

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

FINANCIAL STATEMENTS

Year Ended June 30, 2016

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Whitepine Joint School District No. 288
Deary, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Whitepine Joint School District No. 288, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Qualified Opinion on Governmental Activities

Management has not recorded a liability for the implicit rate subsidy of the retiree healthcare. Accounting principles generally accepted in the United States of America require that the District record a liability for the excess of the age-adjusted health insurance premium over the blended health insurance premium for retirees, which would increase the liabilities, decrease the net position in the statement of net position, and increase expenses in the statement of activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Whitepine Joint School District No. 288, as of June 30, 2016, and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Whitepine Joint School District No. 288, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding, and budgetary comparison information on pages 6 through 10 and 37 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Whitepine Joint School District No. 288's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2016, on our consideration of Whitepine Joint School District No. 288's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Whitepine Joint School District No. 288's internal control over financial reporting and compliance.

PRESNELL GAGE PLLC

October 18, 2016

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$267,169 as a result of this year's operations after increasing by \$315,226 in 2015.
- The total cost of District operations increased to \$3,084,613 from \$2,850,470 in 2015. Program revenues consisted of charges for services in the amount of \$48,404 and operating grants and contributions of \$249,669.
- The District made various repairs during the year and capital additions of fencing around the football field, hot water heater, and a new bus. The amount capitalized was \$93,503. Total depreciation expense during the current year was \$133,881.

USING THIS ANNUAL REPORT

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

- The statement of net position and the statement of activities (on pages 11 and 12) provide information about the activities of the District as a whole and present a long-term view of the District's finances.
- The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements (on pages 13 to 16) also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.
- The proprietary financial statements provide information about the activities within the District's internal service fund. The purpose of this fund is to help support the future costs of medical insurance to employees and charge the expense to appropriate funds. It uses the same basis of accounting as business-type activities, and is consolidated with the governmental activities in the statements for the District as a whole.
- The fiduciary funds (on page 20) provide information about activities for which the District acts solely as a trustee or agent for the benefit of student groups, individual students, and employees.
- The remaining statements and schedules provide information about individual funds within the District and the results of their operations compared to budget.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Fund Financial Statements. The fund financial statements begin on page 13 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received through the Idaho State Department of Education).

Governmental Funds—All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Fiduciary Funds—The District is the fiduciary for its student activity funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position on page 17. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 21-35.

THE DISTRICT AS A WHOLE

Net position of the District's governmental activities increased by \$267,169 to a total of \$2,435,317 in fiscal year 2016 as a result of current operations after net position increased by \$315,226 in the prior year. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—had a deficit of \$314,445 on June 30, 2016. The District had \$7,496 and \$181,450 of restricted net position for grant programs and medical benefits, respectively. Total assets increased from \$4,484,246 to \$4,525,944 during fiscal year 2016.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

MANAGEMENT'S DISCUSSION AND ANALYSIS

Accounts payable, payroll, and related liabilities decreased from \$338,738 to \$315,447, primarily due to the decrease in payroll liabilities. The District was current on all accounts payable as of June 30, 2016.

| Table 1 | | |
|---|-------------------|-------------------|
| Changes in Net position | | |
| | <u>2016</u> | <u>2015</u> |
| Revenues | | |
| Program revenues: | | |
| Charges for services | \$ 48,404 | \$ 27,819 |
| Operating grants and contributions | 249,669 | 262,289 |
| General revenues | | |
| Property taxes, levied for general purposes | 1,014,626 | 920,765 |
| State and federal funding not restricted to specific programs | 1,929,779 | 1,871,651 |
| Interest and investment earnings | 4,184 | 1,944 |
| Other general revenues | 105,120 | 81,228 |
| Total revenues | <u>3,351,782</u> | <u>3,165,696</u> |
| Program Expenses | | |
| Instruction | 1,637,667 | 1,640,916 |
| Support services | | |
| Pupil support | 147,947 | 140,759 |
| Staff support | 121,452 | 111,464 |
| General administration | 69,290 | 65,139 |
| School and business administration | 438,172 | 361,712 |
| Maintenance and operations | 283,481 | 265,424 |
| Transportation | 205,555 | 200,676 |
| Food services | 107,456 | 109,870 |
| Debt services | 21,892 | 28,431 |
| Unallocated depreciation | 133,881 | 144,518 |
| PERSI retirement actuarial charges | (82,180) | (218,439) |
| Total expenses | <u>3,084,613</u> | <u>2,850,470</u> |
| Change in net position | <u>\$ 267,169</u> | <u>\$ 315,226</u> |

The District experienced an overall revenue increase during the year ended June 30, 2016. The primary increase was related to an increase in property tax related revenue of \$93,861 from \$920,765 in 2015 to \$1,014,626 in 2016.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2 presents the cost of each of the District's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

| Table 2 – District Program Expense and Net Cost | | |
|--|---------------------|-------------------------------|
| | <u>Expenses</u> | <u>Net (Cost) Revenue</u> |
| Instruction | | |
| Regular programs | \$ 1,341,257 | \$ (1,224,315) |
| Special programs | 209,296 | (154,107) |
| Interscholastic and school activity | 87,114 | (87,114) |
| Support services | | |
| Pupil support | 147,947 | (143,115) |
| Staff support | 121,452 | (98,287) |
| General administration | 69,290 | (69,290) |
| School administration | 255,662 | (252,067) |
| Business services | 182,510 | (182,510) |
| Maintenance and operations | 283,481 | (283,481) |
| Transportation | 205,555 | (205,555) |
| Food services | 107,456 | (13,106) |
| Debt services | 21,892 | (21,892) |
| Unallocated depreciation | 133,881 | (133,881) |
| PERSI retirement actuarial charges | (82,180) | 82,180 |
| Total | \$ 3,084,613 | \$ (2,786,540) |

Net Pension Liability. The District recognized a net pension liability of \$839,385 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 95 percent of the pension obligation. The District recognized deferred outflows of \$540,620 for payments made towards the net pension liability and deferred inflows of \$541,415 for the District's share of earnings in excess of the minimum expectation by PERSI.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$1,070,234, which increased from last year's total of \$1,006,181.

General Fund Budgetary Highlights

During the fiscal year, the District did not amend its operating budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2016, the District had \$4,871,589 in capital assets, including buildings, computer equipment, and major school equipment. The District's net position invested in capital assets, net of related debt was \$1,988,272, and net position restricted for capital projects was \$572,544. The District purchased a new bus, water heater, and built fencing around the football field for a combined total of \$93,503.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt

At year-end, the District had long-term debt outstanding in the amount of \$935,000 in general obligation bonds. The District retired \$120,000 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District has completed many maintenance and construction projects during the past several years. Maintenance and construction projects for 2016-2017 will include:

- Roofing Repairs
- Plumbing Repairs

The State Department of Education reimburses the District approximately 67 percent of the transportation costs per year. The District has continued to run four bus routes and is reducing extra-curricular travel when possible.

