

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2017

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
ANNUAL FINANCIAL REPORT
JUNE 30, 2017

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Statement of Net Position	4 - 5
Statement of Activities	6 - 7
Balance Sheet	8 - 9
Statement of Revenues, Expenditures and Changes in Fund Balance	10 - 11
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	12
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Fiduciary Funds	14
Notes to Basic Financial Statements	15 - 35
Required Supplementary Information	36
Budgetary Comparison Schedule - General Fund	37 - 42
Food Service	43
Schedule of Employer's Share of Net Pension Liability	44
Schedule of Employer's Contributions	44
Notes to Required Supplementary Information	45 - 46
Supplemental Information	47
Combining Balance Sheet - Nonmajor Special Revenue Funds	48 - 51
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	52 - 55
Combining Balance Sheet - Capital Projects Funds	56 - 57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Projects Funds	58 - 59
Schedule of Change in Net Position - Agency Funds	60
Report on Compliance and Internal Control	61 - 62
Schedule of Findings and Responses	63

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

INDEPENDENT AUDITOR'S REPORT

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

September 1, 2017

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

Management has not adopted a methodology for reporting other postemployment benefits under the guidelines of GASB 45 in the government-wide statements and, accordingly, has not considered the need to record a liability for such benefits. Accounting principles generally accepted in the United States of America require that an adequate liability be provided for postemployment benefits, which would increase the liabilities and decrease fund balance and change the revenues in the government-wide statements. The amount by which this departure would affect the assets, net position, and expenses of the government-wide statements is not reasonably determinable.

Qualified Opinion

In my opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide activities of Dietrich School District No. 314, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for Dietrich School District No. 314, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer's contribution on pages 36 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 1, 2017, on our consideration of the Dietrich School District No. 314's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dietrich School District No. 314's internal control over financial reporting and compliance

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET POSITION
JUNE 30, 2017

		<u>Governmental Activities</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 157,079	
Investments	988,728	
Net Receivables	91,665	
Inventory	<u>11,953</u>	
 <u>TOTAL CURRENT ASSETS</u>		 \$ 1,249,425
 <u>NONCURRENT ASSETS</u>		
Long-Term Receivables	\$ 4,475	
Investments - Restricted	2,337,292	
Capital Assets (non-depreciated)	345,735	
Capital Assets (depreciated - net)	<u>2,222,299</u>	
 <u>TOTAL NONCURRENT ASSETS</u>		 <u>4,909,801</u>
 <u>TOTAL ASSETS</u>		 <u>6,159,226</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Obligations	<u>\$ 536,256</u>	
 <u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>		 <u>536,256</u>
 <u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 31,706	
Salaries and Benefits Payable	191,049	
Interest Payable	31,395	
Current Portion of Long-Term Debt	<u>113,357</u>	
 <u>TOTAL CURRENT LIABILITIES</u>		 367,507
 <u>NONCURRENT LIABILITIES</u>		
Net Pension Liability	\$ 790,922	
Lease Payable (net of current portion)	73,841	
Bond Payable (net of current portion)	<u>2,395,000</u>	
 <u>TOTAL NONCURRENT LIABILITIES</u>		 <u>3,259,763</u>
 <u>TOTAL LIABILITIES</u>		 <u>3,627,270</u>

See accompanying notes to the basic financial statements

	<u>Governmental Activities</u>	
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Sources	\$ 258,680	
Deferred Amount on Net Bond Premium	<u>108,611</u>	
 <u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>		 <u>367,291</u>
 <u>NET POSITION</u>		
Invested in Capital Assets, net of related debt	\$ (154,170)	
Restricted for:		
Capital Projects	2,464,111	
Debt Service	140,507	
Federal and State Programs	48,775	
Unrestricted	<u>201,698</u>	
 <u>TOTAL NET POSITION</u>		 <u>\$ 2,700,921</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Primary Government Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Instruction	\$ 1,257,647		\$ 440,260	
Support	159,403			
General Administrative	354,434			
Custodial/Maintenance	195,240		14,259	
Student Transportation	160,068		91,570	
Non-Instructional - Food Service	158,610	\$ 27,812	110,341	
Debt Service - Interest on Debt	196,713		49,217	
<u>Total Governmental Activities</u>	<u>2,482,115</u>	<u>27,812</u>	<u>705,647</u>	<u>\$ 0</u>
 <u>Business-Type Activities</u>				
None	0	0	0	0
<u>Total Business-Type Activities</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total Primary Government</u>	<u>\$ 2,482,115</u>	<u>\$ 27,812</u>	<u>\$ 705,647</u>	<u>\$ 0</u>

