</u>	<u>20,600</u>	<u>20,600</u>	<u>13,325</u>	<u>7,275</u>
<u>Non-Instructional</u>				
Benefits	4,000	4,000	2,602	1,398
Supplies	100	100	0	100
<u>Total Non-Instructional</u>	<u>4,100</u>	<u>4,100</u>	<u>2,602</u>	<u>1,498</u>
Contingency Reserve	96,800	96,800	0	96,800
Interfund Transfers	25,900	25,900	27,212	(1,312)
<u>Total Charges to Appropriations</u>	<u>2,034,400</u>	<u>2,034,400</u>	<u>1,847,483</u>	<u>186,917</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 635,500</u>	<u>\$ 635,500</u>	<u>\$ 836,923</u>	<u>\$ 201,423</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 41,400	\$ 41,400	\$ 41,443	\$ 43
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	20,800	20,800	20,835	35
Adult Meal Sales	5,600	5,600	5,762	162
Other Local Revenue	300	300	646	346
<u>Total Local Revenue</u>	<u>26,700</u>	<u>26,700</u>	<u>27,243</u>	<u>543</u>
<u>State Revenue</u>				
State Revenue	4,000	4,000	0	(4,000)
<u>Total State Revenue</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	95,600	95,600	111,652	16,052
<u>Total Federal Revenue</u>	<u>95,600</u>	<u>95,600</u>	<u>111,652</u>	<u>16,052</u>
<u>Other Sources</u>				
Earnings on Investments	0	0	23	23
Interfund Transfers	0	0	1,279	1,279
<u>Total Other Sources</u>	<u>0</u>	<u>0</u>	<u>1,302</u>	<u>1,302</u>
<u>Amounts Available for Appropriations</u>	<u>167,700</u>	<u>167,700</u>	<u>181,640</u>	<u>13,940</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	43,500	43,500	44,577	(1,077)
Benefits	18,100	18,100	19,026	(926)
Purchased Services	0	0	580	(580)
Supplies	70,300	70,300	79,727	(9,427)
Capital Outlay	800	800	849	(49)
<u>Total Non-Instructional</u>	<u>132,700</u>	<u>132,700</u>	<u>144,759</u>	<u>(12,059)</u>
<u>Total Charges to Appropriations</u>	<u>132,700</u>	<u>132,700</u>	<u>144,759</u>	<u>(12,059)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 36,881</u>	<u>\$ 1,881</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

<u>Year Ended June 30,</u>	<u>Employer's portion of net pension liability</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered- employee payroll</u>	<u>Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2018	0.0380686%	\$ 598,373	\$ 1,205,039	49.66%	90.68%
2017	0.0390164%	\$ 790,922	\$ 1,181,240	66.96%	87.26%
2016	0.0422452%	\$ 556,301	\$ 1,141,115	48.75%	91.38%
2015	0.0421504%	\$ 310,293	\$ 1,281,828	24.21%	94.95%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

Data reported is measured as of July 1, 2017

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERSI - BASE PLAN
LAST 10 FISCAL YEARS *

<u>Year Ended June 30,</u>	<u>Statutorily required</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution (deficiency) excess</u>	<u>Employer's covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
2018	\$ 136,410	\$ 136,410	\$ -	\$ 1,205,039	11.32%
2017	\$ 133,716	\$ 133,716	\$ -	\$ 1,181,240	11.32%
2016	\$ 129,174	\$ 129,174	\$ -	\$ 1,141,115	11.32%
2015	\$ 145,103	\$ 145,103	\$ -	\$ 1,281,828	11.32%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*

Data reported is measured as of June 30, 2018

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with accounting principles generally accepted in the United States of America follows:

	<u>General Fund</u>	<u>Food Service</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,684,406	\$ 181,640
<u>Differences - Budget to GAAP</u>		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(703,091)	(41,443)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting		(1,279)
Earnings from investments are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(16,883)</u>	<u>(23)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,964,432</u>	<u>\$ 138,895</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,847,483	\$ 144,759
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>(27,212)</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,820,271</u>	<u>\$ 144,759</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 2 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
Food Service	\$ 132,700	\$ 144,759	\$ 12,059

NOTE 3 - BUDGET PROCESS

The Board of Trustees adopts a budget on a basis consistent with the GAAP with minor changes for most funds. The District is required to present the adopted and final amended budget of the general fund and all other funds shown as major funds in the fund financial statements. These items are presented in the required supplementary information section following the notes to the financial statements.

