

# **KENDRICK JOINT SCHOOL DISTRICT NO. 283**

**Kendrick, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2015**

# **KENDRICK JOINT SCHOOL DISTRICT NO. 283**

**Kendrick, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2015**



# KENDRICK JOINT SCHOOL DISTRICT NO. 283

## Table of Contents

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	<u>PAGE</u>
<b>Independent Auditor’s Report</b> .....	<b>1-3</b>
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b> .....	<b>4-5</b>
Management’s Discussion and Analysis .....	<b>6-10</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position .....	<b>11</b>
Statement of Activities.....	<b>12</b>
Balance Sheet – Governmental Funds.....	<b>13</b>
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	<b>14</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	<b>15</b>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	<b>16</b>
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	<b>17</b>
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund .....	<b>18</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Funds .....	<b>19</b>
Statement of Net Position – Internal Service Fund .....	<b>20</b>
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund – Budget and Actual.....	<b>21</b>
Statement of Cash Flows – Internal Service Fund .....	<b>22</b>

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**PAGE**

Statement of Fiduciary Net Position – Fiduciary Funds and Component Unit..... **23**

Notes to the Financial Statements ..... **24-42**

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

**GENERAL FUND**

Description of Fund..... **43**

Balance Sheet..... **44**

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual..... **45-46**

Schedule of Expenditures by Function - Budget and Actual..... **47-52**

**SPECIAL REVENUE FUNDS**

Description of Funds ..... **53**

Combining Balance Sheet - All Special Revenue Funds ..... **54**

Combining Statement of Revenues, Expenditures and Changes in Fund  
Balances – All Special Revenue Funds ..... **55**

**CHILD NUTRITION FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual..... **56**

**DRIVERS EDUCATION FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual..... **57**

**FEDERAL FOREST FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual..... **58**

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**21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTERS FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **59**

**TITLE I-A, ESEA – IMPROVING BASIC PROGRAMS FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **60**

**IDEA PART B – SCHOOL-AGE FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **61**

**IDEA PART B – PRE-SCHOOL FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **62**

**STATE PROFESSIONAL TECHNICAL FUND**

Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual..... **63**

**TITLE II-A, ESEA – IMPROVING TEACHER QUALITY FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **64**

**TITLE VI-B, ESEA – RURAL EDUCATION ACHIEVEMENT PROGRAM FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **65**

**SUBSTANCE ABUSE - STATE FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **66**

**PUBLIC SCHOOL TECHNOLOGY – STATE FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual..... **67**



	<u>PAGE</u>
<b>DEBT SERVICE FUND</b>	
Description of Fund.....	68
Balance Sheet.....	69
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	70
<b>CAPITAL PROJECTS FUNDS</b>	
Description of Funds .....	71
Combining Balance Sheet – All Capital Projects Funds.....	72
Combining Statement of Revenues, Expenditures and Changes In Fund Balance – All Capital Projects Funds .....	73
<b>SCHOOL PLANT FACILITY FUND</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	74
<b>SCHOOL PLANT FACILITY FUND – BUS DEPRECIATION FUND</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	75
<b>INTERNAL SERVICE FUND</b>	
Description of Fund.....	76
Statement of Net Position .....	77
Statement of Revenues, Expenses, and Changes in Net Position – Budget and Actual.....	78
Statement of Cash Flows .....	79
<b>AGENCY FUND</b>	
Description of Fund.....	80
Statement of Fiduciary Net Position.....	81

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**SCHEDULE OF FINDINGS AND RESPONSES ..... 82**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Kendrick Joint School District No. 283  
Kendrick, Idaho

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Kendrick Joint School District No. 283, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Aggregate discretely presented component unit	Qualified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Internal Service Fund	Unmodified
Aggregate remaining fund information	Unmodified

### ***Basis for Qualified Opinions on Governmental Activities and Aggregate Discretely Presented Component Unit***

The financial statements of Kendrick Juliaetta 7 Ridges Education Foundation, Inc. have not been audited, and we were not engaged to audit the Kendrick Juliaetta 7 Ridges Education Foundation, Inc.'s financial statements as a part of our audit of Kendrick Joint School District No. 283's basic financial statements. Kendrick Juliaetta 7 Ridges Education Foundation, Inc.'s financial activities are included in the District's basic financial statements as a discretely presented component unit and represent all of the assets, net position, and revenues, respectively, of the District's aggregate discretely presented component units.

Kendrick Joint School District No. 283 believes the cost of adopting GASB 45 cannot be justified at the present time. The District believes the future cost of the implicit rate subsidy built into the current health care premiums is not material to the financial statements. The amount by which this GAAP departure would affect the liabilities and net position of the Statement of Net Position is not determinable.

### ***Qualified Opinions***

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinions on Governmental Activities and Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and aggregate discretely presented component unit of Kendrick Joint School District No. 283, as of June 30, 2015, and the changes in financial position thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Kendrick Joint School District No. 283, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows, and the respective budget comparison for the General Fund, Debt Service Fund, Capital Projects Funds and the Internal Service Fund, thereof, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kendrick Joint School District No. 283's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2015 on our consideration of the Kendrick Joint School District No. 283's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Kendrick Joint School District No. 283's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 7, 2015

**INDEPENDENT AUDITOR'S 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***

To the Board of Trustees  
Kendrick Joint School District No. 283  
Kendrick, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of Kendrick Joint School District No. 283, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Kendrick Joint School District No. 283's basic financial statements, and have issued our report thereon dated October 7, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Kendrick Joint School District No. 283's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kendrick Joint School District No. 283's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kendrick Joint School District No. 283'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting (Finding 2015-01).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Kendrick Joint School District No. 283's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as item Finding 2015-01.

### **Kendrick Joint School District No. 283's Response to Findings**

Kendrick Joint School District No. 283's response to findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hayden Ross, PLLC*

Moscow, Idaho  
October 7, 2015

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2015**

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The discussion and analysis of the Kendrick Joint School District No. 283's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

**Financial Highlights**

- In 2014-2015 the voters authorized a one-year supplemental over-ride levy for \$825,000. This amount stayed the same as the previous 2013-14 Supplemental Levy.
- The District saw declining enrollment in 2014-15. Student enrollment was down 11%. The decline caused the District Support Units to drop from 16.91 units to 16.53 protected units. Because of the decline, the district implemented attrition and will not replace any personnel through retirement or resignation for the following year.
- The 2014-15 general fund ending balance is \$467,598, which is down 6% from the beginning balance of \$498,406.
- The teachers negotiated a 1.5% salary increase on the base and a .5% Bonus in December. Any medical policy increase was negotiated to be funded from the Employee Medical Benefit Pool.
- During 2014-15 fiscal year, the District installed two HVAC heating and air units, in the first and second grade classrooms. The KHS parking lot was seal coated and painted. Roof replacement and repair was applied to both buildings in sections. This will continue in the following years until the roofs are complete. All projects were funded from the Plant Facility Levy.
- A \$5,000 Federal Grant from the Child Nutrition Program enabled the district to purchase and install a new stove for the KHS kitchen.
- Medical Benefit Pool continues to be a healthy Trust account that absorbs the Medical Insurance increases instead of the employees.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District’s finances. They contain useful long-term information for the just completed fiscal year.

The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

In the government-wide financial statements, the District’s activities are all classified as government activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation and food service. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

**Fund Financial Statements.** Funds are accounting devices the District uses to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements. Fund Financial statements generally report operation in more detail than the government-wide statements. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on those which are considered most significant.

*Governmental Funds.* Most of the District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported on the “modified accrual” basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides.

*Proprietary Fund.* This internal service fund records transactions for the medical risk pool. It uses the same basis of accounting as business-type activities, and is consolidated with the governmental activities in the statements for the District as a whole.

*Fiduciary Funds.* The District serves as trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operation.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

### Government-Wide Financial Analysis

Net position may serve as a useful indicator of a district's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,041,362.

<b>Statement of Net Position</b>			
	<u>2015 - 2014</u>	<u>2014 - 2013</u>	<u>Change</u>
<b>Assets</b>			
Current Assets	2,600,880	2,516,937	83,943
Noncurrent Assets	4,486,283	4,626,798	(140,515)
<b>Total Assets</b>	<u><b>7,087,163</b></u>	<u><b>7,143,735</b></u>	<u><b>(56,572)</b></u>
<b>Deferred Outflows of Resources</b>	<u><b>220,964</b></u>	-	<u><b>220,964</b></u>
<b>Liabilities</b>			
Current Liabilities	402,512	392,758	9,754
Noncurrent Liabilities	2,255,207	1,900,000	355,207
<b>Total Liabilities</b>	<u><b>2,657,719</b></u>	<u><b>2,292,758</b></u>	<u><b>364,961</b></u>
<b>Deferred Inflows of Resources</b>	<u><b>1,609,046</b></u>	<u><b>1,022,777</b></u>	<u><b>586,269</b></u>
<b>Net Position</b>			
Net investment in capital assets	2,558,173	2,627,248	(69,075)
Restricted	757,559	656,274	101,285
Unrestricted	(274,370)	544,678	(819,048)
<b>Total Net Position</b>	<u><b>\$ 3,041,362</b></u>	<u><b>\$ 3,828,200</b></u>	<u><b>\$ (786,838)</b></u>

The largest portions of the District's net position are (84.11%) reflect investments in capital assets (i.e. land, building, and improvements, furniture, and equipment) net of related debt (general obligation bonds) used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District's net position (24.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-9.02%) may be used to meet the District's ongoing obligations to students, employee, and creditors.

The unrestricted net position amount has been earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency. With the

implementation of GASB 68 (see note 7), the District is reporting a deficit in unrestricted net position.

*Changes in Net Position* - The table below shows the changes in net position. The District had total revenues of \$3,454,046 and total expenses of \$3,265,724 that generated an increase in net position of \$188,322.