General Revenue

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

Total General Revenue

Changes in Net Assets

Net Position - Beginning (Restated)

Net Position - Ending

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (817,387)		\$ (817,387)
(159,403)		(159,403)
(354,434)		(354,434)
(180,981)		(180,981)
(68,498)		(68,498)
(20,457)		(20,457)
(147,496)		(147,496)
(1,748,656)		(1,748,656)
0	\$ 0	0
(1,748,656)	0	(1,748,656)
126,087		126,087
1,384,382		1,384,382
173,806		173,806
74,684		74,684
38,114		38,114
1,797,073	0	1,797,073
48,417	0	48,417
2,652,504	0	2,652,504
\$ 2,700,921	\$ 0	\$ 2,700,921

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 12,060	\$ 49,660	\$ 3,907
Investments	988,728		
Property Taxes Receivable			41,910
Interfund Balances			
Due From Other Governments	43,738		
Restricted Assets - Investments			94,690
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL ASSETS</u>	<u>\$ 1,044,526</u>	<u>\$ 49,660</u>	<u>\$ 140,507</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 30,799	\$ 813	
Interfund Balances	137,050		
Contracts and Benefits Payable	173,586	7,404	
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL LIABILITIES</u>	<u>341,435</u>	<u>8,217</u>	<u>\$ 0</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows from Property Taxes			4,475
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>0</u>	<u>0</u>	<u>4,475</u>
 <u>FUND BALANCES</u>			
Restricted - Special Revenue Funds		41,443	
Restricted - Debt Service Fund			136,032
Restricted - Capital Projects Fund			
Unassigned	703,091		
	<u> </u>	<u> </u>	<u> </u>
<u>TOTAL FUND BALANCES</u>	<u>703,091</u>	<u>41,443</u>	<u>136,032</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	 <u>\$ 1,044,526</u>	 <u>\$ 49,660</u>	 <u>\$ 140,507</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 81,196	\$ 10,256	\$ 157,079
		988,728
		41,910
140,313		140,313
	10,492	54,230
<u>2,242,602</u>		<u>2,337,292</u>
<u>\$ 2,464,111</u>	<u>\$ 20,748</u>	<u>\$ 3,719,552</u>
	\$ 94	\$ 31,706
	3,263	140,313
	<u>10,059</u>	<u>191,049</u>
<u>\$ 0</u>	<u>13,416</u>	<u>363,068</u>
		<u>4,475</u>
<u>0</u>	<u>0</u>	<u>4,475</u>
	7,332	48,775
2,464,111		136,032
		2,464,111
		<u>703,091</u>
<u>2,464,111</u>	<u>7,332</u>	<u>3,352,009</u>
<u>\$ 2,464,111</u>	<u>\$ 20,748</u>	<u>\$ 3,719,552</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>
<u>REVENUES</u>			
Property Taxes and Penalty and Interest	\$ 69		\$ 123,980
State Foundation Support	1,661,795		114
Other State Support/Grants	163,151		49,217
Federal Revenue/Grants	0	\$ 110,341	
Other Local Revenue	72,034	27,812	
	<u>1,897,049</u>	<u>138,153</u>	<u>173,311</u>
<u>TOTAL REVENUES</u>			
<u>EXPENDITURES</u>			
Instructional	1,045,143		
Support	76,913		
General Administrative	323,940		
Custodial/Maintenance	177,071		
Student Transportation	132,853		
Non-Instructional	20,593	138,273	
Capital Expenditures	24,829		
Debt Service - Principal	0		1,947,000
Debt Service - Interest and Charges	0		74,033
	<u>1,801,342</u>	<u>138,273</u>	<u>2,021,033</u>
<u>TOTAL EXPENDITURES</u>			
<u>EXCESS REVENUES OVER</u>			
<u>(UNDER) EXPENDITURES</u>			
	<u>95,707</u>	<u>(120)</u>	<u>(1,847,722)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments	8,013	24	24,360
Proceeds From Bonds			2,485,000
Premiums on Debt Issue			114,327
Cost of Bond Issuance			(76,440)
Original Issue Discount on Bond Issuance			(14,550)
Transfers In (Out)	(47,584)	30	(2,732,649)
	<u>(39,571)</u>	<u>54</u>	<u>(199,952)</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>			
<u>EXCESS REVENUES AND</u>			
<u>OTHER FINANCING SOURCES OVER</u>			
<u>(UNDER) EXPENDITURES</u>			
	56,136	(66)	(2,047,674)
<u>FUND BALANCE - BEGINNING</u>	<u>646,955</u>	<u>41,509</u>	<u>2,183,706</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 703,091</u>	<u>\$ 41,443</u>	<u>\$ 136,032</u>