The District continues to operate a full day kindergarten as well as a three day a week, free of charge, preschool.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Business Office at 208-877-1408 in Deary, Idaho.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

STATEMENT OF NET POSITION
June 30, 2016

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 92,585 |
| Investments | 1,017,405 |
| Property taxes receivable | 426,888 |
| Accounts receivable | 65,794 |
| Total current assets | <u>1,602,672</u> |
| Noncurrent assets | |
| Capital assets | 4,871,589 |
| Less accumulated depreciation | <u>(1,948,317)</u> |
| Total noncurrent assets | <u>2,923,272</u> |
| Total assets | <u>4,525,944</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Defined benefit pension | <u>540,620</u> |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 4,082 |
| Payroll and taxes payable | 304,485 |
| Accrued expenses | 6,880 |
| Current portion of bonds payable | <u>125,000</u> |
| Total current liabilities | <u>440,447</u> |
| Noncurrent liabilities | |
| Bonds payable | 810,000 |
| Net pension liability | <u>839,385</u> |
| Total noncurrent liabilities | <u>1,649,385</u> |
| Total liabilities | <u>2,089,832</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Defined benefit pension | <u>541,415</u> |
| NET POSITION | |
| Invested in capital assets, net of related debt | 1,988,272 |
| Restricted for: | |
| Capital improvements | 572,544 |
| Grant programs | 7,496 |
| Medical benefits | 181,450 |
| Unrestricted | <u>(314,445)</u> |
| Total net position | <u>\$ 2,435,317</u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|---------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Instruction | | | | |
| Regular programs | \$ 1,341,257 | \$ 20,848 | \$ 96,094 | \$ (1,224,315) |
| Special programs | 209,296 | | 55,189 | (154,107) |
| Interscholastic and school activity | 87,114 | | | (87,114) |
| Support services | | | | |
| Pupil support | 147,947 | | 4,832 | (143,115) |
| Staff support | 121,452 | | 23,165 | (98,287) |
| General administration | 69,290 | | | (69,290) |
| School administration | 255,662 | | 3,595 | (252,067) |
| Business services | 182,510 | | | (182,510) |
| Maintenance and operations | 283,481 | | | (283,481) |
| Transportation | 205,555 | | | (205,555) |
| Food services | 107,456 | 27,556 | 66,794 | (13,106) |
| Debt services | 21,892 | | | (21,892) |
| Unallocated depreciation | 133,881 | | | (133,881) |
| PERSI retirement actuarial charges | (82,180) | | | 82,180 |
| Total governmental activities | <u>\$ 3,084,613</u> | <u>\$ 48,404</u> | <u>\$ 249,669</u> | <u>(2,786,540)</u> |
| General revenues: | | | | |
| Property taxes, levied for general purposes | | | | 1,014,626 |
| State base support | | | | 1,869,236 |
| In lieu revenue | | | | 18,202 |
| Other state and federal funding not restricted to specific programs | | | | 42,341 |
| Interest and investment earnings | | | | 4,184 |
| Other general revenues | | | | 105,120 |
| | | | | <u>3,053,709</u> |
| Change in net position | | | | 267,169 |
| Net position, beginning | | | | <u>2,168,148</u> |
| Net position, ending | | | | <u>\$ 2,435,317</u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

| | General | School Lunch | Capital Projects Funds | Other Governmental Funds | Total Governmental Funds |
|---|--------------|--------------|------------------------|--------------------------|--------------------------|
| ASSETS | | | | | |
| Cash | \$ 92,585 | | | | \$ 92,585 |
| Investments | 923,646 | | \$ 93,759 | | 1,017,405 |
| Property taxes receivable | 355,907 | | 70,981 | | 426,888 |
| Accounts receivable | 57,033 | \$ 607 | | \$ 8,154 | 65,794 |
| Due from other funds | | 3,813 | 415,179 | 100,911 | 519,903 |
| Total assets | \$ 1,429,171 | \$ 4,420 | \$ 579,919 | \$ 109,065 | \$ 2,122,575 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 3,911 | \$ 75 | | | \$ 3,986 |
| Payroll and taxes payable | 292,688 | 4,345 | | \$ 7,452 | 304,485 |
| Due to other funds | 694,608 | | | 6,841 | 701,449 |
| Total liabilities | 991,207 | 4,420 | \$ 0 | 14,293 | 1,009,920 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue-property taxes | 35,046 | | 7,375 | | 42,421 |
| Total deferred inflows of resources | 35,046 | 0 | 7,375 | 0 | 42,421 |
| FUND BALANCES | | | | | |
| Restricted for capital improvements | | | 572,544 | | 572,544 |
| Restricted for grant programs | | | | 7,496 | 7,496 |
| Assigned | | | | 87,276 | 87,276 |
| Unassigned | 402,918 | | | | 402,918 |
| Total fund balances | 402,918 | 0 | 572,544 | 94,772 | 1,070,234 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,429,171 | \$ 4,420 | \$ 579,919 | \$ 109,065 | \$ 2,122,575 |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | Total Governmental Funds |
|--|--------------------------------|
| Total fund balances - Governmental Funds | <u>\$ 1,070,234</u> |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | |
| <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:</p> | |
| Cost of capital assets | 4,871,589 |
| Accumulated depreciation | (1,948,317) |
| <p>Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p> | |
| Deferred outflows | 540,620 |
| Deferred inflows | (541,415) |
| <p>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.</p> | |
| | 181,450 |
| <p>Long-term liabilities, including bonds payable and associated charges, are not due and payable in the current period and, therefore, are not reported in the funds</p> | |
| Bonds payable | (935,000) |
| Net pension liability | (839,385) |
| <p>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 due.</p> | |
| | (6,880) |
| <p>Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.</p> | |
| | <u>42,421</u> |
| Total net position - Governmental Activities | <u><u>\$ 2,435,317</u></u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

For the Year Ended June 30, 2016

| | General | School Lunch | Capital Projects Funds | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|------------|--------------|------------------------|--------------------------|--------------------------|
| REVENUES | | | | | |
| General property taxes | \$ 840,623 | | \$ 166,509 | | \$ 1,007,132 |
| State foundation program | 1,869,236 | | | 23,165 | 1,892,401 |
| Other state revenue | 31,086 | | 13,240 | 24,907 | 69,233 |
| Federal revenue | 9,586 | \$ 66,794 | | 135,434 | 211,814 |
| Charges for services | 19,498 | 27,556 | | 1,350 | 48,404 |
| Earnings on investments | 3,884 | | 300 | | 4,184 |
| Other revenues | 82,894 | | 234 | 6,000 | 89,128 |
| Total revenues | 2,856,807 | 94,350 | 180,283 | 190,856 | 3,322,296 |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Regular programs | 1,243,418 | | | 97,839 | 1,341,257 |
| Special programs | 152,410 | | | 56,886 | 209,296 |
| Interscholastic and school activity | 87,114 | | | | 87,114 |
| Support services | | | | | |
| Pupil support | 143,115 | | | 4,832 | 147,947 |
| Staff support | 98,287 | | | 23,165 | 121,452 |
| General administration | 69,290 | | | | 69,290 |
| School administration | 252,067 | | | 3,595 | 255,662 |
| Business services | 174,477 | | | | 174,477 |
| Maintenance and operations | 274,511 | | 8,970 | | 283,481 |
| Transportation | 205,555 | | | | 205,555 |
| Debt services | | 107,456 | 145,837 | | 145,837 |
| Food services | | | | | |
| Capital outlay | | 107,456 | 81,878 | | 107,456 |
| Total expenditures | 2,711,869 | 214,912 | 236,685 | 186,317 | 3,242,327 |
| EXCESS OF REVENUES OVER EXPENDITURES | 144,938 | (13,106) | (56,402) | 4,539 | 79,969 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from insurance claim | | | 15,272 | | 15,272 |
| Transfers from other funds | | 14,033 | 46,527 | 1,668 | 62,228 |
| Transfers to other funds | (89,242) | (927) | | (3,247) | (93,416) |
| Total other financing sources (uses) | (89,242) | 13,106 | 61,799 | (1,579) | (15,916) |
| NET CHANGE IN FUND BALANCES | 55,696 | 0 | 5,397 | 2,960 | 64,053 |
| FUND BALANCES AT BEGINNING OF YEAR | 347,222 | 0 | 567,147 | 91,812 | 1,006,181 |
| FUND BALANCES AT END OF YEAR | \$ 402,918 | \$ 0 | \$ 572,544 | \$ 94,772 | \$ 1,070,234 |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

