

TROY SCHOOL DISTRICT No. 287

Troy, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2018**

TROY SCHOOL DISTRICT No. 287

Troy, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2018**



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Troy, Idaho

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Troy School District No. 287
Troy, Idaho 83871

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 Troy School District No. 287, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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	Unmodified
Aggregate discretely presented component unit	Qualified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of Edward Ramsdale Scholarship Fund, Inc. have not been audited, and we were not engaged to audit the Edward Ramsdale Scholarship Fund, Inc. financial statements as part of our audit of the Troy School District No. 287's basic financial statements. Edward Ramsdale Scholarship Fund, 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, liabilities, net position, and revenues and expenditures, respectively, of the District's aggregate discretely presented component units.

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component unit of Troy School District No. 287, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Troy School District No. 287 as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, Debt Service Fund and Capital Projects Funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the District recorded a prior period adjustment to the pension related accounts to reflect adjustments made to PERSI's audited

financials in their most recent audited period. Additionally, the District recorded a prior period adjustment as a result of implementing GASB 75 related to other post-employment benefits.

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 7-12 and the net pension liability related schedules on page 48 and the other post-employment liability schedule on page 49 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 Troy School District No. 287's basic financial statements. The introductory section, combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and 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 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 September 10, 2018 on our consideration of the Troy School District No. 287'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 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 Troy School District No. 287's internal control over financial reporting and compliance.

Hayden Ross, PLLC

Moscow, Idaho
September 10, 2018

**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
Troy School District No. 287
Troy, Idaho 83871

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Troy School District No. 287, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Troy School District No. 287's basic financial statements, and have issued our report thereon dated September 10, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Troy School District No. 287 internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Troy School District No. 287 internal control. Accordingly, we do not express an opinion on the effectiveness of the Troy School District No. 287's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during

our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Troy School District No. 287's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayden Ross, PLLC

Moscow, Idaho
September 10, 2018

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2018

As management of the Troy School District No. 287 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2018.

Financial Highlights

During the 2017-2018 fiscal year, the District was able to operate a budget which maintained the recommended carryover in the fund balance. Some of the items the District provided were the following:

-) Maintained programs
-) Technology Update: Purchased Laptop Cart and installed Access Points at TES
-) Updated Multipurpose Room door for school safety.
-) Purchased Student Emergency Response Kits for each classroom at both schools.
-) Purchase new PA System for High School.
-) Music Dept. purchased new instruments and upgraded instruments.
-) Science Dept. purchased new equipment for Science Class.
-) Paid the deductible for the insurance to replace the Greenhouse.
-) Purchased a new aerator for the grounds.
-) Parking Lot lights were upgraded to LED lights.
-) Purchased sand for the Baseball Field so that the field was Softball approved as well.
-) Hired two new first year teachers at the High School to replace two tenured teachers.
-) Gave a 1% bonus to staff for increased student test scores.
-) Increased salaries 2% on the District's base salary.

At the end of the 2017-2018 fiscal year, the District would anticipate a steady enrollment and maintain the current Support Unit of 17.5, but enrollment increased and the Support Unit increased to 18.02 (an increase of .43 of a support unit) which generated approximately \$45,885 more for the District and to be part of the fund balance for the new fiscal year. Some of the projects anticipated for the new fiscal year are:

-) Purchase new textbooks for English, Language, and Arts.
-) Replace TES sidewalk, repair drainage areas, and make ADA approved.
-) Replace/Upgrade heating furnaces at TES.
-) Install Air Conditioning at TES.
-) Seal Coat Parking Lot at schools.
-) Replace one side of the playground fence.
-) Paint Reader Board sign.
-) Provide more funding for Food Program.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of 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 Statement. 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 between them 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 statements, the District's activities are all classified as government activities.

Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The District has three types of funds: Governmental, Proprietary and Fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds. Proprietary funds are used to record transactions for the medical risk pool. Proprietary funds use the accrual basis of accounting, as business-type activities, and are considered with the governmental activities in the district-wide statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the district's own programs.

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.

Required Supplementary Information. The net pension liability schedules provide additional information required by GASB 68. The other post-employment benefit schedules provide additional information required by GASB 75.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

**Government-Wide Financial Analysis
Statement of Net Position**

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Assets			
Current Assets	3,145,471	3,046,881	98,590
Noncurrent Assets	<u>5,011,207</u>	<u>4,967,449</u>	<u>43,758</u>
Total Assets	<u>8,156,678</u>	<u>8,014,330</u>	<u>142,348</u>
Deferred Outflows of Resources	<u>331,897</u>	<u>801,212</u>	<u>(469,315)</u>
Liabilities			
Current Liabilities	536,436	516,178	20,258
Noncurrent Liabilities	<u>1,690,694</u>	<u>1,832,943</u>	<u>(142,249)</u>
Total Liabilities	<u>2,227,130</u>	<u>2,349,121</u>	<u>(121,991)</u>
Deferred Inflows of Resources	<u>1,319,239</u>	<u>1,548,603</u>	<u>(229,364)</u>
Net Position			
Net Investment in Capital Assets	4,350,673	4,152,720	197,953
Restricted	644,871	729,472	(84,601)
Unrestricted	<u>(53,338)</u>	<u>35,626</u>	<u>(88,964)</u>
Total Net Position	<u>\$ 4,942,206</u>	<u>\$ 4,917,818</u>	<u>\$ 24,388</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,942,206 at the close of the most recent fiscal year.

The largest portion of the District's net position (88.03%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (13.05%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-1.08%) may be used to meet the District's ongoing obligations to students, employees, and creditors.

The unrestricted net position amount is typically earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency. With the decrease in revenue and increase in expenditures, the District is reporting a decrease in unrestricted net position.

**Government-Wide Financial Analysis
Changes in Net Position**

	<u>2017-2018</u>	<u>2016-2017</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services	45,147	31,745	13,402
Operating Grants and Contributions	430,108	335,942	94,166
General revenues:			
Property Taxes	1,211,943	1,196,398	15,545
Federal and State Revenues	2,000,756	1,940,868	59,888
Local Revenues	<u>36,285</u>	<u>243,076</u>	<u>(206,791)</u>
Total Revenues	<u>3,724,239</u>	<u>3,748,029</u>	<u>(23,790)</u>
Expenses			
Program Expenses:			
Instruction	1,662,527	1,611,344	51,183
Support Services			
Pupil Support	227,983	257,126	(29,143)
Staff Support	61,916	66,731	(4,815)
General Administration	214,419	203,374	11,045
School Administration	252,246	223,828	28,418
Business Administration	77,748	84,730	(6,982)
Maintenance/Custodial	339,122	314,971	24,151
Transportation	133,630	119,998	13,632
Child Nutrition	129,116	101,513	27,603
Capital Outlay	80,614	55,372	25,242
Debt Service	22,876	29,605	(6,729)
Depreciation, unallocated	<u>185,808</u>	<u>157,515</u>	<u>28,293</u>
Total Expenses	<u>3,388,005</u>	<u>3,226,107</u>	<u>161,898</u>
Change in Net Position	336,234	521,922	(185,688)
Net Position – Beginning	4,917,818	4,395,896	521,922
Prior period adjustment	<u>(311,846)</u>	<u>-</u>	<u>(311,846)</u>
Net Position – Ending	<u>\$ 4,942,206</u>	<u>\$ 4,917,818</u>	<u>\$ 24,388</u>

District Funds

Most of the District's basic services and operations are included in the governmental funds which focus on how money flows into and out of those funds and the balances remaining at year-end are available for use in future periods. The General Fund is the chief operating fund of the District. At the end of the current fiscal year the total balance in the General Fund was \$916,048

of which \$916,048 was unassigned. Fund balance increased by \$168,375 during the current fiscal year.

Expenditures for general District purposes totaled \$2,736,715, a decrease of 1.10% from the prior year of \$2,767,066.

Capital Asset and Debt Administration

Capital Assets. The School Maintenance and Repair Fund is the District fund used to pay for capital construction, building repair and remodeling, and furniture, fixtures, and equipment. At the end of the current fiscal year the fund balance was \$92,114.

The Bus Replacement Fund is the District fund used to buy new buses. At the end of the current fiscal year the fund balance was \$54,680.