See accompanying notes to the basic financial statements

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$ 124,049
		1,661,909
	\$ 81,712	294,080
	172,705	283,046
	27,450	127,296
\$ 0	281,867	2,490,380
	153,818	1,198,961
	67,450	144,363
	33,104	357,044
		177,071
		132,853
		158,866
275,699	11,945	312,473
43,397		1,990,397
741		74,774
319,837	266,317	4,546,802
(319,837)	15,550	(2,056,422)
2		32,399
		2,485,000
		114,327
		(76,440)
		(14,550)
2,781,172	(969)	0
2,781,174	(969)	2,540,736
2,461,337	14,581	484,314
2,774	(7,249)	2,867,695
\$ 2,464,111	\$ 7,332	\$ 3,352,009

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017

Total Governmental Fund Balances \$ 3,352,009

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

Capital assets (non-depreciated and depreciated) used in governmental activities are not financial resources and, therefore, are not reported in the fund balances, \$80,000 of land, \$265,735 construction-in-process, and \$4,335,375 net of accumulated depreciation of \$2,113,076 \$ 2,568,034

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 4,475

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

Interest is recorded when paid for funds but is reported when payable in the current period for government wide statements. (31,395)

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

- Deferred Outflows Pension Obligations 536,256
- Deferred Inflows Pension Sources (258,680)
- Net Pension Liability (790,922)

Bond premiums are financial resources to fund statements but are reported as earned for government-wide reporting. Bond premiums of \$114,327 net of amortization of \$5,716. (108,611)

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

- Current Portion of Long-term Debt (113,357)
- Capital Leases (73,841)
- Outstanding Bonds (2,395,000)

Net Changes (651,088)

Net Position of Governmental Activities \$ 2,700,921

See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Governmental Fund Balances \$ 484,314

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

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

- Depreciation	\$ (111,529)
- Capital Expenditures	271,306

Proceeds obtained from bond financing transactions are not other financing resources for the Statement of Activities.

(2,485,000)

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

2,038

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

1,990,397

Proceeds from bond premiums are listed as other financing sources in the funds but are reported as earned in the Statement of Activities

- Bond Premium	(114,327)
- Premium Earned	5,715

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

36,452

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

(30,949)

Net Changes

(435,897)

Change in Net Position of Governmental Activities

\$ 48,417

See accompanying notes to the basic financial statements

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 48,336
<u>Total Assets</u>	<u>48,336</u>
<u>Liabilities</u>	
Due to Student Groups	<u>48,336</u>
<u>Total Liabilities</u>	<u>48,336</u>
<u>Total Net Position</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Dietrich School District No. 314 are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the District's financial activities for the year ended June 30, 2017.