The following procedures are followed in establishing the budget for the District:

- 1) At least 28 days prior to its annual meeting, the board of trustees shall have prepared a budget in a form prescribed by the state superintendent of public education, and shall have notified the public of the budget hearing.
- 2) At the public hearing or a special meeting held no later than 14 days after the public hearing, the board of trustees shall adopt a budget for the ensuing year.
- 3) The board of trustees shall publish a summary statement of the budget and a complete copy of the budget shall be submitted to the Idaho State Board of Education.
- 4) The District may amend the budget any time during the year but the above procedures must be followed each time a budget amendment is made.
- 5) The legal budget is adopted at the function level.

NOTE 4 - PENSION DISCLOSURES

The following information is required to be disclosed as it relates to the pension:

- Changes of benefit terms: None
- Changes in composition of the population covered by the benefit terms: None
- Changes of assumptions: None

SUPPLEMENTAL INFORMATION SECTION

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>	<u>Title I-A Local Program</u>
<u>ASSETS</u>				
Cash	\$ 7,390	\$ 12,349	\$ 6,558	
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 7,390</u>	<u>\$ 12,349</u>	<u>\$ 6,558</u>	<u>\$ 0</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 120			
Contracts and Benefits Payable	2,446			\$ 2,849
Interfund Balances				
<u>TOTAL LIABILITIES</u>	<u>2,566</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,849</u>
 <u>FUND BALANCES</u>				
Unreserved	4,824	12,349	6,558	(2,849)
<u>TOTAL FUND BALANCES</u>	<u>4,824</u>	<u>12,349</u>	<u>6,558</u>	<u>(2,849)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 7,390</u>	<u>\$ 12,349</u>	<u>\$ 6,558</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Title I-C Migrant</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>	<u>Special Education - Preschool (IDEA Preschool)</u>	<u>Perkins III - Vocational Technology</u>
<u>ASSETS</u>				
Cash				
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 20			\$ 1,122
Contracts and Benefits Payable		\$ 1,888		
Interfund Balances				2,001
<u>TOTAL LIABILITIES</u>	<u>20</u>	<u>1,888</u>	<u>\$ 0</u>	<u>3,123</u>
 <u>FUND BALANCES</u>				
Unreserved	(20)	(1,888)	0	(3,123)
<u>TOTAL FUND BALANCES</u>	<u>(20)</u>	<u>(1,888)</u>	<u>0</u>	<u>(3,123)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Title II-A Improving Teacher Quality</u>	<u>Medicaid Match</u>	<u>Rural Education Achievement Program</u>	<u>Mayor's Challenge</u>
<u>ASSETS</u>				
Cash		\$		
Due From Other Governments				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>LIABILITIES</u>				
Accounts Payable				
Contracts and Benefits Payable			\$ 3,919	
Interfund Balances				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u> 3,919</u>	<u>\$ 0</u>
 <u>FUND BALANCES</u>				
Unreserved	0	0	(3,919)	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL FUND BALANCES</u>	<u> 0</u>	<u> 0</u>	<u> (3,919)</u>	<u> 0</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Audio Visual</u>	<u>Music</u>	<u>Lightfoot Grant</u>	<u>Title IV Student Support</u>
<u>ASSETS</u>				
Cash	\$ 394	\$ 9		
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 394</u>	<u>\$ 9</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable				
Contracts and Benefits Payable				
Interfund Balances				
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>				
Unreserved	394	9	0	0
<u>TOTAL FUND BALANCES</u>	<u>394</u>	<u>9</u>	<u>0</u>	<u>0</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 394</u>	<u>\$ 9</u>	<u>\$ 0</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Total
<u>ASSETS</u>	
Cash	\$ 26,700
Due From Other Governments	0
<u>TOTAL ASSETS</u>	<u>\$ 26,700</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 1,262
Contracts and Benefits Payable	11,102
Interfund Balances	2,001
<u>TOTAL LIABILITIES</u>	14,365
<u>FUND BALANCES</u>	
Unreserved	12,335
<u>TOTAL FUND BALANCES</u>	12,335
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>\$ 26,700</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>	<u>Title I-A Local Program</u>
<u>REVENUES</u>				
Local				
State	\$ 26,587	\$ 53,701	\$ 4,638	
Federal				\$ 44,628