Governmental Activities Capital Assets Net of Accumulated Depreciation

	<u>2017-2018</u>	<u>2016-2017</u>	<u>Change</u>
Land	52,001	52,001	-
Construction in progress	6,827	-	6,827
Sites	127,667	129,043	(1,376)
Buildings	4,633,584	4,570,962	62,622
Equipment	39,423	49,202	(9,779)
Transportation	<u>151,705</u>	<u>166,241</u>	<u>(14,536)</u>
Total Net Capital Assets	<u>\$ 5,011,207</u>	<u>\$ 4,967,449</u>	<u>\$ 43,758</u>

Long-term Debt. The debt service fund has a total fund balance of \$275,689, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance increased by \$1,280 during the current year primarily from an increase in the property tax revenue allocated to this fund.

At year end the District had \$650,000 in general obligation bonds outstanding. The District retired \$150,000 of outstanding bonds during the fiscal year. The debt of the District is secured by an annual tax levy authorization by the patrons of the District in a prior year.

Requests for Information

This financial report is designed to provide a general overview of the Troy School District No. 287's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brad Malm, Superintendent, Troy School District No. 287, PO Box 280, Troy, Idaho 83871.

FINANCIAL STATEMENTS



TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

STATEMENT OF NET POSITION

June 30, 2018

ASSETS

Current assets:

Cash	434,808
Investments	980,541
Taxes receivable	75,438
Unbilled taxes receivable	1,162,302
Other receivables:	
Due from other governmental units	469,497
Other receivables	12,885
Prepaid expense	10,000
Total current assets	<u>3,145,471</u>

Noncurrent assets:

Non-depreciated capital assets	58,828
Depreciated capital assets	7,809,619
Less: accumulated depreciation	<u>(2,857,240)</u>
Total noncurrent assets	<u>5,011,207</u>

Total assets 8,156,678

DEFERRED OUTFLOWS OF RESOURCES

Pension related items 331,897

LIABILITIES

Current liabilities:

Accounts payable and other current liabilities	381,436
Current portion of long-term debt	<u>155,000</u>
Total current liabilities	<u>536,436</u>

Noncurrent liabilities:

Noncurrent portion of long-term debt	495,000
Net pension liability	889,191
Other post employment benefits liability	<u>306,503</u>
Total noncurrent liabilities	<u>1,690,694</u>

Total liabilities 2,227,130

DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	1,162,302
Pension related items	<u>156,937</u>

Total deferred inflows of resources 1,319,239

NET POSITION

Net investment in capital assets	4,350,673
Restricted for:	
Debt service	284,285
Capital projects	146,794
Grant programs	137,780
Medical benefits	76,012
Unrestricted	<u>(53,338)</u>

Total net position \$ 4,942,206

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental activities:				
Preschool - 12 instruction	1,662,527	2,275	288,339	-
Support services:				
Pupil support	227,983	-	24,203	-
Staff support	61,916	-	-	-
General administration	214,419	-	-	-
School administration	252,246	-	-	-
Business administration	77,748	-	-	-
Maintenance/custodial	339,122	-	-	-
Transportation	133,630	-	76,004	-
Child nutrition	129,116	42,872	41,562	-
Capital outlay	80,614	-	-	-
Debt services	22,876	-	-	-
Depreciation, unallocated	185,808	-	-	-
	<u>\$ 3,388,005</u>	<u>\$ 45,147</u>	<u>\$ 430,108</u>	<u>\$ -</u>
Total School District	<u>\$ 3,388,005</u>	<u>\$ 45,147</u>	<u>\$ 430,108</u>	<u>\$ -</u>

General revenues

Taxes:

Property taxes levied for general purposes	1,036,217
Property taxes levied for debt service	175,726
Federal and State aid not restricted to specific purposes	2,000,756
Other	14,816
Sale of fixed assets	3,631
Interest and investment earnings	17,838

Total general revenues 3,248,984

Change in net position 336,234

Net position - beginning 4,917,818

Prior period adjustment (311,846)

Net position - ending \$ 4,942,206

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF					
Assets:					
Cash	434,808	-	-	-	434,808
Investments	693,553	221,153	-	-	914,706
Due from other funds	-	-	149,130	166,705	315,835
Taxes receivable	64,185	11,253	-	-	75,438
Unbilled taxes receivable	995,000	167,302	-	-	1,162,302
Other assets:					
Due from other governmental units	374,146	51,473	-	43,878	469,497
Other receivables	12,378	406	-	-	12,784
Total assets	<u>2,574,070</u>	<u>451,587</u>	<u>149,130</u>	<u>210,583</u>	<u>3,385,370</u>
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,574,070</u>	<u>\$ 451,587</u>	<u>\$ 149,130</u>	<u>\$ 210,583</u>	<u>\$ 3,385,370</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	295,176	-	-	20,735	315,911
Accounts payable	5,260	-	1,525	16,933	23,718
Salaries and benefits payable	311,238	-	811	35,135	347,184
Total liabilities	<u>611,674</u>	<u>-</u>	<u>2,336</u>	<u>72,803</u>	<u>686,813</u>
Deferred inflows of resources:					
Deferred revenue	51,348	9,002	-	-	60,350
Unavailable property tax revenue	995,000	167,302	-	-	1,162,302
Total deferred inflows of resources	<u>1,046,348</u>	<u>176,304</u>	<u>-</u>	<u>-</u>	<u>1,222,652</u>
Fund balance:					
Restricted	-	275,283	146,794	137,780	559,857
Unassigned	916,048	-	-	-	916,048
Total fund balance	<u>916,048</u>	<u>275,283</u>	<u>146,794</u>	<u>137,780</u>	<u>1,475,905</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,574,070</u>	<u>\$ 451,587</u>	<u>\$ 149,130</u>	<u>\$ 210,583</u>	<u>\$ 3,385,370</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2018

Total fund balances - governmental funds		1,475,905
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 government funds.		
Cost of capital assets	7,868,447	
Accumulated depreciation	<u>(2,857,240)</u>	5,011,207
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.		
		60,350
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities:		
Deferred outflow of resources		331,897
Deferred inflow of resources		(156,937)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.		
		(10,534)
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.		
		76,012
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	(650,000)	
Net pension liability	(889,191)	
Other post employment benefits liability	<u>(306,503)</u>	<u>(1,845,694)</u>
Total net position - governmental activities		<u>\$ 4,942,206</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	1,069,609	178,351	90	55,104	1,303,154
State	2,076,670	-	-	134,090	2,210,760
Federal	-	-	-	210,057	210,057
Total revenues	<u>3,146,279</u>	<u>178,351</u>	<u>90</u>	<u>399,251</u>	<u>3,723,971</u>
EXPENDITURES					
Instruction	1,496,013	-	-	245,665	1,741,678
Support	1,231,798	-	321,901	24,203	1,577,902
Non-instruction	3,767	-	-	128,945	132,712
Debt service	-	177,071	-	-	177,071
Capital objects	6,827	-	-	2,606	9,433
Total expenditures	<u>2,738,405</u>	<u>177,071</u>	<u>321,901</u>	<u>401,419</u>	<u>3,638,796</u>
Excess (deficiency) of revenue over (under) expenditures	<u>407,874</u>	<u>1,280</u>	<u>(321,811)</u>	<u>(2,168)</u>	<u>85,175</u>
Other financing sources (uses):					
Sale of fixed assets	-	-	3,631	-	3,631
Transfer in	-	-	179,884	44,615	224,499
Transfer out	<u>(239,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,499)</u>
Total other financing sources (uses)	<u>(239,499)</u>	<u>-</u>	<u>183,515</u>	<u>44,615</u>	<u>(11,369)</u>
Net change in fund balance	168,375	1,280	(138,296)	42,447	73,806
Fund balance-Beginning of year	<u>747,673</u>	<u>274,003</u>	<u>285,090</u>	<u>95,333</u>	<u>1,402,099</u>
Fund balance-End of year	<u>\$ 916,048</u>	<u>\$ 275,283</u>	<u>\$ 146,794</u>	<u>\$ 137,780</u>	<u>\$ 1,475,905</u>