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

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

B - REPORTING ENTITY

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

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

C - BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

D - BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS (Not included in government-wide statements)

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

E - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

BASIS OF ACCOUNTING

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

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

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

F - ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Receivables and Payables

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

Receivables

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

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

Inventories

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

Restricted Assets

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

Encumbrance Accounting

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Capital Assets

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

Government-wide Statements

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

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

Liability for Compensated Absences

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

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

Long-Term Debt

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

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

Pensions

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

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

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

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

Equity Classifications (Net Position and Fund Balance)

Government-wide Financial Statements

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

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

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

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

Fund Statements

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Use of Estimates

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

2 - CASH AND INVESTMENTS

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

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

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

2 - CASH AND INVESTMENTS (Continued)

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

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

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

At June 30, 2017, the District had a carrying value of cash deposits of \$205,414 and a bank balance of \$210,702. Based on the above definitions, the District is subject to \$0 of concentration of credit risk.

Idaho Code authorizes the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. The carrying value of investments owned at year end was \$3,326,021 (Idaho State Local Government Investment Pool) which approximates market value. The Idaho State Local Government Investment Pool has no credit rating. \$2,337,292 is restricted for capital projects/construction as a result of a bond levy passed by tax payers. There are no sinking fund or reserve funds required.

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

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES

The District's property tax is levied each October on the value listed as of the prior January 1 for all property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2016, upon which the 2016 levy was based was \$47,286,697.

The tax rates assessed, per \$100 of valuation, for the year ended June 30, 2017, and maximum levy rates limited by Idaho Code Section 33-802 are as follows:

<u>Type</u>	<u>Rate</u>	<u>Maximum Rate</u>
General	0.0000	Not Allowed
Bond	0.2582	No Limit

At June 30, 2017, the components of taxes receivable are as follows:

<u>Property Tax year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
2016	\$ 0	\$ 41,095	\$ 41,095
2015	0	638	638
2014	0	177	177
<u>Total</u>	<u>\$ 0</u>	<u>\$ 41,910</u>	<u>\$ 41,910</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - TAXES RECEIVABLE AND DEFERRED TAX REVENUES (Continued)

For fund financial statements, the recognition of revenue on taxes receivable shall not exceed 60 days collection after the June 30, 2017, year end. The collections for the 60 day period have been estimated based on prior years collection percentages. Property taxes uncollected by August 31, 2017, are deferred inflows of resources (deferred revenue). The components of deferred inflows of resources are as follows:

Fund	Amount
General Fund	\$ 0
Debt Service Fund	4,475
<u>Total</u>	<u>\$ 4,475</u>

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

NOTE 4 - DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives support from the State of Idaho through the School Foundation Program. Amounts due from federal and state governments at June 30, 2017, are as follows:

Source - Description	General Fund	Special Revenue	Total
State - Foundation	\$ 43,738		\$ 43,738
State - Other Support		\$ 7,598	7,598
Federal - Grant Awards		2,894	2,894
<u>Total</u>	<u>\$ 43,738</u>	<u>\$ 10,492</u>	<u>\$ 54,230</u>

NOTE 5 - RISK MANAGEMENT

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

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2017, was as follows (beginning amounts restated to reflect GASB 34):

	Primary Government - Governmental Activities			
	Beginning Balance	Additions	Retirements	Ending Balance
Non-depreciated assets:				
Land	\$ 80,000			\$ 80,000
Construction-in-progress	0	\$ 265,735		265,735
Subtotal	80,000	265,735	\$ 0	345,735
Other capital assets:				
Buildings and Improvements	3,362,172			3,362,172
Library	210,879			210,879
Heavy Equipment and Busses	584,232			584,232
Equipment	172,521	5,571		178,092
Subtotal	4,329,804	5,571	0	4,335,375
Less accumulated depreciation for:				
Buildings and Improvements	(1,241,183)	(74,890)		(1,316,073)
Library	(210,879)			(210,879)
Heavy Equipment and Busses	(401,663)	(29,643)		(431,306)
Equipment	(147,822)	(6,996)		(154,818)
Subtotal	(2,001,547)	(111,529)	0	(2,113,076)
Net Depreciated Assets	2,328,257	(105,958)	0	2,222,299
Net Capital Assets	\$ 2,408,257	\$ 159,777	\$ 0	\$ 2,568,034

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 73,419
Support	4,399
Administration	1,910
Custodial/Maintenance	1,780
Student Transportation	29,074
Non-Instructional - Food Service	947
Total	\$ 111,529