| | Total Governmental Funds |
|--|--------------------------------|
| Net change in fund balances - Total Governmental Funds | <u>\$ 64,053</u> |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation: | |
| Current year capital outlay | 93,503 |
| Current year depreciation | (133,881) |
| Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year. | |
| Current year net pension liability, deferred outflows and deferred inflows | 82,180 |
| Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However for governmental activities, the repayment of funds is reflected as a payment of outstanding long-term debt: | |
| Current year repayment of long-term debt | 120,000 |
| Current year interest associated with the change in accrued interest | 3,946 |
| In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the governmental funds the expense did not meet the criteria. | |
| | 6,720 |
| 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 the governmental activities. | |
| | 23,155 |
| Some property taxes will not be collected for several months after the fiscal year-ends and they are not considered available revenues in the governmental funds. Instead, they are counted as unavailable tax revenues. They are, however, recorded as revenues in the statement of activities: | |
| Current year taxes receivable | 42,421 |
| Prior year taxes receivable | <u>(34,928)</u> |
| Change in net position - Governmental Activities | <u><u>\$ 267,169</u></u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2016

| | <u>Governmental Activities Internal Service Fund</u> |
|---------------------------------|--|
| ASSETS | |
| Current assets | |
| Due from other funds | \$ 181,546 |
| Total current assets | <u>181,546</u> |
| Noncurrent assets | |
| Total noncurrent assets | <u>0</u> |
| Total assets | <u>181,546</u> |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | <u>96</u> |
| Total current liabilities | <u>96</u> |
| Total liabilities | <u>96</u> |
| NET POSITION | |
| Restricted for medical benefits | <u>181,450</u> |
| Total net position | <u>\$ 181,450</u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | <u>Governmental Activities Internal Service Fund</u> |
|---------------------------------------|--|
| OPERATING REVENUES | |
| Total revenues | <u>\$ 0</u> |
| OPERATING EXPENSES | |
| Benefits paid | 5,909 |
| Purchased services | <u>2,124</u> |
| Total expenses | <u>8,033</u> |
| OPERATING LOSS | <u>(8,033)</u> |
| OTHER FINANCING SOURCES | |
| Transfers from other funds | <u>31,188</u> |
| Total other financing sources | <u>31,188</u> |
| NET CHANGE IN FUND BALANCES | 23,155 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>158,295</u> |
| FUND BALANCES AT END OF YEAR | <u><u>\$ 181,450</u></u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2016

| | Governmental Activities |
|--|----------------------------------|
| | <u>Internal Service Fund</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash payments for insurance related expenses | \$ (8,033) |
| Net cash used by operating activities | <u>(8,033)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers from other funds | <u>8,033</u> |
| Net cash provided by noncapital financing activities | <u>8,033</u> |
| Net change in cash | 0 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>0</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u><u>\$ 0</u></u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | |
| Operating loss | \$ (8,033) |
| Adjustments to reconcile operating loss to net cash used by operating activities | <u>0</u> |
| Net cash used by operating activities | <u><u>\$ (8,033)</u></u> |

See accompanying notes

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
June 30, 2016

| | <u>Agency Funds</u> |
|----------------------------|-------------------------|
| ASSETS | |
| Current assets | |
| Cash | \$ 25,111 |
| Investments | <u>58,877</u> |
| Total current assets | <u>83,988</u> |
| Total assets | <u>83,988</u> |
| LIABILITIES | |
| Current liabilities | |
| Due to student groups | <u>83,988</u> |
| Total current liabilities | <u>83,988</u> |
| Total liabilities | <u>83,988</u> |
| NET POSITION | |
| Total net position | <u><u>\$ 0</u></u> |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Whitepine Joint School District No. 288 is based in Deary, Idaho, and located within Clearwater and Latah Counties. The District operates two school facilities: an elementary school for grades kindergarten through 3rd in Bovill, Idaho, and an elementary and junior/senior high school for grades kindergarten through 12 in Deary. Total District enrollment is approximately 225 students.

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

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

Measurement Focus and Basis of Accounting. The accounting policies of Whitepine Joint School District No. 288 conform to United States generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District uses the following two bases of accounting in these financial statements:

Economic Resources Measurement Focus and Accrual Basis of Accounting

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

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued).

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued)

The District reports unearned revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

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

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

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

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

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

Committed - Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned - Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District-Wide Financial Statements. The statement of net position and the statement of activities display information about the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements reflect only governmental activities of the District since there are no "business-type activities" within the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Program Revenue

The statement of activities reflects all restricted federal and state grants as program revenue, as well as all charges to students for classes, activities, and school lunches. In addition, a substantial portion of the State Foundation Program is restricted based upon salaries paid and related payroll benefits and has been treated as program revenue. Program expenses are allocated to restricted program revenue first when both restricted and unrestricted net positions are available.

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

Governmental Funds

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

- General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- School Lunch. The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch. In addition, the District charges students for lunch and breakfast.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued).

Governmental Funds (Continued)

- Plant Facility for Safe Schools. The State of Idaho allows the District to establish a special fund and levy a special property tax to acquire, purchase, and improve school sites, and build school buildings upon a vote of the District patrons. These functions are split between the Plant Facility for Safe Schools Loan, School Bus Reserve, and School Plant Facility Lottery funds.

Proprietary Funds

All proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. The District reports on one type of proprietary fund: Internal service.

- Internal Service Fund. The internal service fund is used to allocate health insurance costs to other funds of the District on a cost reimbursement basis. The internal service fund is included in governmental activities for government-wide reporting purposes. As a general rule, the revenue and expenses of the internal service fund has been eliminated from the government-wide financial statements. The excess revenue or expenses for the fund are allocated to the appropriate functional activity.

Fiduciary Funds

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

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

Basis of Presentation.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investments consist of deposits in the Idaho State Treasurer's Local Government Investment Pool and with Umpqua Bank.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued).

Deposits and Investments (Continued)

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

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

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

Increase the overall rate of return.
Reduce the risk of default.

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

Prepaid Supplies

The District does not capitalize its supplies inventory at year-end. All supplies are recorded as expenditures in the period in which they were purchased. Supplies purchased after the current school year for use in the subsequent school year are reflected as prepaid expenses at June 30.

Capital Assets

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

The District capitalizes equipment with an original unit cost of \$5,000 or more and an expected life of more than 3 years. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

| | |
|----------------------------|-------------|
| Buildings and improvements | 20-50 years |
| Vehicles and buses | 10-20 years |
| Machinery and equipment | 3-10 years |
| Computer equipment | 5 years |

Property Taxes

The District's property tax is levied by Clearwater and Latah Counties in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the District in the month following collection. The taxes are delinquent and a lien is filed the day following the due dates. A tax deed is issued on property 3 years from the date of delinquency.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued).

Deferred Outflows/Inflows of Resources

The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 9 – Defined Benefit Pension Plan. No deferred outflows of resources affect the fund financial statements in the current year.

The District reports increases in net assets that relate to future periods as deferred inflows in a separate section of the District-wide statement of net position and the District governmental fund balance sheet. Deferred inflows of resources reported in this year's government-wide financial statements include amounts related to the District's participation in PERSI as outlined in Note 9 – Defined Benefit Pension Plan. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this year's governmental funds balance sheet as *unavailable revenue*. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Budgets

Annual non-appropriated budgets are adopted for the governmental funds. Expenditures may not exceed the budget at the individual fund level.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. The liability is measured as of July 01, 2015, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are included in the following year's budgeted expenditures.

Compensated Absences

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

Reclassifications

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

2. LEGAL COMPLIANCE – BUDGETS

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

1. At least 14 days prior to the public hearing, the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers' comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.
5. During the fiscal year, a revised budget can be prepared and adopted to reflect more accurate revenue and expenditure projections. The Board must hold public hearings and publish the proposed budget prior to adoption. There were no budget amendments during the current fiscal year.