TROY SCHOOL DISTRICT NO. 287

Troy, 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, 2018**

Net change in fund balances - total governmental funds 73,806

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	229,566	
Depreciation expense	<u>(185,808)</u>	43,758

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. (9,061)

Net pension liability adjustments:

Fiscal year 2017 employer PERSI contributions recognized as pension expense in the current year	(199,153)	
Fiscal year 2018 employer PERSI contributions deferred to subsequent year	192,272	
Pension related amortization expense	<u>61,277</u>	54,396

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid. 4,195

Other post employment benefits liability adjustment:

Current year change in liability		5,343
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Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net income of the internal service fund is reported with governmental activities. 13,797

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. 150,000

Total change in net position of governmental activities \$ 336,234

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	1,001,000	1,006,500	1,045,277	44,277	38,777
Earnings on investments	3,000	6,000	14,320	11,320	8,320
Contributions/donations	300	1,700	2,123	1,823	423
Other	13,100	13,100	7,889	(5,211)	(5,211)
Total local	1,017,400	1,027,300	1,069,609	52,209	42,309
State:					
Base support program	1,591,754	1,591,754	1,629,259	37,505	37,505
Transportation support	75,000	75,000	76,004	1,004	1,004
Benefit apportionment	214,681	214,681	217,635	2,954	2,954
Other state support	94,660	94,660	95,186	526	526
Revenue in lieu/ag equip. taxes	23,602	23,602	21,620	(1,982)	(1,982)
Other state revenue	34,375	33,126	36,966	2,591	3,840
Total state	2,034,072	2,032,823	2,076,670	42,598	43,847
Total revenues	3,051,472	3,060,123	3,146,279	94,807	86,156
EXPENDITURES					
Instruction:					
Salaries	1,260,202	1,231,056	1,036,716	223,486	194,340
Benefits	502,580	528,483	381,634	120,946	146,849
Purchased services	68,800	68,800	32,907	35,893	35,893
Supplies-materials	65,973	65,973	38,403	27,570	27,570
Capital objects	8,500	8,500	5,041	3,459	3,459
Insurance	12,730	1,450	1,312	11,418	138
Total instruction	1,918,785	1,904,262	1,496,013	422,772	408,249
Support:					
Salaries	689,878	683,550	618,158	71,720	65,392
Benefits	256,492	271,042	206,323	50,169	64,719
Purchased services	310,000	334,908	264,644	45,356	70,264
Supplies-materials	73,750	99,450	81,080	(7,330)	18,370
Capital objects	51,950	57,842	30,970	20,980	26,872
Insurance	45,224	33,733	30,623	14,601	3,110
Total support	1,427,294	1,480,525	1,231,798	195,496	248,727
Non-instruction:					
Benefits	3,500	3,900	3,767	(267)	133
Capital asset program					
Capital objects	15,000	20,000	6,827	8,173	13,173
Contingency					
	50,000	50,000	-	50,000	50,000
Total expenditures	3,414,579	3,458,687	2,738,405	676,174	720,282
Excess (deficiency) of revenues over (under) expenditures	(363,107)	(398,564)	407,874	770,981	806,438
Other financing sources (uses):					
Transfers out:					
Special revenue fund	(52,500)	(52,500)	(59,615)	(7,115)	(7,115)
Capital projects fund	(176,078)	(176,078)	(179,884)	(3,806)	(3,806)
Total other financing sources (uses)	(228,578)	(228,578)	(239,499)	(10,921)	(10,921)
Net change in fund balance	\$ (591,685)	\$ (627,142)	168,375	\$ 760,060	\$ 795,517
Fund balance-Beginning of year			747,673		
Fund balance-End of year			\$ 916,048		

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
REVENUES					
Local:					
Taxes	185,000	185,000	175,726	(9,274)	(9,274)
Earnings on investments	750	750	2,625	1,875	1,875
Total revenues	<u>185,750</u>	<u>185,750</u>	<u>178,351</u>	<u>(7,399)</u>	<u>(7,399)</u>
EXPENDITURES					
Purchased services	1,000	1,000	501	499	499
Debt service principal	150,000	150,000	150,000	-	-
Debt service interest	26,613	26,613	26,570	43	43
Total expenditures	<u>177,613</u>	<u>177,613</u>	<u>177,071</u>	<u>542</u>	<u>542</u>
Net change in fund balance	<u>\$ 8,137</u>	<u>\$ 8,137</u>	1,280	<u>\$ (6,857)</u>	<u>\$ (6,857)</u>
Fund balance-Beginning of year			<u>274,003</u>		
Fund balance-End of year			<u>\$ 275,283</u>		

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Other local	300	300	90	(210)	(210)
EXPENDITURES					
Support:					
Salaries	44,887	62,516	32,770	12,117	29,746
Benefits	25,671	29,058	12,426	13,245	16,632
Purchased services	58,623	20,300	36,235	22,388	(15,935)
Supplies-materials	6,000	13,000	14,943	(8,943)	(1,943)
Capital objects	25,000	281,701	225,527	(200,527)	56,174
Insurance	3,387	-	-	3,387	-
Total support	163,568	406,575	321,901	(158,333)	84,674
Total expenditures	163,568	406,575	321,901	(158,333)	84,674
Excess (deficiency) of revenues over (under) expenditures	(163,268)	(406,275)	(321,811)	(158,543)	84,464
Other financing sources (uses):					
Sale of fixed asset	-	-	3,631	3,631	3,631
Transfer in	176,078	176,078	179,884	3,806	3,806
Total other financing sources (uses)	176,078	176,078	183,515	7,437	7,437
Net change in fund balance	\$ 12,810	\$ (230,197)	(138,296)	\$ (151,106)	\$ 91,901
Fund balance-Beginning of year			285,090		
Fund balance-End of year			\$ 146,794		

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	65,835
Due from other funds	76
Other receivables	101
Prepaid expense	10,000
Total assets	<u>76,012</u>

Deferred outflows of resources	<u>-</u>
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Total assets and deferred outflows of resources 76,012

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	<u>76,012</u>
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Total net position \$ 76,012

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2018

REVENUE

Local:

Other local	4,804	
Earnings on investments	893	<u> </u>

Total revenue		5,697
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EXPENDITURES

Benefits	4,595	
Purchased services	2,305	<u> </u>

Total expenditures		<u>6,900</u>
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Excess (deficiency) of revenues over (under) expenditures		(1,203)
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Other financing sources:

Transfer in		<u>15,000</u>
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Change in net position		13,797
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Net position-beginning of year		<u>62,215</u>
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Net position-end of year		<u><u>\$ 76,012</u></u>
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TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018****Cash Flows From Operating Activities**

Cash received from local governments	4,754
Cash payments for insurance related expenses	<u>(16,900)</u>

Net cash used in operating activities (12,146)

Cash Flows From Noncapital Financing Activities

Cash received from other funds	<u>14,924</u>
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Net cash provided by noncapital financing activities 14,924

Cash Flows From Investing Activities

Purchase of investments	(3,671)
Earnings on investments	<u>893</u>

Net cash used in investing activities (2,778)**Net change in cash** -**Cash-beginning of year** -**Cash-end of year** \$ -

Reconciliation of changes in net assets to net cash provided by operating activities:

Change in net position	(1,203)
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Non operating income adjustment	(893)
(Increase) decrease in operating assets	
Other receivables	(50)
Prepaid expense	<u>(10,000)</u>

Net cash provided by operating activities \$ (12,146)

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018**

	<u>Private Purpose Trusts</u>			Component Unit - Edward Ramsdale Scholarship
	Ed Ramsdale Scholarship Trust	Scholarship Trust	Agency Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash	-	2,410	90,703	55,138
Investments	44,165	159,706	30,553	893,986
Other receivables	68	90	-	720
Total assets	<u>44,233</u>	<u>162,206</u>	<u>121,256</u>	<u>949,844</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 44,233</u>	<u>\$ 162,206</u>	<u>\$ 121,256</u>	<u>\$ 949,844</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Due to student groups	-	-	121,256	-
Scholarship awards payable	-	-	-	31,872
Total liabilities	<u>-</u>	<u>-</u>	<u>121,256</u>	<u>31,872</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>121,256</u>	<u>31,872</u>
NET POSITION				
Restricted	-	-	-	917,972
Restricted for scholarships	44,233	162,206	-	-
Total net position	<u>\$ 44,233</u>	<u>\$ 162,206</u>	<u>\$ -</u>	<u>\$ 917,972</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2018**