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 - INTERFUND TRANSACTIONS

Interfund transfers and due to/from for the District for the year ended June 30, 2017, are summarized below:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
Transfers:			
To cover old over expenditures	Food Service	General Fund	\$ 30
To cover debt payment expenditures	Capital Projects	General Fund	43,138
To cover old over expenditures	Capital Projects	General Fund	5,385
To close funds no longer used	General Fund	Special Rev	969
To transfer bond proceeds	Capital Projects	Debt Service	2,508,337
To transfer excess tax revenue	Capital Projects	Debt Service	224,312
Due To/From:			
To cover current expenditures	Special Revenue	Capital Projects	3,263
To cover current expenditures	General Fund	Capital Projects	137,050

NOTE 8 - CONTINGENCIES

The District is not aware of any pending or threatened litigation which would adversely affect the District. The District has received several federal/state grants for specific purposes that were subject to review and audit of compliance conditions of the programs. Some of these programs require unobligated amounts at September 30, 2017, to be returned. Since this amount is not capable of being measured at year end, no accrual has been recorded. The reports on internal accounting controls and compliance elements are contained on pages 61 to 62. This audit found no elements of non-compliance with the terms and conditions of the individual programs audited.

NOTE 9 - REQUIRED DISCLOSURE - DEFICIT FUND BALANCES

The following nonmajor funds had deficit fund balances at June 30, 2017:

Title I-A Local Program	\$ (2,730)
REAP	(2,063)
Special Education—Grants to States (IDEA, Part B)	(3,419)
Perkins III - Vocational Technology	(150)

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - DEBT

The following is a summary of the District's long-term debt obligations and transactions for the year ended June 30, 2017:

	<u>Amount Outstanding Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding Ending</u>
Capital Lease @ 2.65% - Bus	\$ 122,863		\$ 25,665	\$ 97,198
Capital Lease @ 2.65% - Bus	17,731		17,731	0
2016 Bond Issue @ 3.25%		\$ 2,485,000		2,485,000
2003 Bond Issue @ 1.69%	1,947,000		1,947,000	0
<u>Total</u>	<u>\$ 2,087,594</u>	<u>\$ 2,485,000</u>	<u>\$ 1,990,396</u>	<u>\$ 2,582,198</u>

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

The annual requirements to amortize the bond issue as of June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Bond Principal</u>	<u>Lease Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 90,000	23,357	\$ 85,364	\$ 198,721
2019	90,000	23,976	82,494	196,470
2020	95,000	24,612	78,609	198,221
2021	95,000	25,253	74,167	194,420
2022	100,000		69,588	169,588
2023	105,000		66,538	171,538
2024	110,000		63,288	173,288
2025	110,000		58,888	168,888
2026	115,000		54,388	169,388
2027	120,000		49,688	169,688
2028	125,000		45,256	170,256
2029	130,000		41,113	171,113
2030	135,000		36,806	171,806
2031	140,000		32,338	172,338
2032	145,000		27,706	172,706
2033	150,000		22,913	172,913
2034	150,000		18,038	168,038
2035	155,000		13,081	168,081
2036	160,000		7,963	167,963
2037	165,000		2,681	167,681
<u>Total</u>	<u>\$ 2,485,000</u>	<u>\$ 97,198</u>	<u>\$ 930,903</u>	<u>\$ 3,513,101</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - RETIREMENT PLAN

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2016 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. The District's employer contributions required and paid were \$133,716, \$129,174 and \$145,103 for the three years ended June 30, 2017, 2016, and 2015, respectively.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - RETIREMENT PLAN (Continued)

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

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2015, the District's proportion was .0390164 percent.

For the year ended June 30, 2017, the District recognized pension expense (revenue) of \$138,854. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 78,810
Changes in assumptions or other inputs	17,582	-
Net difference between projected and actual earnings on pension plan investments	384,958	179,870
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		-
District contributions subsequent to the measurement date	133,716	
	\$ 536,256	\$ 258,680
Total	\$ 536,256	\$ 258,680

\$133,716 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015 the beginning of the measurement period ended June 30, 2016 is 4.9 and 5.5 for the measurement period June 30, 2015.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - RETIREMENT PLAN (Continued)

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

Year ended		
<u>June 30,</u>		
2017	\$	803
2018	\$	803
2019	\$	9,176
2020	\$	50,492

Actuarial Assumptions

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

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

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

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

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

An experience study was performed for the period July 1, 2007 through June 30, 2013 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2016 is based on the results of an actuarial valuation date July 1, 2016..