<b>Changes in Net Position</b>			
	<u>2015 - 2014</u>	<u>2014 - 2013</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for services	50,505	54,747	(4,242)
Operating grants and contributions	509,580	535,793	(26,213)
General Revenues:			
Property taxes	1,078,925	1,078,140	785
Federal and state revenues	1,783,398	1,716,741	66,657
Local revenues	31,638	29,085	2,553
<b>Total Revenues</b>	<b><u>3,454,046</u></b>	<b><u>3,414,506</u></b>	<b><u>39,540</u></b>
<b>Expenses</b>			
Program Expenses:			
Instruction	1,482,144	1,467,720	14,424
Support services	1,384,977	1,312,962	72,015
Child Nutrition	136,761	275,744	(138,983)
Capital Outlay	3,645	16,649	(13,004)
Debt Service	83,935	87,100	(3,165)
Depreciation, unallocated	174,262	168,921	5,341
<b>Total Expenses</b>	<b><u>3,265,724</u></b>	<b><u>3,329,096</u></b>	<b><u>(63,372)</u></b>
<b>Change in Net Position</b>	<b>188,322</b>	<b>85,410</b>	<b>102,912</b>
<b>Net Position - Beginning</b>	<b>3,828,200</b>	<b>3,742,790</b>	<b>85,410</b>
<b>Prior Period Adjustment</b>	<b>(975,160)</b>	<b>-</b>	<b>(975,160)</b>
<b>Net Position - Ending</b>	<b><u>\$ 3,041,362</u></b>	<b><u>\$ 3,828,200</u></b>	<b><u>\$ (786,838)</u></b>

### District's Fund Financial Analysis

**General Fund.** The general fund is the maintenance and operation fund and the most significant budgeted fund. At the end of the current fiscal year, the general fund balance is \$467,598, which is down 6.18% from the ending balance in the prior fiscal year of \$498,406. The reason for the decrease was a significant increase in expenditures. A minimum fund balance of one month's expenses and preferably two months is recommended by our auditor. The District has a fund balance of just over two months at the end of fiscal year 2015. Revenues in the general fund totaled \$2,799,127, a 3.53% increase from the prior year of \$2,703,650. Expenditures in the general fund totaled \$2,758,832, a 5.84% increase from the prior year of \$2,606,491.



**Internal Service Fund.** The District has an internal service fund which accounts for the activities of the Self-Insured Employee Medical Pool. To mitigate the effects of increasing health insurance premiums and position the District for partially self-insuring medical deductibles in the future, the Board contributed \$30,000 of the 2001 “Gainsharing” distribution into this fund. This fund has a net position totaling \$310,772 at June 30, 2015.

**Capital Assets.** The Plant Facility Fund is used for capital construction, building and site improvement, remodeling, and equipment; to purchase school buses; for lease and lease purchase agreements for any of the above purposes. A levy in the amount of \$50,000 was approved by the voters in 2009 and continues for ten years. At the end of the current fiscal year, the balance in the Capital Projects Funds is \$151,630. This is an increase from the prior balance of \$99,227.

**Capital Assets  
Governmental Activities  
Net of Accumulated Depreciation**

	<u>2015 - 2014</u>	<u>2014 - 2013</u>	<u>Change</u>
Sites	337,408	368,432	(31,024)
Construction in progress	2,903	-	2,903
Buildings	3,958,957	4,029,535	(70,578)
Equipment	37,575	46,021	(8,446)
Transportation	149,440	182,810	(33,370)
Total Net Assets	<u>\$ 4,486,283</u>	<u>\$ 4,626,798</u>	<u>\$ (140,515)</u>

**Long-term debt.** *General Obligation Bonds* - The debt service fund has a total fund balance of \$213,369 all of which is restricted for the payment of debt service on a general obligation bond. The debt of the District is secured by an annual debt service tax levy authorized by the patrons of the District in 2009.

At year end the District had \$1,900,000 outstanding.

**Contacting the District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances. Any questions or requests for additional information should be directed to the District’s Business Manager, Mellissa Eichner at the District’s Administrative Office, P.O. Box 283, Kendrick, ID 83537, by phone at (208) 289-4211, or by email at [sd283@tds.net](mailto:sd283@tds.net).

## FINANCIAL STATEMENTS



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**STATEMENT OF NET POSITION**

June 30, 2015

**ASSETS**

## Current Assets

Cash	719,724
Investments	339,153
Taxes receivable	72,250
Unbilled taxes receivable	1,023,698
Other receivables:	
Due from other governmental units	445,670
Other receivables	385
Total current assets	<u>2,600,880</u>

## Noncurrent Assets

Non-depreciated capital assets	299,673
Depreciated capital assets	7,045,394
Less: Accumulated Depreciation	<u>(2,858,784)</u>
Total noncurrent assets	<u>4,486,283</u>

Total Assets 7,087,163

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items 220,964

**LIABILITIES**

## Current Liabilities

Accounts payable and other current liabilities	332,512
Current portion of long-term debt	<u>70,000</u>
Total current liabilities	<u>402,512</u>

## Noncurrent Liabilities

Noncurrent portion of long-term debt	1,830,000
Net pension liability	<u>425,207</u>
Total noncurrent liabilities	<u>2,255,207</u>

Total Liabilities 2,657,719

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	1,023,698
Pension related items	<u>585,348</u>

Total Deferred Inflows of Resources 1,609,046**NET POSITION**

Net investment in capital assets	2,558,173
Restricted for:	
Debt service	223,551
Capital projects	154,555
Grant programs	68,681
Medical benefits	310,772
Unrestricted	<u>(274,370)</u>

Total Net Position \$ 3,041,362

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Preschool - 12 Instruction	1,482,144	1,610	276,781	-	(1,203,753)
Support Services					
Pupil support	170,028	-	22,099	-	(147,929)
Staff support	80,030	-	-	-	(80,030)
General administration	102,869	-	-	-	(102,869)
School/Business administration	411,648	-	-	-	(411,648)
Maintenance	338,390	-	-	-	(338,390)
Transportation	169,937	-	132,157	-	(37,780)
Other support	112,075	-	-	-	(112,075)
Child Nutrition	136,761	48,895	78,543	-	(9,323)
Capital Outlay	3,645	-	-	-	(3,645)
Debt Services	83,935	-	-	-	(83,935)
Depreciation, unallocated	174,262	-	-	-	(174,262)
Total School District	<u>\$ 3,265,724</u>	<u>\$ 50,505</u>	<u>\$ 509,580</u>	<u>\$ -</u>	<u>(2,705,639)</u>
<b>General Revenues</b>					
Taxes					
Property taxes levied for general purposes					863,320
Property taxes levied for debt service					164,810
Property taxes levied for capital projects					50,795
Federal and State aid not restricted to specific purposes					1,783,398
Other					29,968
Interest and investment earnings					<u>1,670</u>
Total General Revenues					<u>2,893,961</u>
Change in Net Position					188,322
<b>Net position - beginning</b>					3,828,200
<b>Prior period adjustment - pension related items (see note 12)</b>					<u>(975,160)</u>
<b>Net position - ending</b>					<u>\$ 3,041,362</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Assets:					
Cash	719,724	-	-	-	719,724
Investments	14,598	-	35,696	-	50,294
Due from other funds	-	165,724	101,299	81,670	348,693
Taxes receivable	56,741	12,019	3,490	-	72,250
Unbilled taxes receivable	836,725	136,973	50,000	-	1,023,698
Other receivables:					
Due from other governmental units	328,944	45,808	14,070	56,848	445,670
Other receivables	385	-	-	-	385
Total assets	<u>1,957,117</u>	<u>360,524</u>	<u>204,555</u>	<u>138,518</u>	<u>2,660,714</u>
Deferred outflows of resources	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,957,117</u>	<u>\$ 360,524</u>	<u>\$ 204,555</u>	<u>\$ 138,518</u>	<u>\$ 2,660,714</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	352,056	-	-	18,550	370,606
Accrued payroll and benefits	253,049	-	-	51,287	304,336
Other liabilities	66	-	-	-	66
Total liabilities	<u>605,171</u>	<u>-</u>	<u>-</u>	<u>69,837</u>	<u>675,008</u>
Deferred inflows of resources:					
Deferred revenue	47,623	10,182	2,925	2,619	63,349
Unavailable property tax revenue	836,725	136,973	50,000	-	1,023,698
Total deferred inflows of resources	<u>884,348</u>	<u>147,155</u>	<u>52,925</u>	<u>2,619</u>	<u>1,087,047</u>
Fund balances:					
Restricted	-	213,369	151,630	66,062	431,061
Unassigned	467,598	-	-	-	467,598
Total fund balances	<u>467,598</u>	<u>213,369</u>	<u>151,630</u>	<u>66,062</u>	<u>898,659</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,957,117</u>	<u>\$ 360,524</u>	<u>\$ 204,555</u>	<u>\$ 138,518</u>	<u>\$ 2,660,714</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

**Kendrick, Idaho**

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**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL  
ACTIVITIES  
June 30, 2015**

Total Fund Balances - Governmental Funds 898,659

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost of capital assets	7,345,067
Accumulated depreciation	(2,858,784)

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 63,349

Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities. 310,772

Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities (see note 7):

Deferred outflows of resources	220,964
Deferred inflows of resources	(585,348)

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when paid. (28,110)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

General obligation bonds	(1,900,000)
Net pension liability	(425,207)

Total Net Position - Governmental Activities \$ 3,041,362

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local	893,085	165,230	50,777	50,505	1,159,597
State	1,815,330	8,785	728	48,051	1,872,894
Federal	90,712	-	-	329,372	420,084
Total revenues	<u>2,799,127</u>	<u>174,015</u>	<u>51,505</u>	<u>427,928</u>	<u>3,452,575</u>
<b>EXPENDITURES</b>					
Instruction	1,431,250	-	-	160,808	1,592,058
Support	1,322,832	-	-	22,099	1,344,931
Non-instruction	4,750	-	-	261,486	266,236
Capital objects	-	-	23,618	-	23,618
Debt service	-	155,375	-	-	155,375
Total expenditures	<u>2,758,832</u>	<u>155,375</u>	<u>23,618</u>	<u>444,393</u>	<u>3,382,218</u>
Excess (deficiency) of revenue over expenditures	<u>40,295</u>	<u>18,640</u>	<u>27,887</u>	<u>(16,465)</u>	<u>70,357</u>
Other financing sources (uses):					
Sale of equipment	-	-	-	14	14
Transfer in	-	-	24,516	24,674	49,190
Transfer out	(71,103)	-	-	-	(71,103)
Total other financing sources (uses)	<u>(71,103)</u>	<u>-</u>	<u>24,516</u>	<u>24,688</u>	<u>(21,899)</u>
Net change in fund balance	(30,808)	18,640	52,403	8,223	48,458
Fund balance-Beginning of year	<u>498,406</u>	<u>194,729</u>	<u>99,227</u>	<u>57,839</u>	<u>850,201</u>
Fund balance-End of year	<u>\$ 467,598</u>	<u>\$ 213,369</u>	<u>\$ 151,630</u>	<u>\$ 66,062</u>	<u>\$ 898,659</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds 48,458