	Ed Ramsdale Scholarship Trust	Scholarship Trust	Component Unit - Edward Ramsdale Scholarship Fund, Inc.
ADDITIONS			
Net investment income	626	13,311	64,256
Restricted donations	17,675	5,000	-
Total revenues	18,301	18,311	64,256
DEDUCTIONS			
Administrative expenses	-	-	3,391
Scholarship awards	27,924	4,400	34,488
Total expenses	27,924	4,400	37,879
Excess (deficiency) revenues over (under) expenses	(9,623)	13,911	26,377
Other financing sources (uses)			
Net unrealized gain (loss) on investments	-	-	87,583
Change in Net Position	(9,623)	13,911	113,960
Net Position - Beginning	53,856	148,295	804,012
Net Position - Ending	\$ 44,233	\$ 162,206	\$ 917,972

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 1 Summary of Accounting Policies

The financial statements of the Troy School District No. 287 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 Troy School District No. 287 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 the Ed Ramsdale Scholarship Fund, Inc., a component unit, is presented on the Statement of Net Position and Statement of Revenues, Expenditures and Changes in Net Position. The fiscal year end of the Edward Ramsdale Scholarship Fund, Inc., differs from Troy School District No. 287, so reports are presented for the year ended December 31, 2017.

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.

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.

NOTE 1 Summary of Accounting Policies (Continued)

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental 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 non-major 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 restricted for the acquisition, construction, or major repair of school property.

The District reports the following fund types:

-) Internal service fund. The District has an internal service fund which is used to account for a medical risk pool.
-) Agency funds. These funds account for assets held by the District as an agent for various student groups and clubs.
-) Private-purpose trust fund. These funds report a trust arrangement under which contributions to endowments are maintained to support programs identified specifically by the donors.
-) Component unit. The District reports the net position and changes in net position of one component unit, the Edward Ramsdale Scholarship Fund, Inc. These statements are presented to meet the requirement of GASB Statement 61 because the economic resources received by the Fund are held for the direct benefit of the District and its students.

The unaudited statements of the Edward Ramsdale Scholarship Fund, Inc. are fiduciary in nature and are not included in the activity of the government-wide financial statements.

Basis of Accounting - The district-wide 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

NOTE 1 Summary of Accounting Policies (Continued)

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 for 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.

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 savings accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local

NOTE 1 Summary of Accounting Policies (Continued)

Government Investment Pool, which allow school districts within the State of Idaho to pool their funds for investment 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.

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 "Troy School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District, 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. 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

NOTE 1 **Summary of Accounting Policies (Continued)**

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 recognize 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 per year.

The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement. At June 30, 2018 there were 259.75 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 - 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.

NOTE 1 Summary of Accounting Policies (Continued)

Deferred Revenue - Deferred revenue in the General and Debt Service 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 and Debt Service Fund represent the property taxes levied for 2018 that are measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

Subsequent Events - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management 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, 2017 upon which the 2017 levy was based was \$143,728,117.

The District's actual levy was 11.60% 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 for the year ended June 30, 2018 was 69.23% per \$100, which means that the District was required to pass an override levy in the amount of 69.23% per \$100. The total tax levy for the year ended June 30, 2018 was \$1,164,985 with total tax collections being \$1,119,661.

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, 2018 were 96.11% of the tax levy. Property taxes levied for 2017 are recorded as receivables if uncollected and a deferred revenue amount is recorded 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 2018 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2018 of \$1,162,302 is recorded as uncollected but are not considered available at June 30, 2018. The entire receivable is considered a deferred inflow of resources.

NOTE 2 Property Tax (Continued)

	General Fund	Debt Service Fund	Total
Total taxes receivable at June 30, 2018	64,185	11,253	75,438
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2018	<u>12,837</u>	<u>2,251</u>	<u>15,088</u>
Deferred revenue	<u>\$ 51,348</u>	<u>\$ 9,002</u>	<u>\$ 60,350</u>

NOTE 3 Deposits and Investments

	Carrying Amount	Bank Balance
<u>Cash</u>		
Checking and Saving Accounts	<u>\$ 527,921</u>	<u>\$ 583,857</u>

Deposits were with Umpqua Bank of which \$250,000 of the accounts were covered by Federal Deposit Insurance. The remaining balance of \$333,857 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

Investments

Detail of investments at June 30, 2018 are as follows:

	Rate	General Fund	Debt Service	Internal Service	Fiduciary	Agency	Total
Northwestern Mutual	-	-	-	-	159,707	-	159,707
Investment in State Treasurer's Pool	Variable	<u>693,554</u>	<u>221,153</u>	<u>65,835</u>	<u>44,165</u>	<u>30,553</u>	<u>1,055,260</u>
Total		<u>\$ 693,554</u>	<u>\$ 221,153</u>	<u>\$ 65,835</u>	<u>\$ 203,872</u>	<u>\$ 30,553</u>	<u>\$ 1,214,967</u>

Investment Maturities

External Investment Pool	Book Value	Market Value	Less than 1 Year	1-8 Years
State Investment Pool	<u>\$ 1,055,260</u>	<u>\$ 1,055,260</u>	<u>\$ 1,055,260</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,

NOTE 3 Deposits and Investments (Continued)

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.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

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.

The District acts as a trustee for the Scholarship Trust Fund. This fund is composed of investments in mutual funds with Northwestern Mutual Investment Services, LLC. The stock is registered and held in the Trust's name. The market price as of June 30, 2018 was \$159,707.

NOTE 4 Changes in Fixed Assets

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

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets not being depreciated				
Construction in progress	-	6,827		6,827
Land	<u>52,001</u>	-	-	<u>52,001</u>
Total assets not being depreciated	<u>52,001</u>	<u>6,827</u>	-	<u>58,828</u>
Capital assets being depreciated				
Land Improvements	207,331	9,632	-	216,963
Buildings	6,803,604	210,957	-	7,014,561
Equipment	109,804	-	-	109,804
Transportation	<u>466,141</u>	<u>2,150</u>	-	<u>468,291</u>
Total depreciated assets	<u>7,586,880</u>	<u>222,739</u>	-	<u>7,809,619</u>
Less: Accumulated Depreciation				
Land Improvements	(78,288)	(11,008)	-	(89,296)
Buildings	(2,232,642)	(148,335)	-	(2,380,977)
Equipment	(60,602)	(9,779)	-	(70,381)
Transportation	<u>(299,900)</u>	<u>(16,686)</u>	-	<u>(316,586)</u>
Total accumulated depreciation	<u>(2,671,432)</u>	<u>(185,808)</u>	-	<u>(2,857,240)</u>
Governmental Activities Assets (Net)	<u>\$ 4,967,449</u>	<u>\$ 43,758</u>	<u>\$ -</u>	<u>\$ 5,011,207</u>

NOTE 5 Long-term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2018.

Bonds payable @ July 1, 2017	800,000
Debt acquired	-
Debt retired	<u>(150,000)</u>
Bonds payable @ June 30, 2018	<u>\$ 650,000</u>

Bonds payable at June 30, 2018 consisted of the following issue:

General Obligation Bonds

Series 2011 – Refunding Bonds

Original issue of \$1,235,000 due August 1, 2021.

Interest ranges from 3.5% to 3.75%

\$ 650,000

NOTE 5 Long-term Debt (Continued)

The annual requirements to amortize bond debt outstanding as of June 30, 2018 including interest is as follows:

Series 2011 – Refunding			
Date of Redemption	Bond Principal	Interest Requirement	Total Requirement
8/1/2018	155,000	11,994	166,994
2/1/2019	-	9,281	9,281
8/1/2019	160,000	9,281	169,281
2/1/2020	-	6,281	6,281
8/1/2020	165,000	6,281	171,281
2/1/2021	-	3,188	3,188
8/1/2021	170,000	3,188	173,188
Total	<u>\$ 650,000</u>	<u>\$ 49,494</u>	<u>\$ 699,494</u>

During the year ended June 30, 2018, the following changes occurred in liabilities:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
2011 Refunding Series	<u>800,000</u>	-	<u>-150,000</u>	<u>650,000</u>
Totals	<u>\$800,000</u>	<u>\$ -</u>	<u>\$ (150,000)</u>	<u>\$650,000</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, 2018 the Legal Debt Margin was:

Market Value at January 1, 2017	143,728,117
Percentage allowed	5%
Debt Limitation	<u>7,186,406</u>
Less: Bonded debt at June 30, 2018	<u>(650,000)</u>
Legal Debt Margin	<u>\$ 6,536,406</u>

NOTE 6 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, 2017. All amounts are as of June 30, 2017 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.