Expenditures may not exceed the budget at the individual fund level. The District incurred expenditures in excess of budget in the following funds:

| | <u>Budget</u> | <u>Expenditures</u> |
|---------------------------------------|---------------|---------------------|
| Coeur d'Alene Tribe Grant | | \$ 6,000 |
| Benchmark Grant | | 3,671 |
| Driver Education | \$ 2,475 | 4,143 |
| Perkins III Profesional Technical Act | 16,000 | 18,950 |
| State Professional Technical | | 23,165 |
| Substance Abuse | | 4,832 |
| Title VI-B | 47,054 | 47,294 |
| Carl Perkins Local Revenue | 3,000 | 3,122 |
| Title II-A Improving Teacher Quality | 18,057 | 19,788 |
| School Lunch | 96,000 | 107,456 |
| School Bus Reserve | | 81,878 |

The additional expenditures were incurred due to the availability of additional grants and carryovers in the funds. The general fund transferred funds as planned to grant funds to cover excess expenditures.

Deficit Fund Balance in Individual Funds. No fund had a deficit fund balance at June 30, 2016.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2016, the carrying amount of the District's deposits was \$92,585 in governmental activities, and \$25,111 in fiduciary activities. The entire balance was considered covered by Federal Depository Insurance.

Investments. At June 30, 2016, all District investments were held in the Idaho State Treasurer's Local Government Investment Pool and with Umpqua Bank. The carrying value of investments approximates market value. The total carrying value in the Idaho State Treasurer's Local Government Investment Pool was \$1,010,923 at June 30, 2016. The District's certificate of deposit balance of \$6,482 was held by Umpqua Bank. District investments of \$1,010,923 was considered to be uninsured and uncollateralized. The student activity fund holds funds in the Idaho State Treasurer's Local Government Investment Pool. The carrying value was \$58,877 and all funds are considered uninsured and uncollateralized.

The State Treasurer's Local Government Investment Pool issues its own financial statement, which can be obtained by visiting the State Treasurer's website.

Interest Rate Risk

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

Custodial Risk

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

Credit Risk

Credit risk is the risk that a borrower will fail to repay principal and interest in a timely manner. The District owns a percentage of each investment held by the Idaho State Treasurer's Local Government Investment Pool and the Pool diversifies investments to minimize credit risk to any individual government. The District's investment in the Idaho State Treasurer's Local Government Investment Pool has not been issued an external credit quality rating. The investment with Umpqua Bank is considered covered by Federal Depository Insurance up to \$250,000.

Concentration of Credit Risk

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

4. ACCOUNTS RECEIVABLE

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

| | |
|--|------------------|
| State of Idaho -- Foundation program | \$ 51,998 |
| State of Idaho -- State grant funds | 9,317 |
| State of Idaho -- Federal grant funds | 1,053 |
| U.S. Government -- Federal grant funds | 3,272 |
| Other | <u>154</u> |
| | <u>\$ 65,794</u> |

5. PROPERTY TAXES

Details of property tax revenue at June 30, 2016, are as follows:

| | |
|--|-------------------------------|
| | <u>Governmental Funds</u> |
| Clearwater County, taxes, penalties and interest | \$ 376,894 |
| Latah County, taxes, penalties and interest | 616,349 |
| Other | <u>13,889</u> |
| | <u>\$1,007,132</u> |

6. CAPITAL ASSETS

A summary of changes in capital assets follows:

| | <u>6/30/2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>6/30/2016</u> |
|--------------------------------------|----------------------|---------------------|--------------------|---------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 107,619 | | | \$ 107,619 |
| Capital assets being depreciated | | | | |
| Land Improvements | 259,025 | \$ 6,297 | | 265,322 |
| Buildings | 3,970,837 | 5,328 | | 3,976,165 |
| Equipment | 80,104 | | | 80,104 |
| Transportation | <u>419,628</u> | <u>81,878</u> | <u>\$ (59,127)</u> | <u>442,379</u> |
| | <u>\$ 4,837,213</u> | <u>\$ 93,503</u> | <u>\$ (59,127)</u> | <u>4,871,589</u> |
| Accumulated depreciation | | | | |
| Land Improvements | \$ (191,973) | \$ (17,303) | | (209,276) |
| Buildings | (1,338,221) | (79,154) | | (1,417,375) |
| Equipment | (57,939) | (1,818) | | (59,757) |
| Transportation | <u>(285,430)</u> | <u>(35,606)</u> | <u>\$ 59,127</u> | <u>(261,909)</u> |
| | <u>\$(1,873,563)</u> | <u>\$ (133,881)</u> | <u>\$ 59,127</u> | <u>(1,948,317)</u> |
| Capital assets, net | | | | <u>\$ 2,923,272</u> |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

6. CAPITAL ASSETS (CONTINUED)

Depreciation expense for governmental activities has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation related to governmental funds as a single line item on the statement of activities. The total depreciation charged during the current year was \$133,881.

7. GENERAL LONG-TERM DEBT

On August 22, 2002, the District entered into a capital lease agreement with Zions First National Bank for \$2,100,000. The proceeds were used for building improvements. The interest rate is stated at 4.83 percent and final payment is due August 1, 2022.

On February 9, 2012, \$1,398,000 of the capital lease agreement was refinanced with Series 2012A Revenue Bonds at interest rates ranging from 2.25 percent to 3.5 percent. Repayment on the bonds began during the fiscal year ended June 30, 2013. The refinancing of the capital lease resulted in cash flow savings of \$206,874 and economic gain of \$182,485.

The annual requirements to amortize bond debt outstanding as of June 30, 2016, including interest are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> |
|------------------------|-------------------|------------------|
| 2017 | \$ 125,000 | \$ 21,713 |
| 2018 | 125,000 | 17,963 |
| 2019 | 130,000 | 14,788 |
| 2020 | 135,000 | 12,138 |
| 2021 | 135,000 | 8,425 |
| 2022-2023 | 285,000 | 6,293 |
| | <u>\$ 935,000</u> | <u>\$ 81,320</u> |

Interest expense of \$21,892 has been reported as a separate function on the statement of activities. There is no interest expense included in other function expenses.

Changes in General Long-term Debt Account Group. A summary of changes in general long-term debt follows:

| | <u>Balance 7/1/15</u> | <u>Additions</u> | <u>Repayment</u> | <u>Balance 6/30/16</u> |
|--------------------------------|---------------------------|------------------|-------------------|----------------------------|
| Revenue Bonds, Series 2012A | <u>\$ 1,055,000</u> | <u>\$ 0</u> | <u>\$ 120,000</u> | <u>\$ 935,000</u> |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

7. GENERAL LONG-TERM DEBT (CONTINUED)

The District's legal debt margin is calculated at 5 percent of the fair market value of property located within the District. At June 30, 2016, the legal debt margin was:

| | |
|------------------------------------|---------------------|
| Market Value at January 1, 2015 | \$ 172,807,248 |
| Percentage allowed | 5% |
| Limitation | <u>8,640,362</u> |
| Less: Bonded debt at June 30, 2016 | <u>935,000</u> |
| Legal Debt Margin | <u>\$ 7,705,362</u> |

8. PARTIALLY SELF-INSURED MEDICAL BENEFIT POOL

Dramatic increases in health insurance premiums have made it necessary for the District to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees authorized an internal services fund beginning September 1, 2004, to manage the revenue and expenditures of the Self-Insured Employee Medical Pool. The purpose of the pool was two-fold: to offset the liability assumed by providing a partial self-fund health insurance plan for its employees, and to help fund future increases in the cost of medical insurance through the savings projected in administering the plan.

The savings in insurance costs resulted in transfers to the internal service fund in the amount of \$31,188 for the 2015-2016 school year. The purpose of this proprietary fund type is solely for budgeting and management of the Self-Insured Employee Medical Pool.

Administration – The Self-Insured Medical Benefit Pool is administered by the District's Board of Trustees. The business manager will provide the board with the financial statements upon which the board will make decisions and set a yearly budget.