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

Capital outlays	33,747	
Depreciation expense	<u>(174,262)</u>	(140,515)

Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. 1,003

Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net position and does not affect the statement of activities. 70,000

Employer PERSI contributions made after the net pension liability measurement date are expenditures in the governmental funds but are recorded as a deferred outflow of resources for governmental activities. 185,569

Interest is accrued on outstanding debt in the government-wide financial statements whereas in the governmental fund financial statements, an interest expenditure is reported when paid. 1,440

Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net increase of the internal service fund is reported with governmental activities. 22,367

Total change in net position of governmental activities \$ 188,322



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Local:					
Taxes	793,335	793,335	861,969	68,634	68,634
Earnings on investments	-	-	1,162	1,162	1,162
Other	500	500	29,954	29,454	29,454
Total local	<u>793,835</u>	<u>793,835</u>	<u>893,085</u>	<u>99,250</u>	<u>99,250</u>
State:					
Base program	1,324,329	1,324,329	1,328,759	4,430	4,430
Transportation	127,126	127,126	132,157	5,031	5,031
Exceptional child support	-	-	14,127	14,127	14,127
Benefit apportionment	181,108	181,108	181,518	410	410
Other state support	109,052	109,052	103,157	(5,895)	(5,895)
Lottery/additional state maintenance	10,237	10,237	22,322	12,085	12,085
Revenue in lieu of taxes	36,665	36,665	33,290	(3,375)	(3,375)
Total state	<u>1,788,517</u>	<u>1,788,517</u>	<u>1,815,330</u>	<u>26,813</u>	<u>26,813</u>
Federal:					
Unrestricted	30,000	30,000	90,712	60,712	60,712
Total revenues	<u>2,612,352</u>	<u>2,612,352</u>	<u>2,799,127</u>	<u>186,775</u>	<u>186,775</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	923,679	923,679	943,547	(19,868)	(19,868)
Benefits	413,086	413,086	393,293	19,793	19,793
Purchased services	157,576	157,576	38,182	119,394	119,394
Supply-materials	63,150	63,150	56,228	6,922	6,922
Total instruction	<u>1,557,491</u>	<u>1,557,491</u>	<u>1,431,250</u>	<u>126,241</u>	<u>126,241</u>
Support:					
Salaries	632,171	632,171	592,250	39,921	39,921
Benefits	327,672	327,672	300,316	27,356	27,356
Purchased services	287,894	287,894	285,851	2,043	2,043
Supply-materials	123,500	123,500	119,597	3,903	3,903
Capital objects	-	-	1,599	(1,599)	(1,599)
Insurance	23,219	23,219	23,219	-	-
Total support	<u>1,394,456</u>	<u>1,394,456</u>	<u>1,322,832</u>	<u>71,624</u>	<u>71,624</u>
Non-instruction:					
Benefits	3,600	3,600	3,662	(62)	(62)
Purchased services	-	-	490	(490)	(490)
Supply-materials	-	-	598	(598)	(598)
Total non-instruction	<u>3,600</u>	<u>3,600</u>	<u>4,750</u>	<u>(1,150)</u>	<u>(1,150)</u>
Total expenditures	<u>2,955,547</u>	<u>2,955,547</u>	<u>2,758,832</u>	<u>196,715</u>	<u>196,715</u>
Excess (deficiency) of revenues over expenditures	<u>(343,195)</u>	<u>(343,195)</u>	<u>40,295</u>	<u>383,490</u>	<u>383,490</u>
Other financing sources (uses):					
Transfer out:					
School plant facility-bus depreciation	(19,586)	(19,586)	(24,516)	(4,930)	(4,930)
Child nutrition fund	(19,712)	(19,712)	(24,674)	(4,962)	(4,962)
Internal service fund	(17,507)	(17,507)	(21,913)	(4,406)	(4,406)
Total other financing sources (uses)	<u>(56,805)</u>	<u>(56,805)</u>	<u>(71,103)</u>	<u>(14,298)</u>	<u>(14,298)</u>
Net change in fund balance	<u>\$ (400,000)</u>	<u>\$ (400,000)</u>	<u>(30,808)</u>	<u>\$ 369,192</u>	<u>\$ 369,192</u>
Fund balance-Beginning of year			498,406		
Fund balance-End of year			<u>\$ 467,598</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>					
Local:					
Taxes	<u>161,949</u>	<u>161,949</u>	<u>165,230</u>	<u>3,281</u>	<u>3,281</u>
State:					
Revenue in lieu of/ag equip taxes	-	-	2,647	2,647	2,647
Other	<u>6,000</u>	<u>6,000</u>	<u>6,138</u>	<u>138</u>	<u>138</u>
Total state	<u>6,000</u>	<u>6,000</u>	<u>8,785</u>	<u>2,785</u>	<u>2,785</u>
Total revenues	<u>167,949</u>	<u>167,949</u>	<u>174,015</u>	<u>6,066</u>	<u>6,066</u>
<b>EXPENDITURES</b>					
Debt service:					
Interest	167,950	167,950	85,375	82,575	82,575
Principal	<u>140,000</u>	<u>140,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Total expenditures	<u>307,950</u>	<u>307,950</u>	<u>155,375</u>	<u>152,575</u>	<u>152,575</u>
Net change in fund balance	<u>\$ (140,001)</u>	<u>\$ (140,001)</u>	18,640	<u>\$ 158,641</u>	<u>\$ 158,641</u>
Fund balance-Beginning of year			<u>194,729</u>		
Fund balance-End of year			<u>\$ 213,369</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**CAPITAL PROJECTS FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Original Budget	Amended Budget	Actual	Variances	
				Favorable (Unfavorable) Original to Actual	Amended to Actual
<b>REVENUES</b>					
Local:					
Taxes	50,000	50,000	50,723	723	723
Earnings on investments	-	-	54	54	54
Total local	<u>50,000</u>	<u>50,000</u>	<u>50,777</u>	<u>777</u>	<u>777</u>
State:					
Lottery/additional state maintenance	-	-	728	728	728
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>51,505</u>	<u>1,505</u>	<u>1,505</u>
<b>EXPENDITURES</b>					
Support:					
Salaries	20,000	20,000	-	20,000	20,000
Benefits	14,861	14,861	-	14,861	14,861
Supplies-material	50,000	50,000	-	50,000	50,000
Capital objects	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>	<u>10,000</u>
Total support	94,861	94,861	-	94,861	94,861
Capital objects	<u>26,805</u>	<u>26,805</u>	<u>23,618</u>	<u>3,187</u>	<u>3,187</u>
Total expenditures	<u>121,666</u>	<u>121,666</u>	<u>23,618</u>	<u>98,048</u>	<u>98,048</u>
Excess (deficiency) of revenues over/under expenditures	(71,666)	(71,666)	27,887	99,553	99,553
Other financing sources (uses):					
Transfer in	<u>26,805</u>	<u>26,805</u>	<u>24,516</u>	<u>(2,289)</u>	<u>(2,289)</u>
Net change in fund balance	<u>\$ (44,861)</u>	<u>\$ (44,861)</u>	52,403	<u>\$ 97,264</u>	<u>\$ 97,264</u>
Fund balance-Beginning of year			<u>99,227</u>		
Fund balance-End of year			<u>\$ 151,630</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF NET POSITION**  
June 30, 2015

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Investments	288,859	
Due from other funds	21,913	
Total assets	<u>310,772</u>	

Deferred outflows of resources	<u>-</u>	
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Total assets and deferred outflows of resources 310,772

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

Liabilities -

Deferred inflows of resources	<u>-</u>	
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Total liabilities and deferred inflows of resources -

**NET POSITION**

Restricted for medical payments	<u>310,772</u>	
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Total net position \$ 310,772

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND**  
**ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUE</b>			
Local:			
Earnings on investments	454	-	454
Other local	-	40,000	(40,000)
Total revenues	454	40,000	(39,546)
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over/under expenditures	454	40,000	(39,546)
Other financing sources (uses):			
Transfer in	21,913	-	21,913
Net change in net position	22,367	\$ 40,000	\$ (17,633)
Net position-beginning of year	288,405		
Net position-end of year	\$ 310,772		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2015

**Cash Flows From Noncapital Financing Activities**

Cash received from other funds	21,913
Cash paid to other funds	<u>(26,528)</u>

Net cash used in noncapital financing activities (4,615)

**Cash Flows From Investing Activities**

Sale of investments	4,161
Earnings on investments	<u>454</u>

Net cash provided by investing activities 4,615

**Net change in cash** -

**Cash - beginning of year** -

**Cash - end of year** \$ -

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**FIDUCIARY FUNDS AND COMPONENT UNIT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2015**

	<b>Agency Funds</b>	<b>Component Unit - Kendrick Juliaetta 7 Ridges Education Foundation, Inc.</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
Assets:		
Cash	47,377	21,323
Investments	-	499,191
Total assets	47,377	520,514
 Deferred outflows of resources	 -	 -
Total assets and deferred outflows of resources	47,377	520,514
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
Liabilities:		
Due to student groups	47,377	-
 Deferred inflows of resources	 -	 -
Total liabilities and deferred inflows of resources	47,377	-
<b>NET POSITION</b>		
Restricted	-	520,514
Total net position	\$ -	\$ 520,514

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

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**NOTE 1      Summary of Significant Accounting Policies**

The financial statements of the Kendrick Joint School District No. 283 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**Reporting Entity** - The Kendrick Joint School District No. 283 is the basic level of government, which has financial accountability, and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. The unaudited statements of Kendrick Juliaetta 7 Ridges Education Foundation, Inc., a component unit, is presented on the Statement of Net Position and Statement of Revenues, Expenditures and Changes in Net Position.

**Basis of Presentation, Fund Accounting** - District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall district, except for fiduciary activities. Only governmental-type activities are shown, since there are no "business-type activities" within the school district.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular



program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- **General Fund.** This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- **Debt Service Fund.** This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- **Capital Projects Fund.** This fund is used to account for financial resources that are legally reserved for the acquisition, construction, or major repair of school property.