NOTE 6 Pension Plan (Continued)

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, 2018 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 \$192,272, \$199,153, and \$193,199 for the three years ended June 30, 2018, 2017, and 2016, respectively.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2017. The net pension liability was measured as of June 30, 2017, and

NOTE 6 Pension Plan (Continued)

the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the District’s proportion was 0.0565705 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, 2018 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2017 was calculated at \$143,661.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	123,181	80,109
Changes in assumptions or other inputs	16,444	-
Change in proportionate share	-	23,553
Net difference between projected and actual earning on pension plan investments	-	53,275
Employer contributions subsequent to the measurement date	<u>192,272</u>	<u>-</u>
Total	<u>\$331,897</u>	<u>\$156,937</u>

\$192,272 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, 2018.

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:

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2018	(48,339)
2019	83,540
2020	23,704
2021	(52,663)

NOTE 6 Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	4.5 – 10.00%
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

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.

NOTE 6 Pension Plan (Continued)

<u>Asset Class</u>	<u>Expected Return*</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income	3.05%	3.75%	30%	23%-33%
Cash	2.25%	.90%	0%	0%-5%

<u>Total Fund</u>	<u>Expected Return*</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*Expected arithmetic return net of feeds and expenses

Data provided by Callan Associates 2015

Actuarial Assumptions

Assumed Inflation Mean	3.25%
Assumed Inflation Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.08%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	.40%
Long-Term Expected Geometric 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.

NOTE 6 Pension Plan (Continued)

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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$2,066,663	\$889,191	\$(89,319)

Pension plan fiduciary net position

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

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

Payables to the pension plan

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

NOTE 7 Other Post Employment Benefit

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the Troy School District Employment Benefit Plan have been determined based the requirements of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The Plan has been calculated using the entry age normal funding method. As an alternative to an actuarial valuation, the District qualifies for and has presented the OPEB liability using the Alternative Measurement Method.

General Information about the OPEB Plan

The Troy School District Employment Benefit Plan is a single-employer defined benefit OPEB plan that provides benefits to current and future retirees.

NOTE 7 Other Post Employment Benefit (Continued)

Retirement and Dependent Medical Benefit Eligibility

Upon separation from public school employment by retirement in accordance with Chapter 13, Title 59, Idaho Code, a retiree may continue to pay premiums for the retiree and the retiree's dependents at the rate for the active employee's group health, long-term care, vision, prescription drug and dental insurance programs as maintained by the employer for the active employees until the retiree and/or the retiree's spouse becomes eligible for Medicare at which time the district shall make available a supplemental program to Medicare for the eligible individual.

Eligibility Criteria

Postemployment benefits are provided to employees who attain age-plus-service of at least 90.

Health Benefit Duration

Retiree and spouse benefits are provided through the District-sponsored plans until age 65, at which point the retiree is responsible for purchasing a fully-insured Medicare Supplement plan at full cost.

Funding

The District's OPEB plan is funded under a pay-as-you-go funding method. Under this method, the District has not set aside any assets (nor accumulated any assets in a trust) that meet the definition of plan assets under GASB 74 or 75 to offset the OPEB liability. Therefore, the Net OPEB liability is equal to the Total OPEB liability.

OPEB Benefits

The health care benefits are contracted by the District through group medical, dental and vision plans. The medical, dental and vision plans includes an annual deductible, coinsurance payment requirements, and an annual out-of-pocket maximum for the member/family. The prescription drug benefit is provided through a tiered system comprising of the type of prescription (generic, preferred brand, and non-preferred brand).

Census Data

As of June 30, 2018, the valuation date, the District had 33 active (future retirees) participants and no inactive (current retirees) participants.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Employer reported a liability of \$306,503 of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

NOTE 7 Other Post Employment Benefit (Continued)

For the year ended June 30, 2018, the Employer recognized OPEB expense of \$19,745.

Under the Alternative Measurement method, no deferred outflows of resources or deferred inflows of resources related to OPEB are applicable as June 30, 2018.

Actuarial assumptions

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Interest/Discount Rate	3.87% as of the measurement date
Projected Payroll Increases	1.00%
Health Care Cost Trend Rate	4.92 %
Retiree Contributions	Retiree contributions are assumed to increase to match the health care cost trends.

Participation

For future retirees, participation rates were assumed to be 100% for medical, dental and vision coverage. The assumed number of eligible dependents is based on the current proportions of single and family contracts in the census provided. It is assumed that 10% of future retirees are married.

Mortality

RP-2014 projected to 2030 using Scale MP-14, applied on a gender-specific basis. Based on this table, average life expectancy for the District participants is 86 years of age.

Interest/Discount rate

The interest rate is based on the 20-year municipal bond index.

Sensitivity Disclosures

The following presents the net OPEB liability of the Plan as of June 30, 2018, calculated using the discount rate of 3.87%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Net OPEB liability	\$264,000	\$306,503	\$343,000

NOTE 7 Other Post Employment Benefit (Continued)

The following presents the net OPEB liability of the Plan as of June 30, 2018, calculated using the assumed health care cost trend rate, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$248,000	\$306,503	\$343,000

Summary of the Change in OPEB Liability

Total OPEB Liability – Beginning of Year	\$311,846
Service Cost	20,294
Interest	12,368
Plan Design Changes	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(12,917)
Benefit Payments (Estimated)	<u>(25,088)</u>
Total OPEB Liability – End of Year	<u>\$ 306,503</u>

NOTE 8 Self-Insured Medical Benefit Plan

The escalating cost in health insurance programs have made it necessary for Troy School District No. 287 to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees in cooperation with the Troy Education Association has created a Self-Insured Employee Medical Benefit Pool. The purpose of the pool is to create 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 District shall create an account and shall transfer any savings of premiums into the account to pay for the higher deductible required of employees through this plan. The purpose of this account is solely for budgeting and management of the Self-Insured Employee Medical Pool.

The savings in insurance costs, along with interest earned on investments, increased the Self-Insured Medical Benefit Pool balance to \$65,835 at June 30, 2018.

Administration – The Troy School District No. 287 Board of Trustees will administer the Self-Insured Medical Benefit Pool. The business manager will provide the board with financial statements upon which the board will make decisions regarding the stability of the fund, authorize transfers into the General M & O Fund to help fund employee medical benefit expense, or transfers from the General M & O Fund to the pool if necessary, and set an annual budget. Operating transfers of funds out of the Pool will only be made at the direction of the Board of Trustees.

NOTE 8 Self-Insured Medical Benefit Plan (Continued)

District Liability – When achieved, 100% of the liability of self-insuring the employees and dependents of Troy School District No. 287 shall be retained in the Self-Insurance Medical Benefit Pool. Liability is calculated by the number of employee paid family deductible and the district paid family deductible.

Eligibility – All employees of the Troy School District No. 287 enrolled in the school district medical insurance plan and their enrolled dependents are eligible for benefits under the Self-Insured Medical Benefit Pool.

Retirees – Retirees who are enrolled in the school district group medical insurance plan and their dependents are eligible for benefits under the Self-Insured Medical Benefit Pool, with no additional cost in premium to the retiree.

Over age 65 and disabled retirees who are enrolled in a supplemental plan are not eligible.

COBRA – COBRA participants are not eligible for benefits under the Self-Insured Medical Benefit Pool.