	<u>26,587</u>	<u>53,701</u>	<u>4,638</u>	<u>44,628</u>
<u>TOTAL REVENUES</u>	<u>26,587</u>	<u>53,701</u>	<u>4,638</u>	<u>44,628</u>
<u>EXPENDITURES</u>				
Instructional	20,962			44,747
Support		46,634	439	
Administrative		1,948		
Non-Instructional - Food Service				
Capital Expenditures	6,239			
	<u>27,201</u>	<u>48,582</u>	<u>439</u>	<u>44,747</u>
<u>TOTAL EXPENDITURES</u>	<u>27,201</u>	<u>48,582</u>	<u>439</u>	<u>44,747</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>(614)</u>	<u>5,119</u>	<u>4,199</u>	<u>(119)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(614)</u>	<u>5,119</u>	<u>4,199</u>	<u>(119)</u>
<u>FUND BALANCE - BEGINNING</u>	<u>5,438</u>	<u>7,230</u>	<u>2,359</u>	<u>(2,730)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 4,824</u>	<u>\$ 12,349</u>	<u>\$ 6,558</u>	<u>\$ (2,849)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Title I-C Migrant</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>	<u>Special Education - Preschool (IDEA Preschool)</u>	<u>Perkins III - Vocational Technology</u>
<u>REVENUES</u>				
Local				\$ 201
State				
Federal	\$ 25,055	\$ 41,828	\$ 3,781	
<u>TOTAL REVENUES</u>	<u>25,055</u>	<u>41,828</u>	<u>3,781</u>	<u>201</u>
<u>EXPENDITURES</u>				
Instructional	30,992	13,289	3,781	1,055
Support	2,268	27,008		
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				2,119
<u>TOTAL EXPENDITURES</u>	<u>33,260</u>	<u>40,297</u>	<u>3,781</u>	<u>3,174</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>(8,205)</u>	<u>1,531</u>	<u>0</u>	<u>(2,973)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers	8,185			
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>8,185</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	(20)	1,531	0	(2,973)
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>(3,419)</u>	<u>0</u>	<u>(150)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ (20)</u>	<u>\$ (1,888)</u>	<u>\$ 0</u>	<u>\$ (3,123)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Title II-A Improving Teacher Quality</u>	<u>Medicaid Match</u>	<u>Rural Education Achievement Program</u>	<u>Mayor's Challenge</u>
<u>REVENUES</u>				
Local				\$ 500
State		\$ 3,880		
Federal	\$ 10,960		\$ 27,680	
<u>TOTAL REVENUES</u>	<u>10,960</u>	<u>3,880</u>	<u>27,680</u>	<u>500</u>
<u>EXPENDITURES</u>				
Instructional			29,536	128
Support	2,775	4,121		
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				380
<u>TOTAL EXPENDITURES</u>	<u>2,775</u>	<u>4,121</u>	<u>29,536</u>	<u>508</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>8,185</u>	<u>(241)</u>	<u>(1,856)</u>	<u>(8)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers	(8,185)			
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(8,185)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	0	(241)	(1,856)	(8)
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>241</u>	<u>(2,063)</u>	<u>8</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,919)</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Audio Visual</u>	<u>Music</u>	<u>Lightfoot Grant</u>	<u>Title IV Student Support</u>
<u>REVENUES</u>				
Local			\$ 48,734	
State				
Federal				\$ 324
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>48,734</u>	<u>324</u>
 <u>EXPENDITURES</u>				
Instructional				
Support	15		32,849	324
Administrative				
Non-Instructional - Food Service				
Capital Expenditures			15,885	
<u>TOTAL EXPENDITURES</u>	<u>15</u>	<u>0</u>	<u>48,734</u>	<u>324</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>				
	(15)	0	0	0
 <u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>NET CHANGE IN FUND BALANCE</u>				
	(15)	0	0	0
 <u>FUND BALANCE - BEGINNING</u>				
	409	9	0	0
 <u>FUND BALANCE - ENDING</u>				
	<u>\$ 394</u>	<u>\$ 9</u>	<u>\$ 0</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Total</u>
<u>REVENUES</u>	
Local	\$ 49,435
State	88,806
Federal	154,256
<u>TOTAL REVENUES</u>	292,497
 <u>EXPENDITURES</u>	
Instructional	144,490
Support	116,433
Administrative	1,948
Non-Instructional - Food Service	0
Capital Expenditures	24,623
<u>TOTAL EXPENDITURES</u>	287,494
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	5,003
 <u>OTHER FINANCING SOURCES (USES)</u>	
Interfund Transfers	0
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	0
<u>NET CHANGE IN FUND BALANCE</u>	5,003
<u>FUND BALANCE - BEGINNING</u>	7,332
<u>FUND BALANCE - ENDING</u>	\$ 12,335