The District reports the following proprietary fund:

- **Internal service fund.** The District has an internal service fund which is used to account for a medical risk pool. It uses the same basis of accounting as business-type activities.

The District reports the following fiduciary fund:

- **Agency funds.** These funds account for assets held by the District as an agent for various student groups and clubs.

**Basis of Accounting** - The district-wide, proprietary, and fiduciary fund (excepting agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support and grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

Internal service funds follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless these pronouncements conflict with GASB pronouncements.

**Restricted Resources** - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Budgets** - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

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

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

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level. Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

**Cash and Investments** - The District's cash includes amounts in demand deposits and checking accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local Government Investment Pool, which allow school districts within the state of Idaho to pool their funds for investments purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

**Short-term Interfund Loans Receivable/Payable** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables as classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables". Interfund balances have been eliminated, where applicable, on the statement of net position.

**Inventory** - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased.

**General Fixed Assets** - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–30 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Accumulated Unpaid Vacation and Sick Pay** - Under the terms of the "Kendrick Joint School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District's services, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Employees are not paid for unused sick leave upon termination of employment with the District.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There is no accumulated vacation payable at June 30, 2015. In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for non-vesting an accumulating right to receive sick pay benefits.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, 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.

**Long Term Obligations** - In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as 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.

**Deferred Compensation** - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day.

The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement. At June 30, 2015, there were 80 days of sick leave in the bank.

**Encumbrances** - The District does not utilize an encumbrance system.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fund Balance, GASB 54** - The *nonspendable* fund balance category 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. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government 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. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications.

**Deferred Revenue** - Deferred revenue in the General, Debt Service, and Capital Projects Funds represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund, Debt Service Fund and Capital Projects Funds represents the property taxes levied for 2015 that is measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental funds and the government-wide financial statements.

**Subsequent Events** - Subsequent events have been evaluated through the date of the auditor's report. This is the date the financial statements were available to be issued. The District has concluded that no material subsequent events have occurred.

## **NOTE 2      Property Tax**

The District's property tax is levied each October on the value listed as of the prior January 1 for all real 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, 2014 upon which the 2014 levy was based was \$123,277,674.

The District's actual levy was 4.05588% per \$100 for plant facility acquisitions and 13.13693% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt and plant facility acquisitions for the year ended June 30, 2015 was 65.77249% per \$100, which means that the District was required to pass an override levy in the amount of

65.77249% per \$100. The total tax levy for the year ended June 30, 2015 was \$1,041,989 with total tax collections being \$999,432.

Taxes are due in two equal installments on December 20th and June 20th following the levy date. Current tax collections for the year ended June 30, 2015 were 95.92% of the tax levy. Property taxes levied for 2014 are recorded as receivables to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2015 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The 2015 property tax levy funds are considered unavailable as of June 30, 2015. The total property taxes levy for 2015 of \$1,023,698 is recorded as uncollected but are not considered available at June 30, 2015. The entire receivable is considered a deferred inflow of resources.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Total taxes receivable at June 30, 2015	56,741	12,019	3,490	72,250
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2015	9,118	1,837	565	11,520
Deferred revenue	<u>\$ 47,623</u>	<u>\$ 10,182</u>	<u>\$ 2,925</u>	<u>\$ 60,730</u>

**NOTE 3 Deposits and Investments**

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<b>Cash</b>		
Checking and Savings Accounts	<u>\$767,101</u>	<u>\$894,502</u>

Checking and savings accounts were with Wells Fargo Bank, N.A. of which \$250,000 of accounts were covered by Federal Deposit Insurance. The remaining balance of \$644,502 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

**Investments**

Detail of investments at June 30, 2015 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Internal Service</u>	<u>Total</u>
Investment in State					
Treasurer's Pool	Variable	<u>\$14,598</u>	<u>\$35,696</u>	<u>\$288,859</u>	<u>\$339,153</u>

## Investment Maturities

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$339,153</u>	<u>\$339,153</u>	<u>\$339,153</u>	<u>\$ _____</u>

The State Treasurer’s Local Government Investment Pool is managed by the State of Idaho Treasurer’s office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

The State Treasurer’s investment policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody’s or Standard & Poor’s. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

*Interest rate risk* is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer’s Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

*Concentration of credit risk* is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The district has no policy limiting the amount it may invest in any one issuer.

#### **NOTE 4      Changes in General Fixed Assets**

A summary of changes in general fixed assets is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2015</b>
<b>Capital assets not being depreciated</b>				
Land	296,770	-	-	296,770
Construction in progress	27,306	2,903	(27,306)	2,903
Total nondepreciated assets	<u>324,076</u>	<u>2,903</u>	<u>(27,306)</u>	<u>299,673</u>
<b>Capital assets being depreciated</b>				
Land Improvements	237,730	6,443	-	244,173
Buildings	5,933,942	40,715	-	5,974,657
Equipment	150,082	10,992	-	161,074
Transportation	665,490	-	-	665,490
Total depreciated assets	<u>6,987,244</u>	<u>58,150</u>	<u>-</u>	<u>7,045,394</u>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(193,374)	(10,161)	-	(203,535)
Buildings	(1,904,407)	(111,293)	-	(2,015,700)
Equipment	(104,061)	(19,438)	-	(123,499)
Transportation	(482,680)	(33,370)	-	(516,050)
Total accumulated depreciation	<u>(2,684,522)</u>	<u>(174,262)</u>	<u>-</u>	<u>(2,858,784)</u>
<b>Governmental Activities Assets (Net)</b>	<u>\$ 4,626,798</u>	<u>\$ (113,209)</u>	<u>\$ (27,306)</u>	<u>\$ 4,486,283</u>



## NOTE 5 Long-Term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2015.

Bonds payable @ July 1, 2014	1,970,000
Principal payments	<u>(70,000)</u>
Bonds payable @ June 30, 2015	<u>\$1,900,000</u>

Bonds payable at June 30, 2015, are comprised of the following individual issues:

### General Obligation Bonds:

2007 Series

Original issue of \$2,360,000 due August 15, 2032

Interest varies between 4% and 4.5% \$1,900,000

### SERIES 2007

<u>Date of Redemption</u>	<u>Interest Rate</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/15/2015	4.00%	70,000.00	41,987.50	111,987.50
2/15/2016			40,587.50	40,587.50
8/15/2016	4.00%	75,000.00	40,587.50	115,587.50
2/15/2017			39,087.50	39,087.50
8/15/2017	4.00%	80,000.00	39,087.50	119,087.50
2/15/2018			37,487.50	37,487.50
8/15/2018	4.00%	80,000.00	37,487.50	117,487.50
2/15/2019			35,887.50	35,887.50
8/15/2019	4.50%	85,000.00	35,887.50	120,887.50
2/15/2020			33,975.00	33,975.00
8/15/2020	4.50%	90,000.00	33,975.00	123,975.00
2/15/2021			31,950.00	31,950.00
8/15/2021	4.50%	90,000.00	31,950.00	121,950.00
2/15/2022			29,925.00	29,925.00
8/15/2022	4.50%	95,000.00	29,925.00	124,925.00
2/15/2023			27,787.50	27,787.50
8/15/2023	4.50%	100,000.00	27,787.50	127,787.50
2/15/2024			25,537.50	25,537.50
8/15/2024	4.50%	105,000.00	25,537.50	130,537.50
2/15/2025			23,175.00	23,175.00
8/15/2025	4.50%	110,000.00	23,175.00	133,175.00
2/15/2026			20,700.00	20,700.00
8/15/2026	4.50%	115,000.00	20,700.00	135,700.00

2/15/2027			18,112.50	18,112.50
8/15/2027	4.50%	120,000.00	18,112.50	138,112.50
2/15/2028			15,412.50	15,412.50
8/15/2028	4.50%	125,000.00	15,412.50	140,412.50
2/15/2029			12,600.00	12,600.00
8/15/2029	4.50%	130,000.00	12,600.00	142,600.00
2/15/2030			9,675.00	9,675.00
8/15/2030	4.50%	135,000.00	9,675.00	144,675.00
2/15/2031			6,637.50	6,637.50
8/15/2031	4.00%	145,000.00	6,637.50	151,637.50
2/15/2032			3,375.00	3,375.00
8/15/2032	4.50%	<u>150,000.00</u>	<u>3,375.00</u>	<u>153,375.00</u>
		<u>\$1,900,000.00</u>	<u>\$865,812.50</u>	<u>\$2,765,812.50</u>

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2015 the Legal Debt Margin was:

Market Value at January 1, 2014	123,277,674
Percentage allowed	<u>5%</u>
Debt limitation	6,163,884
Less: Bonded debt at June 30, 2015	<u>1,900,000</u>
Legal Debt Margin	<u>\$4,263,884</u>

As of June 30, 2015, \$213,369 was available in the debt service fund to service the general obligation bonds.

## **NOTE 6 Partially Self-Insured Medical Benefit Pool**

Dramatic increases in health insurance premiums have made it necessary for Kendrick Joint School District No. 283 to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees encumbered \$30,000 of the General Fund Balance in the FY 2001-2002 budget as a Self-Insured Employee Medical Pool. The purpose of the pool was two-fold: to offset the liability assumed by providing a partial self-fund health insurance plan for its employees, and to help fund future increases in the cost of medical insurance through the savings projected in administering the plan.

The savings in insurance costs, along with interest earned on investments, increased the Self-Insured Medical Benefit Pool balance to \$310,772 by the end of FY 2014-2015. The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

Administration – The Self-Insured Medical Benefit Pool is administered by the Kendrick Joint School District No. 283 Board of Trustees. The business manager will provide the Board with financial statements upon which the Board will make

decisions and set a yearly budget. Operating transfers of funds out of the Pool will only be made at the direction of the Board of Trustees.

Initial Investment – With the exception of unusual circumstances, the initial investment of \$30,000 cannot be spent, only invested. An example of an “unusual circumstance” would be employee paid deductibles in a year that would exceed net earnings over the initial investment of \$30,000. An operating transfer to the General M & O Fund to help defray medical fringe benefit cost would not be an “unusual circumstance”.