Dissolution – If the Self-Insured Medical 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 9 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 10 Excess of Actual Expenditures Over Budget in Nonmajor Funds

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2018:

<u>Fund</u>	<u>Excess</u>
State Professional Technical	25,067
School-Based Medicaid	6,289
Title V-B, ESSA - Rural Education Initiative	2,446
Child Nutrition	8,470

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 11 Interfund Receivables, Payables and Transfers

Generally accepted accounting principles require disclosure of certain information concerning non-major 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 operating transfers are as follows:

	<u>Out</u>	<u>In</u>
General	239,499	-
Child Nutrition	-	44,511
Driver’s Education	-	104
School Plant Facility – Bus Replacement	-	53,539
School Plant Facility – School Maintenance and Repair	-	126,345
Internal Service	-	15,000
Total	<u>\$ 239,499</u>	<u>\$ 239,499</u>

The composition of interfund receivables and payables as of June 30, 2018 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	295,176
Special Revenue Funds:		
Child Nutrition	10,258	-
Driver Education - State	104	-
Federal Forest Reserve	3,588	-
Title I-A, ESSA – Improve Basic Programs	-	1,475
IDEA Part B (611 School Age 3-21)	515	-
State Professional Technical	18,286	-
Title II-A, ESEA - Supporting Effective Instruction	-	1,481
Technology - State	45,935	-
Miscellaneous State Grants	13,711	-
Perkins III – Professional Technical Act	-	2,609
Title V-B, ESSA – Rural Education Initiative	1,238	-
Garden Grant	73,070	-
School-Based Medicaid	-	15,170
Internal Service	76	-
Capital Projects Funds	149,130	-
Total	<u>\$ 315,911</u>	<u>\$ 315,911</u>

NOTE 12 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 year.

NOTE 13 Prior Period Adjustment

For the fiscal year ended June 30, 2017, PERSI retroactively applied the provision of GASB 68 paragraph 54 and netted the deferred inflows and deferred outflows of resources related to the differences between expected and actual investment earnings. The District has presented these amounts in the same manner as PERSI's presentation. The change reduced the total deferred outflow and deferred inflow of resources by \$269,023 respectively, as of June 30, 2017. The adjustment had no effect on the beginning net position or the change in net position in the prior year.

Additionally, as a result of implementing GASB 75 related to other post-employment benefits, a prior period adjustment was made to record the estimated liability as of June 30, 2017. The change increased total noncurrent liabilities by \$311,846 and reduced unrestricted net position by the same amount.

REQUIRED SUPPLEMENTARY INFORMATION



TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

NET PENSION LIABILITY SCHEDULES

Schedule of the District's Share of Net Pension Liability*

PERSI - Base Plan

As of June 30,

	2017	2016	2015	2014
Employer's portion of the net pension liability	0.0565705%	0.0583549%	0.0682433%	0.0721285%
Employer's proportionate share of the net pension liability	889,191	1,182,943	898,653	530,979
Employer's covered employee payroll	1,757,041	1,706,703	1,911,475	1,954,055
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	50.61%	69.31%	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	90.68%	87.26%	91.38%	94.95%

Schedule of the District's Contributions*

PERSI - Base Plan

As of June 30,

	2017	2016	2015	2014
Statutorily required contribution	198,897	193,199	216,379	221,199
Contributions in relation to the statutorily required contribution	(198,897)	(193,199)	(216,379)	(221,199)
Contribution (deficiency) excess	-	-	-	-
Employer's covered employee payroll	1,757,041	1,706,703	1,911,475	1,954,055
Contributions as a percentage of covered employee payroll	11.32%	11.32%	11.32%	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 use for which information is available.

Data is reported is measured as of June 30, 2017.

NOTES TO THE NET PENSION LIABILITY SCHEDULES

As of June 30, 2017

Change of Assumptions. There were no changes of assumptions for the year ended June 30, 2017.

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

OTHER POST EMPLOYMENT LIABILITY SCHEDULE

As of June 30,

	<u>2018</u>
Service Cost	20,294
Interest	12,368
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(12,917)
Benefit payments	<u>(25,088)</u>
Net change in total OPEB Liability	(5,343)
Total OPEB liability - beginning	<u>311,846</u>
Total OPEB liability-ending	<u><u>\$ 306,503</u></u>
Covered-employee payroll	1,761,684
Total OPEB liability as a percentage of covered-employee payroll	17.40%

*GASB Statement No. 75 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 use for which information is available.

NOTES TO THE OTHER POST EMPLOYMENT LIABILITY SCHEDULE

As of June 30, 2018

Change of Assumptions. Amounts reported as of June 30, 2018 reflect an adjustment to the discount rate increase from 3.58 percent to 3.87 percent.

COMBINING AND NON-MAJOR FUND FINANCIAL STATEMENTS



TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Elementary School Program			
Salaries	414,457	475,657	61,200
Benefits	150,233	201,052	50,819
Purchased services	8,563	13,600	5,037
Supplies-materials	19,092	35,773	16,681
Capital objects	3,762	5,500	1,738
Total elementary school program	<u>596,107</u>	<u>731,582</u>	<u>135,475</u>
Secondary School Program			
Salaries	406,241	475,229	68,988
Benefits	160,556	189,515	28,959
Purchased services	6,849	20,600	13,751
Supplies-materials	17,493	24,600	7,107
Capital objects	1,279	3,000	1,721
Total secondary school program	<u>592,418</u>	<u>712,944</u>	<u>120,526</u>
Vocational-Technical Program			
Salaries	94,767	96,202	1,435
Benefits	34,832	36,833	2,001
Purchased services	3,820	7,800	3,980
Supplies-materials	164	3,000	2,836
Total vocational-technical program	<u>133,583</u>	<u>143,835</u>	<u>10,252</u>
Special Education Program			
Salaries	41,429	100,413	58,984
Benefits	24,171	88,811	64,640
Purchased services	804	1,000	196
Supplies-materials	554	2,000	1,446
Total special education program	<u>66,958</u>	<u>192,224</u>	<u>125,266</u>