District Liability – Liability is calculated by the number of employees and dependents plus the eligible retirees and dependents times 90 percent of the difference between the employee paid deductible and the District paid deductible. In the event the internal service fund does not have the revenue to meet the expenditures, the District will become liable for the difference.

Eligible Retirees – Retirees under the age of 65 years are eligible for benefits under the Self-Insured Medical Benefit Pool upon payment of the additional premium cost for the full year to the District at least one month before the anniversary date of the health insurance policy.

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

9. DEFINED BENEFIT PENSION PLAN

All employees of the District who work over 20 hours a week for at least 5 months of the year participate in the Public Employees Retirement System of Idaho (PERSI). PERSI is a cost-sharing, multiple-employer, public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Designed as a mandatory system for eligible state and school district employees, the legislature provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the Plan are available from PERSI upon request.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

9. **DEFINED BENEFIT PENSION PLAN (CONTINUED)**

After 5 years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2.0 percent of the average monthly salary for the highest consecutive 42 months.

For the year ended June 30, 2016, the required contribution rates, as determined by PERSI, were 11.32 percent (11.32 percent in 2015 and 2014) for the District and 6.79 percent (6.79 percent in 2015 and 2014) for employees. The District also pays 1.16 percent of eligible wages to the fund for future medical benefits to be provided. The District contributions required and paid were \$220,326, \$202,153, and \$207,224 for the 3 years ended June 30, 2016, 2015, and 2014, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of \$839,385 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2015, the District's proportion was .0637425 percent and .0675715 percent at June 30, 2014.

For the year ended June 30, 2016, the District recognized a net gain on pension expense of \$82,180. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Employer contributions made subsequent to the measurement date of June 30, 2015 | \$ 201,134 | |
| Differences between expected and actual experience | | \$ 100,624 |
| Changes in assumptions or other inputs | \$ 30,569 | |
| Net difference between projected and actual earnings on pension plan investments | \$ 308,917 | \$ 440,791 |

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

| | |
|------|-------------|
| 2017 | \$ (86,103) |
| 2018 | (86,103) |
| 2019 | (86,103) |
| 2020 | 62,496 |
| 2021 | (6,116) |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

| Sensitivity – a 1% change in the discount rate would affect the District's net pension liability as follows: | | | |
|--|-----------------------|---------------------|-----------------|
| | 1% Decrease | 7.1% rate used | 1% Increase |
| District Net Pension Liability | \$2,043,000 liability | \$839,000 liability | \$162,000 asset |

10. RISK MANAGEMENT

The District purchases commercial insurance to cover the risks of property loss and legal liability. A general summary of the insurance coverage in effect at June 30, 2016, is as follows:

- Property - \$10,000,000 in newly acquired property. Replacement cost coverage with a \$2,500 deductible.
- Earthquake and Flood - \$50,000,000 limit for earthquake coverage with a \$25,000 deductible; \$50,000,000 limit for flood with a \$25,000 deductible.
- Machinery Water Damage- \$2,500,000 limit per occurrence with a \$2,500 deductible.
- Off Premise Property Damage - \$100,000 limit per occurrence with a \$2,500 deductible.
- General Liability - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost limit and a \$0 deductible per occurrence.
- Abuse and Molestation - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost limit and a \$0 deductible per covered claim.
- Educator's Legal Liability - \$2,000,000 limit per occurrence with a \$3,000,000 defense cost limit and a \$0 deductible per covered claim.
- Automobiles
 - Liability - \$3,000,000 per occurrence and for an uninsured motorist, \$100,000 for each person and \$300,000 each accident with \$0 deductible.
 - Comprehensive and Collision – \$1,000,000 coverage per item per occurrence. There is a \$2,500 deductible.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

11. TRANSFERS TO/FROM OTHER FUNDS

The State Department of Education requires that the District pay for the costs of school lunch personnel's social security and retirement expense from general fund revenues as a condition of participation in the National School Lunch Program. The amount paid from the general fund for the school lunch fund for the year ended June 30, 2016, amounted to \$14,033.

Idaho Code, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited in the plant facilities fund. Accordingly, the School District has transferred State foundation funds paid for depreciation of school buses in the amount of \$46,527 to the school bus reserve fund for the current year.

The general fund transferred \$15,701 to other funds to balance revenue and expenditures for the year.

12. FUND BALANCE RESERVES AND DESIGNATIONS

Restricted Net Position. Restricted net position on the District-wide statements represents amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Net position restricted for capital projects is restricted by *Idaho Code* for selected facilities repairs and improvements and school bus purchases. Net position restricted for building maintenance is restricted by *Idaho Code* for maintenance on student occupied buildings. Net position restricted for grant programs are restricted by grantors for expenses expressed in the grant. Medical benefits are restricted for the purpose of providing medical insurance to the employees of the District. These items are reflected as restricted since they are not available for general education expenditures.

Restricted Fund Balances. The fund balances of certain individual funds are restricted for particular purposes by the *Idaho Code* or by the granting agency. These fund balances are reflected as a restricted portion of fund balance in the fund financial statements since the funds are not available for general education expenditures.

Assigned Fund Balances. Fund balances for certain grants are restricted for the purposes of that grant. These fund balances are reflected as an assigned portion of fund balance since these funds can only be used for that grant purpose.

When expenditures are incurred that can be charged against multiple sources of funds, the amounts are considered to be first spent from the most restrictive category if it qualifies under multiple fund balance classifications.

13. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

NOTES TO FINANCIAL STATEMENTS

13. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

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

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--|---------------------------------|------------------------------|
| General | | \$ 694,608 |
| Forest Reserve | \$ 87,276 | |
| Coeur d'Alene Tribe Grant | 2,768 | |
| Benchmark Grant | 4,728 | |
| Driver Education | | 1,125 |
| Perkins III Professional Technical Act | | 5,219 |
| Title I | 4,605 | |
| Title VI-B | 1,534 | |
| Rural Ed Initiative | | 253 |
| Title II-A Improving Teacher Quality | | 244 |
| School Lunch | 3,813 | |
| Plant Facility for Safe Schools Loan | 205,528 | |
| School Bus Reserve | 53,967 | |
| Plant Facility Lottery | 155,684 | |
| Internal Service Fund | 181,546 | |

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

14. CONTINGENT LIABILITIES

The District participates in a number of state and federally assisted grant programs, mainly Title I, Title VI-B, and the National School Lunch Program. These programs can be subject to financial and compliance audits by the grantors. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

15. OTHER POST-EMPLOYMENT BENEFITS

The District does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, retired employees can remain on the District insurance policy after retirement as referenced in Note 8. This arrangement is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. The estimated amount of this implicit subsidy is considered immaterial to these financial statements. The District has no plans to currently fund this liability and has not recorded the liability in the government wide financial statements. The "implicit subsidy" for retired employees is paid each year on a pay as you go basis.