District Liability – 100% of the liability of self-insuring the employees and dependents of Kendrick Joint School Dist. No. 283 shall be retained in the Self-Insured Medical Benefit Pool. Liability is calculated by the number of employees and dependents plus the eligible retirees and dependents times 90% of the difference between the employee paid deductible and the district paid deductible.

Eligible Retirees – Retirees under the age of 65 years are eligible for benefits under the Self-Insured Medical Benefit Pool with no additional cost in premium to the retiree.

Dissolving the Self-Insured Medical Pool – If the Self-Insured Medical Benefit Pool is dissolved at some point in time, the fund balance will revert back into the General M & O Fund through an operating transfer of funds.

## **NOTE 7 Pension Plan**

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2014. All amounts are as of June 30, 2014 unless otherwise noted.

### *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](http://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.

#### *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.

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2015 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The District's employer contributions required and paid were \$184,624, \$177,136 and \$158,958 for the three years ended June 30, 2015, 2014, and 2013, respectively.

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2014. The net pension liability was measured as of July 1, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2014, the District's proportion was 0.0577604 percent.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2015 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2014 was calculated at \$(129,838).

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	-	52,783
Changes in assumptions or other inputs	35,395	-
Net difference between projected and actual earning on pension plan investments	-	532,565
Employer contributions subsequent to the measurement date	<u>185,569</u>	<u>-</u>
Total	<u>\$220,964</u>	<u>\$585,348</u>

\$185,569 reported as deferred outflow 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 ended June 30, 2016.

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:

<b><u>For the Year Ending June 30:</u></b>	<b><u>Amount to be Recognized</u></b>
2016	\$(136,921)
2017	\$(136,921)

2018	\$(136,921)
2019	\$(136,921)
2020	\$(2,268)

### *Actuarial Assumptions*

The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	4.5 – 10.25%
Salary Inflation	3.75%
Investment rate of return	7.10% net of investment expenses
Cost-of-living adjustments	1%

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 experienced study was performed in 2012 for the period July, 1 2007 through June 30, 2011 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, 2014 is based on the results of an actuarial valuation date of July, 2014.

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.

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, 2014.

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	6.9%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation Mean			3.25%
Assumed Inflation Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses Long-Term Expected			.40%
Rate of Return, Net Investment Expenses			7.10%

#### *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 Employer'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:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net pension liability (asset)	\$1,476,620	\$425,207	\$(448,823)

*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](http://www.persi.idaho.gov).

*Payables to the pension plan*

At June 30, 2014, 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.

*Required Supplementary Information*

**Schedule of the District's Share of Net Pension Liability\***  
**PERSI – Base Plan**  
**As of June 30th**

	<b><u>2014</u></b>
Employer's portion of the net pension liability	0.0577604%
Employer's proportionate share of the net pension liability	\$425,207
Employer's covered employee payroll	\$1,575,012
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	26.99%
Plan fiduciary net position as a percentage of the total	94.95%

\* 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.

Data reported is measured as of July 1, 2014 (measurement date)

**Schedule of District Contributions\***  
**PERSI – Base Plan**  
**As of June 30th**

	<b><u>2014</u></b>
Statutorily required contribution	\$177,136
Contributions in relation to the statutorily required contribution	\$(177,136)
Contribution (deficiency) excess	\$-
Employer's covered employee payroll	\$1,575,012
Contributions as a percentage of covered employee payroll	11.32%

\* 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.

Data is reported is measured as of June 30, 2014.

*Notes to the Required Supplementary Information*

Change of Assumptions. Amounts reported as of June 30, 2014 reflect an adjustment of the investment rate of return to 7.10 percent, net of pension plan investment expense.

**NOTE 8      Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**NOTE 9      Excess of Actual Expenditures Over Budget in Individual Funds**

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2015:

<u>Fund</u>	<u>Excess</u>
Child Nutrition	12,626
21 <sup>st</sup> Century Community Learning Centers	1,670
IDEA Part B – School-Age	1,818

These over-expenditures arose due to an increase in Local, State and Federal funding. To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

**NOTE 10      Interfund Receivables, Payables and Transfers**

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as "Transfers" and are classified with "Other financing sources or uses." Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total transfers are as follows:

	<u>Out</u>	<u>In</u>
General	71,103	-
Child Nutrition	-	24,674
School Plant Facility – Bus Depreciation	-	24,516
Internal Service	-	<u>21,913</u>
Totals	<u>\$71,103</u>	<u>\$71,103</u>

The composition of interfund receivables and payables as of June 30, 2015 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	-	352,056
Special Revenue Funds:		
Child Nutrition	15,251	-
Drivers Education	5,355	-
Federal Forest	47,050	-
21 <sup>st</sup> Century Community Learning Centers	-	6,626
Title I-A, ESEA – Improving Basic Programs	-	4,030
IDEA Part B School-Age	-	1,921
State Professional Technical	-	5,973
Title II-A, ESEA–Improving Teacher Quality	357	-
Substance Abuse – State	2,283	-
Public School Technology – State	11,374	-
Debt Service	165,724	-
School Plant Facility	63,430	-
School Plant Facility – Bus Depreciation	37,869	-
Internal Service	<u>21,913</u>	-
Totals	<u>\$370,606</u>	<u>\$370,606</u>

#### **NOTE 11 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 significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

#### **NOTE 12 Prior Period Adjustment**

An adjustment to beginning net position is necessary for the fiscal year ended June 30, 2015 due to the implementation of GASB 68, which is discussed in detail in Note 7.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**



**KENDICK JOINT SCHOOL DISTRICT NO. 283**  
**General Fund**

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To account for resources traditionally associated with District operations which are not required to be accounted for in another fund.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
BALANCE SHEET  
June 30, 2015**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Cash	719,724
Investments	14,598
Taxes receivable	56,741
Unbilled taxes receivable	836,725
Other receivables:	
State support	63,311
Federal support	13,694
Taxes due from counties	251,939
Other receivables	385
Total assets	<u>1,957,117</u>

Deferred outflows of resources	<u>-</u>
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**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** 1,957,117

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND  
FUND BALANCE**

Liabilities:

Due to other funds	352,056
Accrued payroll and benefits	253,049
Other liabilities	66
Total liabilities	<u>605,171</u>

Deferred inflows of resources:

Deferred revenue	47,623
Unearned property tax revenue	836,725
Total deferred inflows of resources	<u>884,348</u>

Fund balance:

Unassigned	<u>467,598</u>
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**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES  
AND FUND BALANCE** \$ 1,957,117

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local:			
Taxes	861,969	793,335	68,634
Earnings on investments	1,162	-	1,162
Other	29,954	500	29,454
Total local	<u>893,085</u>	<u>793,835</u>	<u>99,250</u>
State:			
Base support	1,328,759	1,324,329	4,430
Transportation	132,157	127,126	5,031
Exceptional child support	14,127	-	14,127
Benefit apportionment	181,518	181,108	410
Other state support	103,157	109,052	(5,895)
Lottery/additional state maintenance	22,322	10,237	12,085
Revenue in lieu of taxes	33,290	36,665	(3,375)
Total state	<u>1,815,330</u>	<u>1,788,517</u>	<u>26,813</u>
Federal:			
Unrestricted	<u>90,712</u>	<u>30,000</u>	<u>60,712</u>
Total revenues	<u>2,799,127</u>	<u>2,612,352</u>	<u>186,775</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	943,547	923,679	(19,868)
Benefits	393,293	413,086	19,793
Purchased services	38,182	157,576	119,394
Supply-materials	56,228	63,150	6,922
Total instruction	<u>1,431,250</u>	<u>1,557,491</u>	<u>126,241</u>
Support:			
Salaries	592,250	632,171	39,921
Benefits	300,316	327,672	27,356
Purchased services	285,851	287,894	2,043
Supply-materials	119,597	123,500	3,903
Capital objects	1,599	-	(1,599)
Insurance	23,219	23,219	-
Total support	<u>1,322,832</u>	<u>1,394,456</u>	<u>71,624</u>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND  
ACTUAL (Continued)  
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES (Continued)</b>			
Non-instruction:			
Benefits	3,662	3,600	(62)
Purchased services	490	-	(490)
Supply-materials	598	-	(598)
Total non-instruction	<u>4,750</u>	<u>3,600</u>	<u>(1,150)</u>
Total expenditures	<u>2,758,832</u>	<u>2,955,547</u>	<u>196,715</u>
Excess (deficiency) of revenues over expenditures	<u>40,295</u>	<u>(343,195)</u>	<u>383,490</u>
Other financing sources (uses):			
Transfer out:			
School plant facility-bus depreciation	(24,516)	(19,586)	(4,930)
Child nutrition fund	(24,674)	(19,712)	(4,962)
Internal service fund	(21,913)	(17,507)	(4,406)
Total other financing sources (uses)	<u>(71,103)</u>	<u>(56,805)</u>	<u>(14,298)</u>
Net change in fund balance	(30,808)	<u>\$ (400,000)</u>	<u>\$ 369,192</u>
Fund balance-Beginning of year	<u>498,406</u>		
Fund balance-End of year	<u>\$ 467,598</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>INSTRUCTION:</b>			
Elementary school program			
Salaries	379,856	387,806	7,950
Benefits	169,518	184,632	15,114
Purchased services	13,994	8,000	(5,994)
Supply-materials	25,980	30,000	4,020
Total elementary school program	589,348	610,438	21,090
Secondary school program			
Salaries	321,601	315,552	(6,049)
Benefits	131,472	156,727	25,255
Purchased services	10,588	8,000	(2,588)
Supply-materials	22,991	30,000	7,009
Total secondary school program	486,652	510,279	23,627
Vocational-technical program			
Salaries	83,596	81,661	(1,935)
Benefits	34,468	26,341	(8,127)
Purchased services	3,689	500	(3,189)
Supply-materials	168	500	332
Total vocational-technical program	121,921	109,002	(12,919)
Special education program			
Salaries	114,439	88,000	(26,439)
Benefits	50,613	36,000	(14,613)
Purchased services	7,824	137,651	129,827
Supply-materials	7,089	2,000	(5,089)
Total special education program	179,965	263,651	83,686