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Special Education Preschool Program			
Salaries	2,990	3,555	565
Benefits	229	272	43
Purchased services	1,125	1,800	675
Total special education preschool program	<u>4,344</u>	<u>5,627</u>	<u>1,283</u>
 Interscholastic Program			
Salaries	62,475	65,000	2,525
Benefits	8,754	9,120	366
Purchased services	5,121	10,000	4,879
Insurance	462	600	138
Total interscholastic program	<u>76,812</u>	<u>84,720</u>	<u>7,908</u>
 School Activity Program			
Salaries	14,357	15,000	643
Benefits	2,859	2,880	21
Purchased services	6,625	14,000	7,375
Supplies-materials	1,100	600	(500)
Insurance	850	850	-
Total school activity program	<u>25,791</u>	<u>33,330</u>	<u>7,539</u>
 TOTAL INSTRUCTION			
Salaries	1,036,716	1,231,056	194,340
Benefits	381,634	528,483	146,849
Purchased services	32,907	68,800	35,893
Supplies-materials	38,403	65,973	27,570
Capital objects	5,041	8,500	3,459
Insurance	1,312	1,450	138
Total Instruction	<u>\$ 1,496,013</u>	<u>\$ 1,904,262</u>	<u>\$ 408,249</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
SUPPORT:			
Attendance-Guidance-Health Program			
Salaries	55,800	53,980	(1,820)
Benefits	19,933	20,152	219
Purchased services	4,549	6,445	1,896
Supplies-materials	14,262	14,100	(162)
Total attendance-guidance-health program	<u>94,544</u>	<u>94,677</u>	<u>133</u>
 Special Education Support Services Program			
Salaries	63,057	86,607	23,550
Benefits	26,800	34,148	7,348
Purchased services	26,431	18,500	(7,931)
Supplies-materials	564	2,000	1,436
Total special education support services program	<u>116,852</u>	<u>141,255</u>	<u>24,403</u>
 Instruction Improvement Program			
Purchased services	<u>2,618</u>	<u>18,300</u>	<u>15,682</u>
 Educational Media Program			
Salaries	18,401	21,500	3,099
Benefits	10,776	12,778	2,002
Purchased services	-	1,000	1,000
Supplies-materials	2,063	4,000	1,937
Capital objects	-	150	150
Total educational media program	<u>31,240</u>	<u>39,428</u>	<u>8,188</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
Instruction-Related Technology Program			
Purchased services	20,502	29,000	8,498
Supplies-materials	7,958	5,000	(2,958)
Capital objects	20,869	45,592	24,723
Total instruction-related technology program	<u>49,329</u>	<u>79,592</u>	<u>30,263</u>
Board of Education Program			
Benefits	19	30	11
Purchased services	5,483	10,800	5,317
Supplies-materials	35	125	90
Insurance	5,610	6,000	390
Total board of education program	<u>11,147</u>	<u>16,955</u>	<u>5,808</u>
District Administration Program			
Salaries	115,834	116,695	861
Benefits	40,713	49,443	8,730
Purchased services	47,474	52,070	4,596
Supplies-materials	2,900	3,000	100
Capital objects	-	1,500	1,500
Insurance	108	108	-
Total district administration program	<u>207,029</u>	<u>222,816</u>	<u>15,787</u>
School Administration Program			
Salaries	195,668	198,004	2,336
Benefits	54,752	74,757	20,005
Purchased services	6,932	7,200	268
Supplies-materials	1,000	6,000	5,000
Total school administration program	<u>258,352</u>	<u>285,961</u>	<u>27,609</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
Administrative Technology Service			
Salaries	52,118	55,788	3,670
Benefits	18,555	19,857	1,302
Purchased services	175	500	325
Total administrative technology service	<u>70,848</u>	<u>76,145</u>	<u>5,297</u>
 Buildings-Care Program (Custodial)			
Salaries	29,066	60,578	31,512
Benefits	11,792	30,673	18,881
Purchased services	121,231	121,700	469
Supplies-materials	15,338	17,500	2,162
Capital objects	-	7,200	7,200
Insurance	20,539	23,000	2,461
Total buildings-care program (custodial)	<u>197,966</u>	<u>260,651</u>	<u>62,685</u>
 Maintenance - Non-Student Occupied			
Salaries	8,277	11,000	2,723
Benefits	4,081	4,799	718
Purchased services	2,643	18,000	15,357
Supplies-materials	1,867	3,500	1,633
Capital objects	-	1,200	1,200
Total maintenance - non-student occupied	<u>16,868</u>	<u>38,499</u>	<u>21,631</u>
 Maintenance - Grounds			
Salaries	12,431	11,000	(1,431)
Benefits	4,499	4,799	300
Purchased services	6,102	20,000	13,898
Supplies-materials	7,564	9,000	1,436
Capital objects	10,101	1,200	(8,901)
Total maintenance - grounds	<u>40,697</u>	<u>45,999</u>	<u>5,302</u>
 Pupil-To-School Transportation Program			
Salaries	50,726	52,398	1,672
Benefits	11,410	17,106	5,696
Purchased services	20,493	27,100	6,607
Supplies-materials	26,547	31,925	5,378
Capital objects	-	1,000	1,000
Insurance	3,366	3,625	259
Total pupil-to-school transportation program	<u>112,542</u>	<u>133,154</u>	<u>20,612</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GENERAL FUND
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
Pupil-Activity Transportation Program			
Salaries	16,780	16,000	(780)
Benefits	2,993	2,500	(493)
Purchased services	-	3,743	3,743
Supplies-materials	139	1,500	1,361
Total pupil-activity transportation program	<u>19,912</u>	<u>23,743</u>	<u>3,831</u>
General Transportation Program			
Purchased services	11	550	539
Supplies-materials	843	1,800	957
Insurance	1,000	1,000	-
Total general transportation program	<u>1,854</u>	<u>3,350</u>	<u>1,496</u>
TOTAL SUPPORT			
Salaries	618,158	683,550	65,392
Benefits	206,323	271,042	64,719
Purchased services	264,644	334,908	70,264
Supplies-materials	81,080	99,450	18,370
Capital objects	30,970	57,842	26,872
Insurance	30,623	33,733	3,110
Total support	<u>\$ 1,231,798</u>	<u>\$ 1,480,525</u>	<u>\$ 248,727</u>
NON-INSTRUCTION:			
Child Nutrition Program:			
Benefits	<u>3,767</u>	<u>3,900</u>	<u>133</u>
Total non-instruction	<u>\$ 3,767</u>	<u>\$ 3,900</u>	<u>\$ 133</u>
CAPITAL ASSET PROGRAM:			
Capital objects	<u>6,827</u>	<u>20,000</u>	<u>13,173</u>
Total capital asset program	<u>\$ 6,827</u>	<u>\$ 20,000</u>	<u>\$ 13,173</u>

TROY SCHOOL DISTRICT No. 287

Troy, Idaho

SPECIAL REVENUE FUNDS

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

Title I-A, ESSA – 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 (611 School Age 3-21) 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 (619 Pre-School Age 3-5) 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.

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

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

Technology - State Fund - To account for restricted State revenue to be spent on the technology program.

Miscellaneous State Grants Fund - To account for State revenue to provide student reading improvement and teacher training and staff development.

School-Based Medicaid Fund - To account for Federal revenue reimbursement of qualified Medicaid expenditures.

Perkins III – Professional Technical Act Fund - To account for restricted Federal revenue to be spent on equipment for the vocational program.

Title VI-B, ESSA – Rural Education Initiative Fund - To account for Federal revenue to provide specialized instruction for handicapped students.

Local Education Fund - To account for local revenues from the Coeur d'Alene Tribe and Nez Perce Tribe to provide educational opportunities for all students.

Garden Grant Fund - To account for Federal revenue to be used for a garden to provide the opportunity for educating kindergarten, first grade, and third grade students about good nutrition, promoting exercise, science and agricultural education.

Substance Abuse – State Fund - To account for State revenue to be spent on the substance abuse program.

Title IV-A, ESSA – Student Support and Academic Enrichment Fund - To account for Federal revenue to be spent on student support and academic enrichment.

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2018

	<u>Child Nutrition</u>	<u>Driver Education - State</u>	<u>Federal Forest Reserve</u>	<u>Title I-A, ESSA - Improving Basic Programs</u>	<u>IDEA Part B (611 School Age 3-21)</u>	<u>IDEA Part B (619 Pre- School Age 3-5)</u>	<u>Professional Technical - State</u>	<u>Title II-A, ESEA - Supporting Effective Instruction</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Due from other funds	10,258	104	3,588	-	515	-	18,286	-
Other receivables:								
Federal reimbursement	-	-	-	7,870	8,388	-	-	1,481
Total assets	<u>10,258</u>	<u>104</u>	<u>3,588</u>	<u>7,870</u>	<u>8,903</u>	<u>-</u>	<u>18,286</u>	<u>1,481</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,258</u>	<u>\$ 104</u>	<u>\$ 3,588</u>	<u>\$ 7,870</u>	<u>\$ 8,903</u>	<u>\$ -</u>	<u>\$ 18,286</u>	<u>\$ 1,481</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Liabilities:								
Due to other funds	-	-	-	1,475	-	-	-	1,481
Accounts payable	-	104	-	-	-	-	16,817	-
Salaries and benefits payable	10,258	-	-	6,395	8,903	-	1,469	-
Total liabilities	<u>10,258</u>	<u>104</u>	<u>-</u>	<u>7,870</u>	<u>8,903</u>	<u>-</u>	<u>18,286</u>	<u>1,481</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance:								
Restricted	-	-	3,588	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>3,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 10,258</u>	<u>\$ 104</u>	<u>\$ 3,588</u>	<u>\$ 7,870</u>	<u>\$ 8,903</u>	<u>\$ -</u>	<u>\$ 18,286</u>	<u>\$ 1,481</u>

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2018

	Technology- State	Misc. State Grants	Perkins III - Professional Technical Act	Title V-B, ESSA - Rural Education Initiative	Local Education	Garden Grant	Substance Abuse - State	School-Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Assets:										
Due from other funds	45,935	13,711	-	1,238	-	73,070	-	-	-	166,705
Other receivables:										
Local reimbursement	-	-	-	-	2,000	-	-	-	-	2,000
Federal reimbursement	-	-	2,609	6,360	-	-	-	15,170	-	41,878
Total assets	45,935	13,711	2,609	7,598	2,000	73,070	-	15,170	-	210,583
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 45,935	\$ 13,711	\$ 2,609	\$ 7,598	\$ 2,000	\$ 73,070	\$ -	\$ 15,170	\$ -	\$ 210,583
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE										
Liabilities:										
Due to other funds	-	-	2,609	-	-	-	-	15,170	-	20,735
Accounts payable	-	-	-	-	-	12	-	-	-	16,933
Salaries and benefits payable	-	98	-	7,598	-	414	-	-	-	35,135
Total liabilities	-	98	2,609	7,598	-	426	-	15,170	-	72,803
Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balance:										
Restricted	45,935	13,613	-	-	2,000	72,644	-	-	-	137,780
Total fund balance	45,935	13,613	-	-	2,000	72,644	-	-	-	137,780
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 45,935	\$ 13,711	\$ 2,609	\$ 7,598	\$ 2,000	\$ 73,070	\$ -	\$ 15,170	\$ -	\$ 210,583