REQUIRED SUPPLEMENTARY INFORMATION

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

SCHEDULE OF PENSION FUNDING
For the Year Ended June 30, 2016

| Fiscal Year* | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll | Share of PERSI Net Pension Liability | | Net Pension Liability as % of Covered Payroll |
|--------------|-------------------------------------|------------------------------|----------------------------------|-----------------|--|--------------------------------------|------------|---|
| | | | | | | % | Amount | |
| 2015 | \$ 207,224 | \$ 207,224 | 0 | \$ 1,830,630 | 11.32% | 0.067572% | \$ 497,432 | 27% |
| 2016 | 201,134 | 201,134 | 0 | 1,776,802 | 11.32% | 0.063743% | 839,385 | 47% |

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

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2016

| | Budgeted Amounts Original and Final | Actual Amounts Budgetary Basis | Variance With Final Budget |
|---|---|--------------------------------------|----------------------------------|
| REVENUES | | | |
| General property taxes | \$ 853,812 | \$ 840,623 | \$ (13,189) |
| State foundation program | 1,893,131 | 1,869,236 | (23,895) |
| Other state revenue | 2,839 | 31,086 | 28,247 |
| Federal revenue | | 9,586 | 9,586 |
| Charges for services | 21,173 | 19,498 | (1,675) |
| Earnings on investments | 2,000 | 3,884 | 1,884 |
| Other revenues | 56,000 | 82,894 | 26,894 |
| Total revenues | <u>2,828,955</u> | <u>2,856,807</u> | <u>27,852</u> |
| EXPENDITURES | | | |
| Payroll | 1,607,939 | 1,687,506 | (79,567) |
| Payroll burden and employee benefits | 620,083 | 606,643 | 13,440 |
| Purchased services | 350,000 | 263,359 | 86,641 |
| Supplies and materials | 130,000 | 117,336 | 12,664 |
| Capital outlay | 10,000 | 11,625 | (1,625) |
| Insurance | 45,000 | 25,400 | 19,600 |
| Total expenditures | <u>2,763,022</u> | <u>2,711,869</u> | <u>51,153</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>65,933</u> | <u>144,938</u> | <u>79,005</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to other funds | <u>(65,933)</u> | <u>(89,242)</u> | <u>(23,309)</u> |
| Total other financing sources (uses) | <u>(65,933)</u> | <u>(89,242)</u> | <u>(23,309)</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 0</u> | 55,696 | 55,696 |
| FUND BALANCES AT BEGINNING OF YEAR | | <u>347,222</u> | <u>347,222</u> |
| FUND BALANCES AT END OF YEAR | | <u>\$ 402,918</u> | <u>\$ 402,918</u> |

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | Budgeted Amounts Original and Final | Actual Amounts Budgetary Basis | Variance With Final Budget |
|---|---|--------------------------------------|----------------------------------|
| REVENUES | | | |
| Federal revenue | \$ 48,000 | \$ 66,794 | \$ 18,794 |
| Charges for services | | 27,556 | 27,556 |
| Other revenues | 23,000 | | (23,000) |
| Total revenues | <u>71,000</u> | <u>94,350</u> | <u>23,350</u> |
| EXPENDITURES | | | |
| Payroll | 45,525 | 36,711 | 8,814 |
| Payroll burden and employee benefits | 32,066 | 15,870 | 16,196 |
| Purchased services | 500 | 504 | (4) |
| Supplies and materials | 17,909 | 54,371 | (36,462) |
| Total expenditures | <u>96,000</u> | <u>107,456</u> | <u>(11,456)</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(25,000)</u> | <u>(13,106)</u> | <u>11,894</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from other funds | 25,000 | 14,033 | (10,967) |
| Transfers to other funds | | (927) | (927) |
| Total other financing sources (uses) | <u>25,000</u> | <u>13,106</u> | <u>(11,894)</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 0</u> | 0 | 0 |
| FUND BALANCES AT BEGINNING OF YEAR | | <u>0</u> | <u>0</u> |
| FUND BALANCES AT END OF YEAR | | <u>\$ 0</u> | <u>\$ 0</u> |

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the District in the fund financial statements.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT - GOVERNMENT AUDITING STANDARDS

Board of Trustees
Whitepine Joint School District No. 288
Deary, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Whitepine Joint School District No. 288, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Whitepine Joint School District No. 288's internal control over financial reporting.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (see finding #2016-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Whitepine Joint School District No. 288's financial statements are free of 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 the 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*.

Whitepine Joint School District No. 288's Response to Findings

Whitepine Joint School District No. 288's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Whitepine Joint School District No. 288's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

PRESNELL GAGE PLLC

October 18, 2016

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2016

Section I – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding #2016-001

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

Condition: Whitepine Joint School District No. 288 has concentrated many accounting duties to one individual such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

Effect: Many accounting duties are performed by a single individual with limited oversight available within the Whitepine Joint School District No. 288.

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

Recommendation: We concur with the District's response.

GOVERNMENTAL FUNDS

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

The General Fund primarily receives funding from the State of Idaho through the Educational Foundation program and through local general property taxes. The District is authorized to levy a tax upon property within the District boundaries for liability insurance. The District is authorized to levy an additional amount if approved by a majority of voters in a supplemental levy election.

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

LOCAL SPECIAL PROJECTS

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

Coeur d'Alene Tribe Grant – To account for local revenue to provide for computer equipment. The general fund of the District pays expenditures in excess of the grants.

Benchmark Grant – To account for local revenue to provide children in rural communities' education on drug prevention. The general fund of the District pays expenditures in excess of the grants.

Driver Education – The State of Idaho will reimburse the District for expenses up to \$125 per student who completes the driver education class at the District. In addition, the District charges each student a \$150 fee to enroll in the class. The general fund of the District pays expenditures in excess of the above proceeds.

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

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

State Professional Technical - The State of Idaho will reimburse the District for expenses incurred in operating certain vocational education programs. The State establishes a maximum reimbursement at the beginning of each school year based upon courses offered and the numbers of students involved. The general fund of the District pays expenditures in excess of the above proceeds.

Substance Abuse – The State of Idaho taxes the sale of tobacco products and uses a portion of the proceeds to provide substance abuse programs in the public school system. Proceeds are allocated to schools on a noncompetitive basis based upon average daily attendance. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

FEDERALLY FUNDED PROJECTS

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

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

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

Rural Ed Initiative – Districts with an average daily attendance less than 600 students are eligible for grants under the Rural and Low-Income School Program. The federal government awards grants on a noncompetitive formula basis. The District may use program funds for: teacher recruitment and retention; teacher professional development; educational technology; parental involvement activities; activities authorized under Safe and Drug-Free Schools and Communities; activities authorized under Title I; and activities authorized under Language Instruction for Limited English Proficient and Immigrant Students. The general fund of the District pays expenses in excess of the grant.

Carl Perkins Local Revenue – The District is part of a consortium with other districts and funds are used to give students opportunities and provide vocational training.

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

The District provides additional professional education for teachers in the core academic subjects by paying the costs for teachers to attend specific workshops designed to enhance their skills in teaching math and science classes. The program is administered through the State of Idaho, and funds are allocated based upon student enrollment. The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

The District can also use the grant to pay for an additional teaching position in the elementary grades. The goal of the program is to reduce the student-to-teacher ratio to 18 students per class. The program is administered through the State of Idaho, and funds are allocated based upon census poverty data (80 percent) and student enrollment (20 percent). The general fund of the District pays expenses in excess of the grant. Unused grant proceeds may be carried over to the following school year.

School Lunch – The federal government provides cash grants and food allotments to school districts to make a school lunch program available. These grants are based upon the number of children eating school lunch and breakfast. In addition, the District charges students for lunch and breakfast. Lunch and breakfast are served free or at a reduced price to children from households with income below certain levels. Meals must meet certain dietary and nutrition requirements. The general fund pays Social Security taxes and retirement benefits as a "matching contribution" to the program. The general fund of the District pays expenses in excess of the revenue generated. Excess revenue may be carried over to the following school year.

Federal Special Projects – The District receives certain federal grants on an occasional non-recurring basis.

CAPITAL PROJECTS

Plant Facility for Safe Schools Fund – The District has established a School Plant Facility Reserve Fund. The fund may be used to acquire, purchase, and improve school sites, and build school buildings.

The Trustees of the District can request an election to approve a property tax levy of up to .4 percent of assessed market value in addition to the authorized general fund tax levies.

- The plant facility levy requires 55 percent voter approval if the total levy (including any previously approved levies) is less than .2 percent of the assessed value.
- The plant facility levy requires 60 percent voter approval if the total levy (including any previously approved levies) is between .2 percent and .3 percent of the assessed value.
- The plant facility levy requires 66 2/3 percent voter approval if the total levy (including any previously approved levies) is between .3 percent and .4 percent of the assessed value.

Plant Facility for Safe Schools Loan – This fund is established to account for the required payments on the capital lease. Financing is provided by tax revenues.