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>INSTRUCTION (Continued):</b>			
Special education preschool program			
Purchased services	42	-	(42)
Interscholastic program			
Salaries	38,449	45,785	7,336
Benefits	6,056	8,253	2,197
Purchased services	1,427	3,000	1,573
Supply-materials	-	250	250
Total interscholastic program	45,932	57,288	11,356
School activity program			
Salaries	5,606	4,875	(731)
Benefits	1,166	1,133	(33)
Purchased services	618	425	(193)
Supply-materials	-	400	400
Total school activity program	7,390	6,833	(557)
<b>TOTAL INSTRUCTION</b>			
Salaries	943,547	923,679	(19,868)
Benefits	393,293	413,086	19,793
Purchased services	38,182	157,576	119,394
Supply-materials	56,228	63,150	6,922
Total Instruction	\$ 1,431,250	\$ 1,557,491	\$ 126,241

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT:</b>			
Attendance - guidance - health program			
Salaries	35,428	36,692	1,264
Benefits	15,859	16,550	691
Purchased services	818	500	(318)
Supply-materials	90	500	410
Total attendance - guidance - health program	<u>52,195</u>	<u>54,242</u>	<u>2,047</u>
Special education support services program			
Salaries	28,379	59,000	30,621
Benefits	14,924	15,500	576
Purchased services	64,337	30,000	(34,337)
Supply-materials	210	1,000	790
Total special education support services program	<u>107,850</u>	<u>105,500</u>	<u>(2,350)</u>
Instructional improvement program			
Purchased services	230	15,000	14,770
Supply-materials	1,460	-	(1,460)
Total instructional improvement program	<u>1,690</u>	<u>15,000</u>	<u>13,310</u>
Educational media program			
Salaries	15,222	26,092	10,870
Benefits	11,002	18,808	7,806
Purchased services	-	2,000	2,000
Supply-materials	2,250	3,500	1,250
Total educational media program	<u>28,474</u>	<u>50,400</u>	<u>21,926</u>
Instruction-related technology program			
Salaries	25,580	25,365	(215)
Benefits	13,179	14,157	978
Purchased services	-	1,500	1,500
Supply-materials	15,391	9,500	(5,891)
Total instruction-related technology program	<u>54,150</u>	<u>50,522</u>	<u>(3,628)</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued):</b>			
Board of education program			
Purchased services	-	5,000	5,000
Supply-materials	-	5,000	5,000
Total board of education program	<u>-</u>	<u>10,000</u>	<u>10,000</u>
 District administration program			
Salaries	53,100	69,069	15,969
Benefits	21,170	28,591	7,421
Purchased services	31,031	28,000	(3,031)
Supply-materials	3,091	8,500	5,409
Insurance	53	-	(53)
Total district administration program	<u>108,445</u>	<u>134,160</u>	<u>25,715</u>
 School administration program			
Salaries	153,284	162,000	8,716
Benefits	88,255	55,646	(32,609)
Purchased services	4,294	9,200	4,906
Supply-materials	6,322	3,500	(2,822)
Total school administration program	<u>252,155</u>	<u>230,346</u>	<u>(21,809)</u>
 Business operation program			
Salaries	61,875	45,407	(16,468)
Benefits	36,102	25,407	(10,695)
Purchased services	6,376	6,500	124
Supply-materials	7,009	3,000	(4,009)
Insurance	53	-	(53)
Total business operation program	<u>111,415</u>	<u>80,314</u>	<u>(31,101)</u>
 Administrative technology service program			
Salaries	34,203	30,000	(4,203)
Benefits	16,607	14,157	(2,450)
Purchased services	3,624	2,000	(1,624)
Supply-materials	21,059	9,500	(11,559)
Total administrative technology service program	<u>75,493</u>	<u>55,657</u>	<u>(19,836)</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Favorable Variance (Unfavorable)</u>
<b>SUPPORT (Continued):</b>			
Buildings - care program (custodial)			
Salaries	43,995	43,422	(573)
Benefits	34,518	43,355	8,837
Purchased services	141,982	155,194	13,212
Supply-materials	12,865	15,000	2,135
Insurance	16,038	12,562	(3,476)
Total buildings - care program (custodial)	<u>249,398</u>	<u>269,533</u>	<u>20,135</u>
Maintenance - non-student occupied			
Salaries	4,059	1,914	(2,145)
Benefits	1,892	1,000	(892)
Purchased services	-	1,000	1,000
Supply-materials	-	4,000	4,000
Total maintenance - non-student occupied	<u>5,951</u>	<u>7,914</u>	<u>1,963</u>
Maintenance - student-occupied buildings			
Salaries	41,244	38,277	(2,967)
Benefits	16,444	47,586	31,142
Purchased services	10,945	10,000	(945)
Supply-materials	15,871	15,000	(871)
Insurance	1	-	(1)
Total maintenance - student-occupied buildings	<u>84,505</u>	<u>110,863</u>	<u>26,358</u>
Maintenance - grounds			
Salaries	4,059	1,914	(2,145)
Benefits	1,892	1,000	(892)
Purchased services	405	1,000	595
Supply-materials	1,983	3,800	1,817
Capital objects	1,599	-	(1,599)
Total maintenance - grounds	<u>9,938</u>	<u>7,714</u>	<u>(2,224)</u>
Pupil-to-school transportation program			
Salaries	83,836	85,019	1,183
Benefits	27,058	44,115	17,057
Purchased services	16,688	17,000	312
Supply-materials	31,922	40,000	8,078
Insurance	4,059	8,840	4,781
Total pupil-to-school transportation program	<u>163,563</u>	<u>194,974</u>	<u>31,411</u>
Pupil-activity transportation program			
Salaries	7,526	8,000	474
Benefits	1,302	1,800	498
Purchased Services	763	200	(563)
Supply-materials	-	200	200
Total pupil-activity transportation program	<u>9,591</u>	<u>10,200</u>	<u>609</u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>SUPPORT (Continued):</b>			
General transportation program			
Salaries	460	-	(460)
Benefits	112	-	(112)
Purchased services	2,764	2,000	(764)
Supply-materials	74	1,500	1,426
Insurance	<u>3,015</u>	<u>1,817</u>	<u>(1,198)</u>
Total general transportation program	<u>6,425</u>	<u>5,317</u>	<u>(1,108)</u>
Other support services program			
Purchased services	<u>1,594</u>	<u>1,800</u>	<u>206</u>
<b>TOTAL SUPPORT</b>			
Salaries	592,250	632,171	39,921
Benefits	300,316	327,672	27,356
Purchased services	285,851	287,894	2,043
Supply-materials	119,597	123,500	3,903
Capital objects	1,599	-	(1,599)
Insurance	<u>23,219</u>	<u>23,219</u>	<u>-</u>
Total Support	<u><u>1,322,832</u></u>	<u><u>1,394,456</u></u>	<u><u>71,624</u></u>
<b>NON-INSTRUCTION:</b>			
Child nutrition program			
Benefits	<u>3,629</u>	<u>3,600</u>	<u>(29)</u>
Community services program			
Benefits	33	-	(33)
Purchased services	490	-	(490)
Supply-materials	<u>598</u>	<u>-</u>	<u>(598)</u>
Total community services program	<u>1,121</u>	<u>-</u>	<u>(1,121)</u>
<b>TOTAL NON-INSTRUCTION</b>			
Benefits	3,662	3,600	(62)
Purchased services	490	-	(490)
Supply-materials	<u>598</u>	<u>-</u>	<u>(598)</u>
Total Non-Instruction	<u><u>\$ 4,750</u></u>	<u><u>\$ 3,600</u></u>	<u><u>\$ (1,150)</u></u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Special Revenue Funds**

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**Child Nutrition Fund** - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sale of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amount of State and Federal assistance received by the program.

**Drivers Education Fund** - To account for costs of providing a driver education program. Financing for the program is provided through the Idaho State Department of Education.

**Federal Forest Fund** - To account for Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

**21<sup>st</sup> Century Community Learning Centers Fund** - To account for restricted federal revenue to be spent on academic enrichment opportunities, art, music, recreation, sports, drug and violence prevention and youth development activities to students during non-school hours.

**Title I-A, ESEA – Improving Basic Programs Fund** - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

**IDEA Part B – School-Age Fund** - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aides, equipment and materials, etc. in special education.

**IDEA Part B – Pre-School Fund** - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in the Title VI-B program.

**State Professional Technical Fund** - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

**Title II-A, ESEA – Improving Teacher Quality Fund** - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

**Title VI-B, ESEA – Rural Education Achievement Program Fund** - To account for restricted Federal revenue to be spent on enhancing the other Federal programs.

**Substance Abuse – State Fund** - To account for restricted State revenue to be spent on drug education in-service training for teachers and parents and materials for classroom.

**Public School Technology – State Fund** - To account for restricted State revenue to be spent on vocational training for alternative high school.

KENDRICK JOINT SCHOOL DISTRICT NO. 283  
Kendrick, Idaho

ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2015

	Child Nutrition	Drivers Education	Federal Forest	21st Century Community Learning Centers	Title I-A Improving Basic Programs	IDEA Part B School-Age	IDEA Part B Pre-School	State Professional Technical	Title II-A Improving Teacher Quality	Title VI-B Rural Education Achievement	Substance Abuse - State	Public School Technology - State	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>													
Assets:													
Due from other funds	15,251	5,355	47,050	-	-	-	-	-	357	-	2,283	11,374	81,670
Other receivables:													
State reimbursement	-	-	-	-	-	-	-	7,193	-	-	-	-	7,193
Federal reimbursement	-	-	-	19,585	11,944	14,022	-	-	4,104	-	-	-	49,655
Total assets	15,251	5,355	47,050	19,585	11,944	14,022	-	7,193	4,461	-	2,283	11,374	138,518
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 15,251</b>	<b>\$ 5,355</b>	<b>\$ 47,050</b>	<b>\$ 19,585</b>	<b>\$ 11,944</b>	<b>\$ 14,022</b>	<b>\$ -</b>	<b>\$ 7,193</b>	<b>\$ 4,461</b>	<b>\$ -</b>	<b>\$ 2,283</b>	<b>\$ 11,374</b>	<b>\$ 138,518</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
Liabilities:													
Due to other funds	-	-	-	6,626	4,030	1,921	-	5,973	-	-	-	-	18,550
Accrued payroll and benefits	12,632	-	-	12,959	7,914	12,101	-	1,220	4,461	-	-	-	51,287
Total liabilities	12,632	-	-	19,585	11,944	14,022	-	7,193	4,461	-	-	-	69,837
Deferred inflows of resources													
Deferred revenue	2,619	-	-	-	-	-	-	-	-	-	-	-	2,619
Fund balances:													
Restricted	-	5,355	47,050	-	-	-	-	-	-	-	2,283	11,374	66,062
Total fund balances	-	5,355	47,050	-	-	-	-	-	-	-	2,283	11,374	66,062
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 15,251</b>	<b>\$ 5,355</b>	<b>\$ 47,050</b>	<b>\$ 19,585</b>	<b>\$ 11,944</b>	<b>\$ 14,022</b>	<b>\$ -</b>	<b>\$ 7,193</b>	<b>\$ 4,461</b>	<b>\$ -</b>	<b>\$ 2,283</b>	<b>\$ 11,374</b>	<b>\$ 138,518</b>