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Child Nutrition	Driver Education - State	Federal Forest Reserve	Title I-A, ESSA - Improving Basic Programs	IDEA Part B (611 School Age 3-21)	IDEA Part B (619 Pre-School Age 3-5)	Professional Technical - State	Title II-A, ESEA - Supporting Effective Instruction
REVENUES								
Local:								
Lunch sales	42,872	-	-	-	-	-	-	-
Other local	-	2,275	-	-	-	-	-	-
Total local	42,872	2,275	-	-	-	-	-	-
State:								
Other state support	-	-	-	-	-	-	45,993	-
Driver education program	-	1,625	-	-	-	-	-	-
Total state	-	1,625	-	-	-	-	45,993	-
Federal:								
School lunch reimbursement	41,562	-	-	-	-	-	-	-
Restricted	-	-	2,591	33,672	65,520	938	-	7,672
Unrestricted	-	-	908	-	-	-	-	-
Total federal	41,562	-	3,499	33,672	65,520	938	-	7,672
Total revenues	84,434	3,900	3,499	33,672	65,520	938	45,993	7,672
EXPENDITURES								
Instruction:								
Salaries	-	-	-	21,401	43,902	-	5,832	-
Benefits	-	-	-	9,212	18,964	-	929	-
Purchased services	-	4,004	-	150	1,101	938	8,135	7,672
Supply-materials	-	-	-	909	700	-	5,160	-
Capital objects	-	-	-	-	-	-	25,937	-
Total instruction	-	4,004	-	31,672	64,667	938	45,993	7,672
Support:								
Salaries	-	-	-	2,000	193	-	-	-
Benefits	-	-	-	-	38	-	-	-
Purchased services	-	-	-	-	-	-	-	-
Supply-materials	-	-	-	-	622	-	-	-
Total support	-	-	-	2,000	853	-	-	-
Non-instruction:								
Salaries	49,245	-	-	-	-	-	-	-
Benefits	15,861	-	-	-	-	-	-	-
Purchased services	3,348	-	-	-	-	-	-	-
Supply-materials	58,498	-	-	-	-	-	-	-
Capital objects	1,993	-	-	-	-	-	-	-
Total non-instruction	128,945	-	-	-	-	-	-	-
Capital objects	-	-	2,606	-	-	-	-	-
Total expenditures	128,945	4,004	2,606	33,672	65,520	938	45,993	7,672
Excess (deficiency) revenues over (under) expenditures	(44,511)	(104)	893	-	-	-	-	-
Other financing sources (uses)								
Transfers in (out)	44,511	104	-	-	-	-	-	-
Net change in fund balance	-	-	893	-	-	-	-	-
Fund balance - Beginning of year	-	-	2,695	-	-	-	-	-
Fund balance - End of year	\$ -	\$ -	\$ 3,588	\$ -	\$ -	\$ -	\$ -	\$ -

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2018

	Technology- State	Misc. State Grants	Perkins III - Professional Technical Act	Title VI-B, ESSA - Rural Education Initiative	Local Education	Garden Grant	Substance Abuse - State	School-Based Medicaid	Title IV-A, ESSA - Student Support and Academic Enrichment	Total
REVENUES										
Local:										
Lunch sales	-	-	-	-	-	-	-	-	-	42,872
Other local	5,022	-	-	-	4,935	-	-	-	-	12,232
Total local	5,022	-	-	-	4,935	-	-	-	-	55,104
State:										
Other state support	44,874	3,409	-	-	-	32,986	5,203	-	-	132,465
Driver education program	-	-	-	-	-	-	-	-	-	1,625
Total state	44,874	3,409	-	-	-	32,986	5,203	-	-	134,090
Federal:										
School lunch reimbursement	-	-	-	-	-	-	-	-	-	41,562
Restricted	-	-	2,609	32,796	-	-	-	21,599	-	167,397
Unrestricted	-	-	-	-	-	-	-	-	190	1,098
Total federal	-	-	2,609	32,796	-	-	-	21,599	190	210,057
Total revenues	49,896	3,409	2,609	32,796	4,935	32,986	5,203	21,599	190	399,251
EXPENDITURES										
Instruction:										
Salaries	-	913	-	26,174	-	1,661	-	-	-	99,883
Benefits	-	118	-	5,066	-	331	-	-	-	34,620
Purchased services	-	-	-	-	360	5,383	5,203	2,000	-	34,946
Supply-materials	23,915	-	2,609	-	5,517	-	-	-	190	39,000
Capital objects	11,279	-	-	-	-	-	-	-	-	37,216
Total instruction	35,194	1,031	2,609	31,240	5,877	7,375	5,203	2,000	190	245,665
Support:										
Salaries	-	-	-	1,366	-	-	-	-	-	3,559
Benefits	-	-	-	190	-	-	-	-	-	228
Purchased services	-	-	-	-	-	-	-	19,599	-	19,599
Supply-materials	-	-	-	-	195	-	-	-	-	817
Total support	-	-	-	1,556	195	-	-	19,599	-	24,203
Non-instruction:										
Salaries	-	-	-	-	-	-	-	-	-	49,245
Benefits	-	-	-	-	-	-	-	-	-	15,861
Purchased services	-	-	-	-	-	-	-	-	-	3,348
Supply-materials	-	-	-	-	-	-	-	-	-	58,498
Capital objects	-	-	-	-	-	-	-	-	-	1,993
Total non-instruction	-	-	-	-	-	-	-	-	-	128,945
Capital objects	-	-	-	-	-	-	-	-	-	2,606
Total expenditures	35,194	1,031	2,609	32,796	6,072	7,375	5,203	21,599	190	401,419
Excess (deficiency) revenues over (under) expenditures	14,702	2,378	-	-	(1,137)	25,611	-	-	-	(2,168)
Other financing sources (uses) Transfers in (out)	-	-	-	-	-	-	-	-	-	44,615
Net change in fund balance	14,702	2,378	-	-	(1,137)	25,611	-	-	-	42,447
Fund balance - Beginning of year	31,233	11,235	-	-	3,137	47,033	-	-	-	95,333
Fund balance - End of year	\$ 45,935	\$ 13,613	\$ -	\$ -	\$ 2,000	\$ 72,644	\$ -	\$ -	\$ -	\$ 137,780

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**ALL CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2018**

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Due from other funds	54,680	94,450	149,130
Deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 54,680</u>	<u>\$ 94,450</u>	<u>\$ 149,130</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	1,525	1,525
Salaries and benefits payable	-	811	811
Total liabilities	-	2,336	2,336
Deferred inflows of resources	-	-	-
Fund balance:			
Restricted	54,680	92,114	146,794
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 54,680</u>	<u>\$ 94,450</u>	<u>\$ 149,130</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**ALL CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018**

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
REVENUES			
Other local	90	-	90
EXPENDITURES			
Support:			
Salaries	-	32,770	32,770
Benefits	-	12,426	12,426
Purchased services	-	36,235	36,235
Supply-materials	-	14,943	14,943
Capital objects	-	225,527	225,527
Total support	-	321,901	321,901
Total expenditures	-	321,901	321,901
Excess (deficiency) of revenues over (under) expenditures	90	(321,901)	(321,811)
Other financing sources (uses):			
Sales of fixed asset	-	3,631	3,631
Transfer in	53,539	126,345	179,884
Total other financing sources(uses)	53,539	129,976	183,515
Net change in fund balance	53,629	(191,925)	(138,296)
Fund balance-Beginning of year	1,051	284,039	285,090
Fund balance-End of year	<u>\$ 54,680</u>	<u>\$ 92,114</u>	<u>\$ 146,794</u>