School Bus Reserve Fund – The District has established a School Bus Reserve Fund. *Idaho Code*, Section 33-901, requires that any amount paid by the State of Idaho to a school district for depreciation of school facilities shall be deposited into a plant facilities fund. Accordingly, the School District transfers State foundation funds paid for depreciation of school buses to the school bus reserve fund in order to purchase school busses.

Plant Facility Lottery – This fund is established to account for funds from the State of Idaho Lottery Commission. Expenditures are limited to construction, repair, or remodeling of school facilities.

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2016

| | General | Forest Reserve | Coeur d'Alene Tribe Grant | Benchmark Grant | Driver Education | Perkins III Professional Technical Act | State Professional Technical |
|--|---------------------|------------------|---------------------------|-----------------|------------------|--|------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ 92,585 | | | | | | |
| Investments | 923,646 | | | | | | |
| Property taxes receivable | 355,907 | | | | \$ 1,125 | \$ 5,685 | |
| Accounts receivable | 57,033 | | | \$ 4,728 | | | |
| Due from other funds | | \$ 87,276 | \$ 2,768 | | | | |
| Total assets | \$ 1,429,171 | \$ 87,276 | \$ 2,768 | \$ 4,728 | \$ 1,125 | \$ 5,685 | \$ 0 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 3,911 | | | | | \$ 466 | |
| Payroll and taxes payable | 292,688 | | | | \$ 1,125 | 5,219 | |
| Due to other funds | 694,608 | | | | | 5,685 | |
| Total liabilities | \$ 991,207 | \$ 0 | \$ 0 | \$ 0 | \$ 1,125 | \$ 5,685 | \$ 0 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue-property taxes | 35,046 | | | | | | |
| Total deferred inflows of resources | \$ 35,046 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| FUND BALANCES | | | | | | | |
| Restricted for capital improvements | | | | 4,728 | | | |
| Restricted for grant programs | | | 2,768 | | | | |
| Assigned | 402,918 | 87,276 | | | | | |
| Unassigned | 402,918 | 87,276 | 2,768 | 4,728 | 0 | 0 | 0 |
| Total fund balances | \$ 1,429,171 | \$ 87,276 | \$ 2,768 | \$ 4,728 | \$ 1,125 | \$ 5,685 | \$ 0 |
| Total liabilities, deferred inflows of resources, and fund balances | | | | | | | |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS
June 30, 2016

| | Substance Abuse | Title I | Title VI-B | Title VI-B Preschool | Rural Ed Initiative | Carl Perkins Local Revenue | Title II-A Improving Teacher Quality |
|--|-----------------|-----------------|-----------------|----------------------|---------------------|----------------------------|--------------------------------------|
| ASSETS | | | | | | | |
| Cash | | | | | | | |
| Investments | | | | | | | |
| Property taxes receivable | | | | | \$ 805 | | \$ 539 |
| Accounts receivable | \$ 4,605 | | \$ 1,534 | | | | |
| Due from other funds | | | | | | | |
| Total assets | <u>\$ 4,605</u> | <u>\$ 4,605</u> | <u>\$ 1,534</u> | <u>\$ 0</u> | <u>\$ 805</u> | <u>\$ 0</u> | <u>\$ 539</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | | | | | | | |
| Payroll and taxes payable | \$ 4,605 | | \$ 1,534 | | \$ 552 | | \$ 295 |
| Due to other funds | | | | | 253 | | 244 |
| Total liabilities | <u>\$ 4,605</u> | <u>\$ 4,605</u> | <u>\$ 1,534</u> | <u>\$ 0</u> | <u>\$ 805</u> | <u>\$ 0</u> | <u>\$ 539</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue-property taxes | | | | | | | |
| Total deferred inflows of resources | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES | | | | | | | |
| Restricted for capital improvements | | | | | | | |
| Restricted for grant programs | | | | | | | |
| Assigned | | | | | | | |
| Unassigned | | | | | | | |
| Total fund balances | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 0</u> | <u>\$ 4,605</u> | <u>\$ 1,534</u> | <u>\$ 0</u> | <u>\$ 805</u> | <u>\$ 0</u> | <u>\$ 539</u> |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