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - RETIREMENT PLAN (Continued)

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016

Capital Market Assumptions

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

Note: Expected arithmetic return net of fees and expenses.

Actuarial Assumptions:

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

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - RETIREMENT PLAN (Continued)

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 1,551,509	\$ 790,922	\$ 158,409

Pension plan fiduciary net position

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

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

Payables to the pension plan

At June 30, 2017, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

The Dietrich School District No. 314 has not implemented *Governmental Accounting Standards Board (GASB) Statement 45*. *Statement 45* is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other postemployment benefits (OPEB) other than pensions. Reported OPEBs may include postretirement medical, dental, pharmacy, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Typically an actuary (or actuaries) with both pension and health experience must perform the calculations following generally accepted actuarial methods. *GASB 45* was instigated by the Governmental Accounting Standards Board (GASB) in July, 2004, because of the growing concern over the potential magnitude of government employer obligations for postemployment benefits.

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

Any OPEB costs is due to the increase in annual premiums of current employees due to the retired employees being placed in the same pool for the determination of current year premiums. Due to the high cost of obtaining actuarial prepared information and the small benefit it would provide, the District has determined that the implementation of GASB 45 is not cost effective for the District. Therefore, the District has not reported the OPEB cost or the net OPEB obligation in the general fund. The amount by which this departure would affect the assets, fund balances, and revenues of the general fund is not reasonably determinable.

NOTE 13 - EARNINGS ON INVESTMENTS

The components of earnings on investments are:

Interest Income	\$ 63,076
Unrealized Gain (Loss) on Investments	<u>(30,677)</u>
Net Income	<u><u>\$ 32,399</u></u>

Unrealized gain on investments is a result of the fair market value adjustment required by generally accepted accounting principals. Any gains or losses will not be realized unless the investments are fully liquidated by the District and the State of Idaho.