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>ASSETS</u>			
Cash		\$ 66,733	
Investments			
Interfund Balances		152,232	
<u>TOTAL ASSETS</u>	\$ 0	\$ 218,965	\$ 0
 <u>LIABILITIES</u>			
Accounts Payable		\$ 20,000	
Salaries and Benefits Payable			
Interfund Balances			
<u>TOTAL LIABILITIES</u>	\$ 0	20,000	\$
 <u>FUND BALANCES</u>			
Restricted:			
Seagraves Playground Grant		35,000	
Capital Projects	0	163,965	0
<u>TOTAL FUND BALANCES</u>	0	198,965	0
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 0	\$ 218,965	\$ 0

<u>Bond Construction</u>	<u>Total</u>
	\$ 66,733
\$ 298,523	298,523
<u> </u>	<u>152,232</u>
<u><u>\$ 298,523</u></u>	<u><u>\$ 517,488</u></u>
	\$ 20,000
	0
	<u>0</u>
<u>\$ 0</u>	<u>20,000</u>
	35,000
<u>298,523</u>	<u>462,488</u>
<u>298,523</u>	<u>497,488</u>
<u><u>\$ 298,523</u></u>	<u><u>\$ 517,488</u></u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>REVENUES</u>			
Other Local Revenue		45,275	
<u>TOTAL REVENUE</u>	<u>\$ 0</u>	<u>\$ 45,275</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>			
Salaries		8,000	
Benefits		1,600	
Purchased Services		19,114	
Supplies		11,457	
Capital Outlay		27,661	
Debt Service - Principal			23,357
Debt Service - Interest			2,576
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>67,832</u>	<u>25,933</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>(22,557)</u>	<u>(25,933)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments		13	
Transfer In (Out)			25,933
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>13</u>	<u>25,933</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>0</u>	<u>(22,544)</u>	<u>0</u>
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>221,509</u>	<u>0</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ 198,965</u>	<u>\$ 0</u>