COMBINING BALANCE SHEET - ALL GOVERNMENTAL FUNDS

June 30, 2016

| | Capital Projects Funds | | | | | Combined |
|--|------------------------|---------------------------------|--------------------------------------|--------------------|------------------------|--------------|
| | School Lunch | Plant Facility for Safe Schools | Plant Facility for Safe Schools Loan | School Bus Reserve | Plant Facility Lottery | |
| ASSETS | | | | | | |
| Cash | | \$ 93,759 | | | | \$ 92,585 |
| Investments | | | \$ 70,981 | | | 1,017,405 |
| Property taxes receivable | \$ 607 | | | | | 426,888 |
| Accounts receivable | 3,813 | | 205,528 | \$ 53,967 | \$ 155,684 | 65,794 |
| Due from other funds | | | | | | 519,903 |
| Total assets | \$ 4,420 | \$ 93,759 | \$ 276,509 | \$ 53,967 | \$ 155,684 | \$ 2,122,575 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 75 | | | | | \$ 3,986 |
| Payroll and taxes payable | 4,345 | | | | | 304,485 |
| Due to other funds | | | | | | 701,449 |
| Total liabilities | 4,420 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,009,920 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue-property taxes | 0 | | 7,375 | | | 42,421 |
| Total deferred inflows of resources | 0 | 0 | 7,375 | 0 | 0 | 42,421 |
| FUND BALANCES | | | | | | |
| Restricted for capital improvements | | 93,759 | 269,134 | 53,967 | 155,684 | 572,544 |
| Restricted for grant programs | | | | | | 7,496 |
| Assigned | | | | | | 87,276 |
| Unassigned | 0 | 93,759 | 269,134 | 53,967 | 155,684 | 402,918 |
| Total fund balances | 0 | 93,759 | 269,134 | 53,967 | 155,684 | 1,070,234 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 4,420 | \$ 93,759 | \$ 276,509 | \$ 53,967 | \$ 155,684 | \$ 2,122,575 |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | General | Forest Reserve | Coeur d'Alene Tribe Grant | Benchmark Grant | Driver Education | Perkins III Professional Technical Act | State Professional Technical |
|---|------------|----------------|---------------------------|-----------------|------------------|--|------------------------------|
| REVENUES | | | | | | | |
| General property taxes | \$ 840,623 | | | | | | \$ 23,165 |
| State foundation program | 1,869,236 | | | | | \$ 18,950 | |
| Other state revenue | 31,086 | | | | | | |
| Federal revenue | 9,586 | \$ 6,631 | | | \$ 1,125 | | |
| Charges for services | 19,498 | | | | 1,350 | | |
| Earnings on investments | 3,884 | | | | | | |
| Other revenues | 82,894 | | \$ 6,000 | | | | |
| Total revenues | 2,856,807 | 6,631 | 6,000 | \$ 0 | 2,475 | 18,950 | 23,165 |
| EXPENDITURES | | | | | | | |
| Instruction | | | | | | | |
| Regular programs | 1,243,418 | | 6,000 | 3,671 | 4,143 | 18,950 | |
| Special programs | 152,410 | | | | | | |
| Interscholastic and school activity | 87,114 | | | | | | |
| Support services | | | | | | | |
| Pupil support | 143,115 | | | | | | 23,165 |
| Staff support | 98,287 | | | | | | |
| General administration | 69,290 | | | | | | |
| School administration | 252,067 | | | | | | |
| Business services | 174,477 | | | | | | |
| Maintenance and operations | 274,511 | | | | | | |
| Transportation | 205,555 | | | | | | |
| Debt services | | | | | | | |
| Food services | | | | | | | |
| Capital outlay | 11,625 | | | | | | |
| Total expenditures | 2,711,869 | 0 | 6,000 | 3,671 | 4,143 | 18,950 | 23,165 |
| EXCESS OF REVENUES OVER EXPENDITURES | 144,938 | 6,631 | 0 | (3,671) | (1,668) | 0 | 0 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from insurance claim | | | | | 1,668 | | |
| Transfers from other funds | (89,242) | | | | | | |
| Transfers to other funds | (89,242) | 0 | 0 | 0 | 1,668 | 0 | 0 |
| Total other financing sources (uses) | | | | | | | |
| NET CHANGE IN FUND BALANCES | 55,696 | 6,631 | 0 | (3,671) | 0 | 0 | 0 |
| FUND BALANCES AT BEGINNING OF YEAR | 347,222 | 80,645 | 2,768 | 8,399 | 0 | 0 | 0 |
| FUND BALANCES AT END OF YEAR | \$ 402,918 | \$ 87,276 | \$ 2,768 | \$ 4,728 | \$ 0 | \$ 0 | \$ 0 |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | Substance Abuse | Title I | Title VI-B | Title VI-B Preschool | Rural Ed Initiative | Carl Perkins Local Revenue | Title II-A Improving Teacher Quality |
|---|-----------------|---------------|---------------|----------------------|---------------------|----------------------------|--------------------------------------|
| REVENUES | | | | | | | |
| General property taxes | | | | | | | |
| State foundation program | | | | | | | |
| Other state revenue | \$ 4,832 | \$ 47,068 | \$ 48,911 | \$ 364 | \$ 9,509 | \$ 3,122 | \$ 19,829 |
| Federal revenue | | | | | | | |
| Charges for services | | | | | | | |
| Earnings on investments | | | | | | | |
| Other revenues | | | | | | | |
| Total revenues | <u>4,832</u> | <u>47,068</u> | <u>48,911</u> | <u>364</u> | <u>9,509</u> | <u>3,122</u> | <u>19,829</u> |
| EXPENDITURES | | | | | | | |
| Instruction | | | | | | | |
| Regular programs | | 42,165 | | | | 3,122 | 19,788 |
| Special programs | | | 47,294 | 364 | 9,228 | | |
| Interscholastic and school activity | | | | | | | |
| Support services | | | | | | | |
| Pupil support | 4,832 | | | | | | |
| Staff support | | | | | | | |
| General administration | | | | | | | |
| School administration | | 3,595 | | | | | |
| Business services | | | | | | | |
| Maintenance and operations | | | | | | | |
| Transportation | | | | | | | |
| Debt services | | | | | | | |
| Food services | | | | | | | |
| Capital outlay | | | | | | | |
| Total expenditures | <u>4,832</u> | <u>45,760</u> | <u>47,294</u> | <u>364</u> | <u>9,228</u> | <u>3,122</u> | <u>19,788</u> |
| EXCESS OF REVENUES EXPENDITURES | <u>0</u> | <u>1,308</u> | <u>1,617</u> | <u>0</u> | <u>281</u> | <u>0</u> | <u>41</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from insurance claim | | | | | | | |
| Transfers from other funds | | (1,308) | (1,617) | 0 | (281) | 0 | (41) |
| Transfers to other funds | 0 | (1,308) | (1,617) | 0 | (281) | 0 | (41) |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| NET CHANGE IN FUND BALANCES | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | Capital Projects Funds | | | | | Combined |
|---|------------------------|---------------------------------|--------------------------------------|--------------------|------------------------|--------------|
| | School Lunch | Plant Facility for Safe Schools | Plant Facility for Safe Schools Loan | School Bus Reserve | Plant Facility Lottery | |
| REVENUES | | | | | | |
| General property taxes | | | \$ 166,509 | | | \$ 1,007,132 |
| State foundation program | | | | | \$ 13,240 | 1,892,401 |
| Other state revenue | \$ 66,794 | | | | | 69,233 |
| Federal revenue | 27,556 | | | | | 211,814 |
| Charges for services | | \$ 300 | | | | 48,404 |
| Earnings on investments | | | 234 | | | 4,184 |
| Other revenues | | 300 | 166,743 | | 13,240 | 89,128 |
| Total revenues | 94,350 | 300 | 166,743 | 0 | 13,240 | 3,322,296 |
| EXPENDITURES | | | | | | |
| Instruction | | | | | | 1,341,257 |
| Regular programs | | | | | | 209,296 |
| Special programs | | | | | | 87,114 |
| Interscholastic and school activity | | | | | | 147,947 |
| Support services | | | | | | 121,452 |
| Pupil support | | | | | | 69,290 |
| Staff support | | | | | | 255,662 |
| General administration | | | | | | 174,477 |
| School administration | | | | | | 283,481 |
| Business services | | | | | 8,970 | 205,555 |
| Maintenance and operations | | | | | | 145,837 |
| Transportation | | | 145,837 | | | 107,456 |
| Debt services | 107,456 | | | | | 93,503 |
| Food services | | | | 81,878 | | 3,242,327 |
| Capital outlay | | | | 81,878 | | |
| Total expenditures | 107,456 | 0 | 145,837 | 81,878 | 8,970 | 79,969 |
| EXCESS OF REVENUES EXPENDITURES | (13,106) | 300 | 20,906 | (81,878) | 4,270 | |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from insurance claim | | | | 15,272 | | 15,272 |
| Transfers from other funds | 14,033 | | | 46,527 | | 62,228 |
| Transfers to other funds | (927) | | | | | (93,416) |
| Total other financing sources (uses) | 13,106 | 0 | 0 | 61,799 | 0 | (15,916) |
| NET CHANGE IN FUND BALANCES | 0 | 300 | 20,906 | (20,079) | 4,270 | 64,053 |
| FUND BALANCES AT BEGINNING OF YEAR | 0 | 93,459 | 248,228 | 74,046 | 151,414 | 1,006,181 |
| FUND BALANCES AT END OF YEAR | 0 | \$ 93,759 | \$ 269,134 | \$ 53,967 | \$ 155,684 | \$ 1,070,234 |

WHITEPINE JOINT SCHOOL DISTRICT NO. 288

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

| | General Fund | | All Other Funds | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | June 30, 2015 | June 30, 2016 | June 30, 2015 | June 30, 2016 |
| BEGINNING BALANCES | <u>\$ 347,222</u> | <u>\$ 347,222</u> | <u>\$ 596,600</u> | <u>\$ 658,959</u> |
| REVENUES | | | | |
| General property taxes | 756,094 | 840,623 | 172,941 | 166,509 |
| Other local revenue | 82,531 | 106,276 | 27,960 | 35,440 |
| Intergovernmental revenue | | | | |
| State of Idaho | 1,835,092 | 1,900,322 | 44,395 | 61,312 |
| Federal | 26,877 | 9,586 | 227,576 | 202,228 |
| Other revenue | | | 500 | 15,272 |
| Transfers | 36,477 | | 80,327 | 62,228 |
| Total revenues | <u>2,737,071</u> | <u>2,856,807</u> | <u>553,699</u> | <u>542,989</u> |
| EXPENDITURES | | | | |
| Salaries | 1,621,704 | 1,687,506 | 165,227 | 108,858 |
| Benefits | 584,294 | 606,643 | 78,620 | 66,204 |
| Purchased services | 272,273 | 263,359 | 2,649 | 29,029 |
| Supplies and materials | 122,570 | 117,336 | 57,578 | 98,502 |
| Capital outlay | | 11,625 | 37,637 | 81,878 |
| Insurance | 25,149 | 25,400 | 148 | 150 |
| Debt service | | | 144,550 | 145,837 |
| Other | | | | |
| Transfers | 111,081 | 89,242 | 4,931 | 4,174 |
| Total expenditures | <u>2,737,071</u> | <u>2,801,111</u> | <u>491,340</u> | <u>534,632</u> |
| ENDING BALANCES | <u>\$ 347,222</u> | <u>\$ 402,918</u> | <u>\$ 658,959</u> | <u>\$ 667,316</u> |