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

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

	Child Nutrition	Drivers Education	Federal Forest	21st Century Community Learning Centers	Title I-A Improving Basic Programs	IDEA Part B School-Age	IDEA Part B Pre-School	State Professional Technical	Title II-A Improving Teacher Quality	Title VI-B Rural Education Achievement	Substance Abuse - State	Public School Technology - State	Total
<b>REVENUES</b>													
Local:													
Lunch sales	48,895	-	-	-	-	-	-	-	-	-	-	-	48,895
Other	-	1,610	-	-	-	-	-	-	-	-	-	-	1,610
Total local	48,895	1,610	-	-	-	-	-	-	-	-	-	-	50,505
State:													
Other state support	-	-	-	-	-	-	-	23,978	-	-	3,640	18,683	46,301
Driver education program	-	1,750	-	-	-	-	-	-	-	-	-	-	1,750
Total state	-	1,750	-	-	-	-	-	23,978	-	-	3,640	18,683	48,051
Federal:													
School lunch reimbursement	78,543	-	-	-	-	-	-	-	-	-	-	-	78,543
Restricted	-	-	8,127	109,360	48,132	66,452	-	-	15,590	3,168	-	-	250,829
Total federal	78,543	-	8,127	109,360	48,132	66,452	-	-	15,590	3,168	-	-	329,372
Total revenues	127,438	3,360	8,127	109,360	48,132	66,452	-	23,978	15,590	3,168	3,640	18,683	427,928
<b>EXPENDITURES</b>													
Instruction:													
Salaries	-	2,574	-	-	39,987	33,015	-	6,102	10,242	-	-	-	91,920
Benefits	-	507	-	-	7,675	32,956	-	1,253	1,962	3,168	-	-	47,521
Purchased services	-	110	-	-	92	-	1,099	4,000	2,186	-	-	-	7,487
Supply-materials	-	354	-	-	378	481	-	11,439	-	-	-	-	12,652
Capital objects	-	-	-	-	-	-	-	1,184	-	-	-	-	1,184
Insurance	-	44	-	-	-	-	-	-	-	-	-	-	44
Total instruction	-	3,589	-	-	48,132	66,452	1,099	23,978	14,390	3,168	-	-	160,808
Support:													
Salaries	-	-	-	-	-	-	-	-	-	-	-	11,723	11,723
Benefits	-	-	-	-	-	-	-	-	1,200	-	-	2,403	3,603
Purchased services	-	-	-	-	-	-	-	-	-	-	-	-	-
Supply-materials	-	-	-	-	-	-	-	-	-	-	1,357	-	1,357
Capital objects	-	-	5,416	-	-	-	-	-	-	-	-	-	5,416
Total support	-	-	5,416	-	-	-	-	-	1,200	-	1,357	14,126	22,099
Non-instruction													
Salaries	49,294	-	-	78,497	-	-	-	-	-	-	-	-	127,791
Benefits	40,179	-	-	24,715	-	-	-	-	-	-	-	-	64,894
Purchased services	763	-	-	4,802	-	-	-	-	-	-	-	-	5,565
Supply-materials	56,315	-	-	1,346	-	-	-	-	-	-	-	-	57,661
Capital objects	5,575	-	-	-	-	-	-	-	-	-	-	-	5,575
Total non-instruction	152,126	-	-	109,360	-	-	-	-	-	-	-	-	261,486
Total expenditures	152,126	3,589	5,416	109,360	48,132	66,452	1,099	23,978	15,590	3,168	1,357	14,126	444,393
Excess (deficiency) revenues over/under expenditures	(24,688)	(229)	2,711	-	-	-	(1,099)	-	-	-	2,283	4,557	(16,465)
Other financing sources (uses):													
Sale of equipment	14	-	-	-	-	-	-	-	-	-	-	-	14
Transfer in (out)	24,674	-	-	-	-	-	-	-	-	-	-	-	24,674
Total other financing sources (uses)	24,688	-	-	-	-	-	-	-	-	-	-	-	24,688
Net change in fund balance	-	(229)	2,711	-	-	-	(1,099)	-	-	-	2,283	4,557	8,223
Fund balance - Beginning of year	-	5,584	44,339	-	-	-	1,099	-	-	-	-	6,817	57,839
Fund balance - End of year	\$ -	\$ 5,355	\$ 47,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,283	\$ 11,374	\$ 66,062



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**CHILD NUTRITION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local:			
Lunch sales	48,895	50,000	(1,105)
Federal:			
School lunch reimbursement	<u>78,543</u>	<u>59,500</u>	<u>19,043</u>
Total revenues	<u>127,438</u>	<u>109,500</u>	<u>17,938</u>
<b>EXPENDITURES</b>			
Non-instruction:			
Salaries	49,294	47,072	(2,222)
Benefits	40,179	45,347	5,168
Purchased services	763	-	(763)
Supply-materials	56,315	47,081	(9,234)
Capital objects	<u>5,575</u>	<u>-</u>	<u>(5,575)</u>
Total expenditures	<u>152,126</u>	<u>139,500</u>	<u>(12,626)</u>
Excess (deficiency) revenues over expenditures	(24,688)	(30,000)	5,312
Other financing sources (uses):			
Sale of equipment	14	-	14
Transfer in	<u>24,674</u>	<u>30,000</u>	<u>(5,326)</u>
Total other financing sources (uses)	<u>24,688</u>	<u>30,000</u>	<u>(5,312)</u>
Net change in fund balance	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance-Beginning of year	<u>-</u>		
Fund balance-End of year	<u>\$ -</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**DRIVERS EDUCATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Local:			
Other	1,610	-	1,610
State:			
Driver education program	1,750	2,375	(625)
Total revenue	3,360	2,375	985
<b>EXPENDITURES</b>			
Instruction:			
Salaries	2,574	2,667	93
Benefits	507	464	(43)
Purchased services	110	900	790
Supply-materials	354	1,500	1,146
Insurance	44	44	-
Total expenditures	3,589	5,575	1,986
Net change in fund balance	(229)	\$ (3,200)	\$ 2,971
Fund balance-Beginning of year	5,584		
Fund balance-End of year	\$ 5,355		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**FEDERAL FOREST FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal:			
Restricted	<u>8,127</u>	<u>6,500</u>	<u>1,627</u>
Total revenues	<u>8,127</u>	<u>6,500</u>	<u>1,627</u>
<b>EXPENDITURES</b>			
Support:			
Capital objects	<u>5,416</u>	<u>50,892</u>	<u>45,476</u>
Total expenditures	<u>5,416</u>	<u>50,892</u>	<u>45,476</u>
Net change in fund balance	2,711	<u><u>\$ (44,392)</u></u>	<u><u>\$ 47,103</u></u>
Fund balance-Beginning of year	<u>44,339</u>		
Fund balance-End of year	<u><u>\$ 47,050</u></u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**21ST CENTURY COMMUNITY LEARNING CENTERS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	109,360	107,690	1,670
Total revenues	109,360	107,690	1,670
<b>EXPENDITURES</b>			
Non-instruction:			
Salaries	78,497	89,214	10,717
Benefits	24,715	18,476	(6,239)
Purchased services	4,802	-	(4,802)
Supply-materials	1,346	-	(1,346)
Total expenditures	109,360	107,690	(1,670)
Net change in fund balance	-	\$ -	\$ -
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**TITLE I-A, ESEA - IMPROVING BASIC PROGRAMS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Federal:			
Restricted	48,132	49,145	(1,013)
Total revenues	<u>48,132</u>	<u>49,145</u>	<u>(1,013)</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries	39,987	39,986	(1)
Benefits	7,675	8,282	607
Purchased services	92	-	(92)
Supply-materials	378	877	499
Total expenditures	<u>48,132</u>	<u>49,145</u>	<u>1,013</u>
Net change in fund balance	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance -Beginning of year	<u>-</u>		
Fund balance-End of year	<u>\$ -</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**IDEA PART B - SCHOOL-AGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	66,452	56,034	10,418
Total revenues	66,452	56,034	10,418
<b>EXPENDITURES</b>			
Instruction:			
Salaries	33,015	39,915	6,900
Benefits	32,956	12,004	(20,952)
Purchased services	-	6,000	6,000
Supply-materials	481	6,715	6,234
Total expenditures	66,452	64,634	(1,818)
Net change in fund balance	-	\$ (8,600)	\$ 8,600
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**IDEA PART B - PRE-SCHOOL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	-	5,306	(5,306)
Total revenues	-	5,306	(5,306)
<b>EXPENDITURES</b>			
Instruction:			
Salaries	-	4,396	4,396
Benefits	-	910	910
Supplies-materials	1,099	-	(1,099)
Total expenditures	1,099	5,306	4,207
Net change in fund balance	(1,099)	\$ -	\$ (1,099)
Fund balance-Beginning of year	1,099		
Fund balance-End of year	\$ -		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**STATE PROFESSIONAL TECHNICAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
State:			
Other state support	23,978	23,978	-
Total revenues	23,978	23,978	-
<b>EXPENDITURES</b>			
Instruction:			
Salaries	6,102	6,102	-
Benefits	1,253	1,264	11
Purchased services	4,000	6,000	2,000
Supply-materials	11,439	7,612	(3,827)
Capital objects	1,184	3,000	1,816
Total expenditures	23,978	23,978	-
Net change in fund balance	-	\$ -	\$ -
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**TITLE II-A, ESEA - IMPROVING TEACHER QUALITY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	15,590	17,320	(1,730)
Total revenues	15,590	17,320	(1,730)
<b>EXPENDITURES</b>			
Instruction:			
Salaries	10,242	9,997	(245)
Benefits	1,962	2,070	108
Purchased services	2,186	6,753	4,567
Total instruction	14,390	18,820	4,430
Support:			
Benefits	1,200	-	(1,200)
Total expenditures	15,590	18,820	3,230
Net change in fund balance	-	\$ (1,500)	\$ 1,500
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**TITLE VI-B, ESEA - RURAL EDUCATION ACHIEVEMENT PROGRAM FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Federal:			
Restricted	3,168	12,000	(8,832)
Total revenues	3,168	12,000	(8,832)
<b>EXPENDITURES</b>			
Instruction:			
Salaries	-	17,845	17,845
Benefits	3,168	3,696	528
Supply-materials	-	2,000	-
Total expenditures	3,168	23,541	18,373
Net change in fund balance	-	\$ (11,541)	\$ 9,541
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ -		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SUBSTANCE ABUSE - STATE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
State:			
Other state support	3,640	3,510	130
Total revenues	3,640	3,510	130
<b>EXPENDITURES</b>			
Instruction:			
Supply-materials	-	3,510	3,510
Support:			
Supply-materials	1,357	-	(1,357)
Total expenditures	1,357	3,510	2,153
Net change in fund balance	2,283	\$ -	\$ 2,283
Fund balance-Beginning of year	-		
Fund balance-End of year	\$ 2,283		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**PUBLIC SCHOOL TECHNOLOGY - STATE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Actual	Budget	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
State:			
Other state support	18,683	18,964	(281)
Total revenues	18,683	18,964	(281)
<b>EXPENDITURES</b>			
Instruction:			
Supply-materials	-	6,893	6,893
Support:			
Salaries	11,723	10,000	(1,723)
Benefits	2,403	2,071	(332)
Total support	14,126	12,071	(2,055)
Total expenditures	14,126	18,964	4,838
Net change in fund balance	4,557	\$ -	\$ 4,557
Fund balance-Beginning of year	6,817		
Fund balance-End of year	\$ 11,374		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Debt Service Fund**