**REQUIRED SUPPLEMENTAL
INFORMATION SECTION**

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 615,400	\$ 646,900	\$ 646,955	\$ 55
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Property Taxes	28,400	0	69	69
Property Tax Penalty and Interest	0	0	0	0
Other Local Revenue	50,800	68,200	72,034	3,834
<u>Total Local Revenue</u>	<u>79,200</u>	<u>68,200</u>	<u>72,103</u>	<u>3,903</u>
<u>State Revenue</u>				
Base Support Program	1,394,700	1,377,800	1,384,382	6,582
Transportation Support	78,600	91,600	91,570	(30)
Benefit Apportionment	189,800	185,700	185,843	143
Other State Support	154,900	116,900	146,092	29,192
Lottery Revenue	38,000	36,400	14,259	(22,141)
Revenue in Lieu / Ag Replacement Tax	2,800	2,800	2,800	0
<u>Total State Revenue</u>	<u>1,858,800</u>	<u>1,811,200</u>	<u>1,824,946</u>	<u>13,746</u>
<u>Other Sources</u>				
Earnings on Investments	0	5,000	8,013	3,013
<u>Total Other Sources</u>	<u>0</u>	<u>5,000</u>	<u>8,013</u>	<u>3,013</u>
<u>Amounts Available for Appropriations</u>	<u>2,553,400</u>	<u>2,531,300</u>	<u>2,552,017</u>	<u>20,717</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Instructional</u>				
<u>Elementary School Program</u>				
Salaries	299,900	336,200	336,182	18
Benefits	99,000	105,700	105,299	401
Supplies	10,000	9,200	9,113	87
<u>Total Elementary School Program</u>	<u>408,900</u>	<u>451,100</u>	<u>450,594</u>	<u>506</u>
<u>Secondary School Program</u>				
Salaries	330,800	273,600	271,228	2,372
Benefits	113,300	81,600	80,548	1,052
Purchased Services	1,500	3,300	3,065	235
Supplies	6,200	7,200	7,188	12
<u>Total Secondary School Program</u>	<u>451,800</u>	<u>365,700</u>	<u>362,029</u>	<u>3,671</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Summer School Program</u>				
Salaries	\$ 4,500	\$ 2,900	\$ 2,841	\$ 59
Benefits	800	600	474	126
Purchased Services	0	0	0	0
Supplies	0	500	0	500
	<u>5,300</u>	<u>4,000</u>	<u>3,315</u>	<u>685</u>
<u>Exceptional Child Program</u>				
Salaries	48,600	48,600	48,703	(103)
Benefits	15,400	15,300	15,187	113
Supplies	0	0	0	0
	<u>64,000</u>	<u>63,900</u>	<u>63,890</u>	<u>10</u>
<u>Vocational</u>				
Salaries	72,500	75,400	75,244	156
Benefits	25,800	26,800	26,096	704
Supplies	4,100	11,500	11,522	(22)
Capital Purchases	0	2,700	2,660	40
	<u>102,400</u>	<u>116,400</u>	<u>115,522</u>	<u>878</u>
<u>School Activity</u>				
Salaries	3,600	2,500	2,424	76
Benefits	700	500	478	22
Purchased Services	0	0	0	0
Supplies	0	0	0	0
	<u>4,300</u>	<u>3,000</u>	<u>2,902</u>	<u>98</u>
<u>Interscholastic</u>				
Salaries	37,600	38,300	38,043	257
Benefits	8,200	9,500	9,301	199
Purchased Services	1,400	900	862	38
Supplies	1,000	1,700	1,345	355
	<u>48,200</u>	<u>50,400</u>	<u>49,551</u>	<u>849</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Total Instructional</u>	<u>\$ 1,084,900</u>	<u>\$ 1,054,500</u>	<u>\$ 1,047,803</u>	<u>\$ 6,697</u>
<u>Support</u>				
<u>Guidance</u>				
Salaries	16,400	23,400	23,426	(26)
Benefits	9,000	1,900	1,792	108
Purchased Services	2,200	3,100	2,938	162
Supplies	200	900	741	159
<u>Total Guidance</u>	<u>27,800</u>	<u>29,300</u>	<u>28,897</u>	<u>403</u>
<u>Special Services</u>				
Purchased Services	33,000	200	202	(2)
Supplies	400	0	0	0
<u>Total Special Services</u>	<u>33,400</u>	<u>200</u>	<u>202</u>	<u>(2)</u>
<u>Instruction Improvement</u>				
Salaries	14,300	18,100	16,998	1,102
Benefits	2,900	3,800	3,314	486
Purchased Services	18,200	9,600	4,230	5,370
Supplies	2,000	2,300	2,361	(61)
<u>Total Instruction Improvement</u>	<u>37,400</u>	<u>33,800</u>	<u>26,903</u>	<u>6,897</u>
<u>Educational Media</u>				
Salaries	6,800	6,600	6,518	82
Benefits	7,000	1,300	1,231	69
Supplies	3,300	2,600	2,525	75
<u>Total Educational Media</u>	<u>17,100</u>	<u>10,500</u>	<u>10,274</u>	<u>226</u>