<u>Bond Construction</u>	<u>Total</u>
	\$ 45,275
\$ 0	<u>45,275</u>
	8,000
	1,600
360	19,474
	11,457
1,943,719	1,971,380
	23,357
	2,576
<u>1,944,079</u>	<u>2,037,844</u>
<u>(1,944,079)</u>	<u>(1,992,569)</u>
	13
	<u>25,933</u>
<u>0</u>	<u>25,946</u>
(1,944,079)	(1,966,623)
<u>2,242,602</u>	<u>2,464,111</u>
<u>\$ 298,523</u>	<u>\$ 497,488</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF CHANGE IN NET POSITION - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Student Council	\$ 145.20	\$ 1,584.48	\$ 1,306.42	\$ 423.26
General Student Body	0.00	410.00	420.00	(10.00)
Yearbook	2,676.70	3,995.66	2,411.31	4,261.05
Kindergarten	93.63	20.10		113.73
First Grade	508.23	30.52		538.75
Second Grade	948.78	160.75	363.45	746.08
Third Grade	737.09	55.82		792.91
Fourth Grade	762.96	72.05		835.01
Fifth Grade	324.56	488.68	317.60	495.64
Sixth Grade	599.79	90.71	162.90	527.60
Class of 2019	221.35	2,658.45	1,360.37	1,519.43
Class of 2018	458.07	930.00	862.59	525.48
Class of 2017	572.84		100.00	472.84
Class of 2020	366.20	35.97	19.47	382.70
Class of 2021	475.20			475.20
Class of 2022	21.22			21.22
Class of 2023	0.00	324.79	35.56	289.23
Blue Devil Boosters	0.00			0.00
Future Farmers of America	803.79	837.36	629.50	1,011.65
YEA	0.01	710.00	710.01	0.00
Music Club	1,864.59	1,947.93	1,967.85	1,844.67
Ski/Skate	0.00	4,271.70	4,250.00	21.70
Library	1,536.59	2,474.51	2,898.54	1,112.56
Robotics	266.12	4,447.37	4,157.37	556.12
Drama	2,256.70		2,256.70	0.00
Science Club	8.15			8.15
BPA	2,677.46	969.33	3,481.28	165.51
Athletics	5,424.27	19,701.52	18,104.12	7,021.67
Box Tops/Field Trips	389.74	256.40		646.14
Team Accounts	13,619.65	22,986.76	28,937.52	7,668.89
Field Trips	258.34	41.50	246.00	53.84
Tournament	0.00	1,972.08	1,972.08	0.00
Rodeo	(0.00)			(0.00)
In & Out - Other	48.30	674.39	700.39	22.30
Concessions	696.53	474.09	211.09	959.53
SPED	195.45			195.45
Speech	0.00			0.00
Scholarships	9,378.77	2,244.66	1,500.00	10,123.43
Total	\$ 48,336.28	\$ 74,867.58	\$ 79,382.12	\$ 43,821.74

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Chairman and Board of Trustees
Dietrich School District No. 314
Dietrich, ID 83324

September 1, 2018

I 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 Dietrich School District No. 314, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Dietrich School District No. 314's basic financial statements and have issued my report thereon dated September 1, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Dietrich School District No. 314's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dietrich School District No. 314's internal control. Accordingly, I do not express an opinion on the effectiveness of Dietrich School District No. 314'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.

My 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. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be material weaknesses, 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dietrich School District No. 314's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Dietrich School District No. 314's Response to Findings

Dietrich School District No. 314's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. Dietrich School District No. 314's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I 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.

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

FINDING 2018-001: Lack of Segregation of Duties

Condition: Only one person is employed by the District in the accounting department which does not allow for a strict segregation of duties.

Criteria: Segregation of duties is an internal control that should be in place to provide reasonable assurance that one person does not have complete control over the entire

Cause: There are not enough personnel hired to allow for a strict segregation of duties.

Effect: May allow for misstatement of general purpose financial statements and misuse of assets.

Recommendation: Hire additional staff to provide a proper segregation of duties.

Views of Responsible Official and Planned Corrective Actions: We concur with the recommendation. However, due to a lack of financial resources to pay for the additional staff and other controls currently in place, no action will be taken at this

Summary Schedule of Prior Audit Findings

Finding 2017-001 Lack of Segregation of Duties

The District believes that this finding applies only to the financial reporting and does not effect the federal award programs. No corrective action was taken.