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The debt service fund is established to receive property taxes levied for the redemption of general obligation bonds and payment of interest on those bonds as it is due. The District is allowed by law to carry in fund balance an additional twenty one months bond requirements in this fund to cover cash flow requirements.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**DEBT SERVICE FUND**  
**BALANCE SHEET**  
June 30, 2015

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:	
Due from other funds	165,724
Taxes receivable	12,019
Unbilled taxes receivable	136,973
Other receivables:	
Taxes due from counties	45,808
Total assets	<u>360,524</u>
 Deferred outflows of resources	 <u>-</u>

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 360,524

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE**

Liabilities	
	<u>-</u>
Deferred inflows of resources:	
Deferred revenue	10,182
Unavailable property tax revenue	136,973
Total deferred inflows of resources	<u>147,155</u>
 Fund balance:	
Restricted	<u>213,369</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE** \$ 360,524

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Local:			
Taxes	165,230	161,949	3,281
State:			
Revenue in lieu of/ag equip tax	2,647	-	2,647
Other	6,138	6,000	138
Total state	8,785	6,000	2,785
Total revenues	174,015	167,949	6,066
<b>EXPENDITURES</b>			
Debt service:			
Principal	70,000	140,000	70,000
Interest	85,375	167,950	82,575
Total expenditures	155,375	307,950	152,575
Net change in fund balance	18,640	\$ (140,001)	\$ 158,641
Fund balance-Beginning of year	194,729		
Fund balance-End of year	\$ 213,369		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Capital Projects Funds**

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**School Plant Facility** - This fund is established to account for appropriated funds to acquire plant facility items. Financing is provided by tax revenues.

**School Plant Facility – Bus Depreciation** - This fund is established to account for funds to replace school buses only.



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**

Kendrick, Idaho

**ALL CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2015**

	<u>School Plant Facility</u>	<u>School Plant Facility - Bus Depreciation</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Investments	35,696	-	35,696
Due from other funds	63,430	37,869	101,299
Taxes receivable	3,490	-	3,490
Unbilled taxes receivable	50,000	-	50,000
Other receivables:			
Taxes due from counties	14,070	-	14,070
Total assets	<u>166,686</u>	<u>37,869</u>	<u>204,555</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 166,686</u></u>	<u><u>\$ 37,869</u></u>	<u><u>\$ 204,555</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:			
Deferred revenue	2,925	-	2,925
Unavailable property tax revenue	50,000	-	50,000
Total deferred inflows of resources	<u>52,925</u>	<u>-</u>	<u>52,925</u>
Fund balance:			
Restricted	113,761	37,869	151,630
Total fund balance	<u>113,761</u>	<u>37,869</u>	<u>151,630</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 166,686</u></u>	<u><u>\$ 37,869</u></u>	<u><u>\$ 204,555</u></u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**ALL CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Year Ended June 30, 2015**

	<b>School Plant Facility</b>	<b>School Plant Facility - Bus Depreciation</b>	<b>Total</b>
<b>REVENUES</b>			
Local:			
Taxes	50,723	-	50,723
Earnings on investments	54	-	54
Total local	50,777	-	50,777
State:			
Lottery/additional state maintenance	728	-	728
Total revenues	51,505	-	51,505
<b>EXPENDITURES</b>			
Capital objects	23,618	-	23,618
Total expenditures	23,618	-	23,618
Excess (deficiency) of revenues over/under expenditures	27,887	-	27,887
Other financing sources (uses):			
Transfer in	-	24,516	24,516
Net change in fund balance	27,887	24,516	52,403
Fund balance-Beginning of year	85,874	13,353	99,227
Fund balance-End of year	\$ 113,761	\$ 37,869	\$ 151,630

KENDRICK JOINT SCHOOL DISTRICT NO. 283

Kendrick, Idaho

SCHOOL PLANT FACILITY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET  
AND ACTUAL  
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Local:			
Taxes	50,723	50,000	723
Earnings on investments	54	-	54
Total local	<u>50,777</u>	<u>50,000</u>	<u>777</u>
State:			
Lottery/additional state maintenance	<u>728</u>	<u>-</u>	<u>728</u>
Total revenues	<u>51,505</u>	<u>50,000</u>	<u>1,505</u>
<b>EXPENDITURES</b>			
Support:			
Salaries	-	20,000	20,000
Benefits	-	14,861	14,861
Supplies-materials	-	50,000	50,000
Capital objects	-	10,000	10,000
Total support	<u>-</u>	<u>94,861</u>	<u>94,861</u>
Capital objects	<u>23,618</u>	<u>-</u>	<u>(23,618)</u>
Total expenditures	<u>23,618</u>	<u>94,861</u>	<u>71,243</u>
Net change in fund balance	27,887	<u>\$ (44,861)</u>	<u>\$ 72,748</u>
Fund balance-Beginning of year	<u>85,874</u>		
Fund balance-End of year	<u>\$ 113,761</u>		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**SCHOOL PLANT FACILITY FUND - BUS DEPRECIATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET**  
**AND ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance- Favorable (Unfavorable)</b>
<b>REVENUES</b>			
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Capital objects	-	26,805	26,805
Total expenditures	-	26,805	26,805
Excess (deficiency) of revenues over/under expenditures	-	(26,805)	26,805
Other financing sources (uses):			
Transfer in	24,516	26,805	(2,289)
Net change in fund balance	24,516	\$ -	\$ 24,516
Fund balance-Beginning of year	13,353		
Fund balance-End of year	\$ 37,869		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Internal Service Fund**

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To account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial information. Goods or services from such activities are provided to other funds.

The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF NET POSITION**  
June 30, 2015

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Investments	288,859	
Due from other funds	21,913	
Total assets	<u>310,772</u>	

Deferred outflows of resources	<u>-</u>	
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Total assets and deferred outflows of resources 310,772

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

Liabilities	-	
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Deferred inflows of resources	<u>-</u>	
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Total liabilities and deferred inflows of resources -

**NET POSITION**

Restricted for medical payments	<u>310,772</u>	
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Total net position \$ 310,772

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND**  
**ACTUAL**  
**For the Year Ended June 30, 2015**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>
<b>REVENUE</b>			
Local:			
Earnings on investments	454	-	454
Other local	-	40,000	(40,000)
	454	40,000	(39,546)
Total revenues	454	40,000	(39,546)
<b>EXPENDITURES</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over/under expenditures	454	40,000	(39,546)
Other financing sources (uses):			
Transfer in	21,913	-	21,913
Net change in net position	22,367	\$ 40,000	\$ (17,633)
Net position-beginning of year	288,405		
Net position-end of year	\$ 310,772		

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
Kendrick, Idaho

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**INTERNAL SERVICE FUND**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2015

**Cash Flows From Noncapital Financing Activities**

Cash received from other funds	21,913
Cash paid to other funds	<u>(26,528)</u>

Net cash used in noncapital financing activities (4,615)

**Cash Flows From Investing Activities**

Sale of investments	4,161
Earnings on investments	<u>454</u>

Net cash provided by investing activities 4,615

**Net change in cash** -

**Cash - beginning of year** -

**Cash - end of year** \$ -



**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Agency Fund**

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The agency fund includes funds held for elementary and secondary student groups by the District for disbursements as dictated by the individual student groups. Operations of these student groups are not considered a part of District financial operations.

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Kendrick, Idaho**

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**STUDENT GROUP AGENCY FUND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Net Change</u>	<u>Balance June 30, 2015</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash	47,319	58	47,377
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>47,319</u>	<u>58</u>	<u>47,377</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Liabilities:			
Due to student groups	47,319	58	47,377
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>47,319</u>	<u>58</u>	<u>47,377</u>
<b>NET POSITION</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**KENDRICK JOINT SCHOOL DISTRICT NO. 283**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2015**

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**Finding 2015-01    Review of Journal Entries**

**Criteria**                      Journal entries made in the accounting software should be reviewed by a second person.

**Condition**                    Throughout our testing, we found no secondary review of journal entries posted throughout the year. We discussed internal controls with management and inquired as to the controls over journal entries. Based on the responses from management, we determined that no controls over journal entries were in place during the year.

**Recommendation**        We recommend that management designate a second person to review all journal entries made in the accounting software. This review should be documented.

**Management's  
Response**                      The superintendent will review journal entries in a timely manner and present them to the Board in the form of monthly financial statements.