<u>Technology Coordinator</u>				
Salaries	0	0	0	0
Purchased Services	3,600	4,200	4,105	95
Supplies	7,400	6,600	6,532	68
Capital Outlay	0	13,000	12,172	828
<u>Total Technology Coordinator</u>	<u>11,000</u>	<u>23,800</u>	<u>22,809</u>	<u>991</u>
<u>Total Support</u>	<u>126,700</u>	<u>97,600</u>	<u>89,085</u>	<u>8,515</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>General Administrative</u>				
<u>Board of Education</u>				
Salaries	\$ 5,300	\$ 5,200	\$ 4,740	\$ 460
Benefits	6,700	400	363	37
Purchased Services	7,800	6,800	7,620	(820)
Supplies	3,100	2,200	2,132	68
Capital Outlay	900	800	792	8
	<u>23,800</u>	<u>15,400</u>	<u>15,647</u>	<u>(247)</u>
<u>District Administration</u>				
Salaries	36,300	46,600	46,597	3
Benefits	26,500	15,100	14,772	328
Purchased Services	10,400	10,200	10,322	(122)
Supplies	500	1,100	1,038	62
Insurance	23,400	23,400	23,411	(11)
	<u>97,100</u>	<u>96,400</u>	<u>96,140</u>	<u>260</u>
<u>School Administration</u>				
Salaries	105,400	106,100	106,142	(42)
Benefits	33,000	31,900	31,699	201
Purchased Services	3,900	6,500	6,969	(469)
Supplies	1,700	3,000	2,955	45
Capital Outlay	0	0	0	0
	<u>144,000</u>	<u>147,500</u>	<u>147,765</u>	<u>(265)</u>
<u>Business Operations</u>				
Salaries	47,500	44,000	43,914	86
Benefits	15,200	14,300	14,198	102
Purchased Services	2,500	4,000	2,442	1,558
Supplies	3,000	2,900	3,049	(149)
Capital Outlay	0	1,200	1,140	60
	<u>68,200</u>	<u>66,400</u>	<u>64,743</u>	<u>1,657</u>
<u>Admin. Technology</u>				
Supplies	1,400	1,600	1,577	23
	<u>1,400</u>	<u>1,600</u>	<u>1,577</u>	<u>23</u>
<u>Total General Administrative</u>	<u>334,500</u>	<u>327,300</u>	<u>325,872</u>	<u>1,428</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Custodial / Maintenance</u>				
<u>Custodians</u>				
Salaries	\$ 28,900	\$ 31,000	\$ 30,305	\$ 695
Benefits	13,200	8,800	8,498	302
Purchased Services	56,100	57,500	52,897	4,603
Supplies	8,600	11,400	7,773	3,627
Capital Outlay	20,700	3,800	3,761	39
<u>Total Custodians</u>	<u>127,500</u>	<u>112,500</u>	<u>103,234</u>	<u>9,266</u>
<u>Maintenance - Buildings</u>				
Benefits	400	0	0	0
Purchased Services	700	3,400	4,216	(816)
Supplies	1,400	5,300	4,417	883
Capital Outlay	2,900	1,500	1,394	106
<u>Total Maintenance - Buildings</u>	<u>5,400</u>	<u>10,200</u>	<u>10,027</u>	<u>173</u>
<u>Maintenance - Student Occupied</u>				
Salaries	31,300	30,400	30,350	50
Benefits	10,000	9,900	9,666	234
Purchased Services	1,000	300	300	0
Supplies	24,300	24,300	20,274	4,026
Capital Outlay	0	900	816	84
Insurance	0	0	0	0
<u>Total Maintenance - Student Occ.</u>	<u>66,600</u>	<u>65,800</u>	<u>61,406</u>	<u>4,394</u>
<u>Maintenance - Grounds</u>				
Purchased Services	4,500	5,000	4,702	298
Supplies	5,800	4,800	3,673	1,127
Capital Outlay	0	2,100	2,094	6
<u>Total Maintenance - Grounds</u>	<u>10,300</u>	<u>11,900</u>	<u>10,469</u>	<u>1,431</u>
<u>Total Custodial / Maintenance</u>	<u>209,800</u>	<u>200,400</u>	<u>185,136</u>	<u>15,264</u>
<u>Security Program</u>				
Purchased Services	2,200	4,100	3,962	138
Supplies	2,500	2,000	1,648	352
<u>Total Security Program</u>	<u>4,700</u>	<u>6,100</u>	<u>5,610</u>	<u>490</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
<u>School Transportation</u>				
Salaries	\$ 53,500	\$ 69,100	\$ 65,067	\$ 4,033
Benefits	26,800	25,300	23,365	1,935
Purchased Services	16,400	23,200	23,151	49
Supplies	18,700	17,300	18,086	(786)
Insurance	0	0	0	0
<u>Total School Transportation</u>	<u>115,400</u>	<u>134,900</u>	<u>129,669</u>	<u>5,231</u>
<u>General Transportation</u>				
Purchased Services	3,000	2,400	2,179	221
Supplies	0	1,300	1,005	295
<u>Total General Transportation</u>	<u>3,000</u>	<u>3,700</u>	<u>3,184</u>	<u>516</u>
<u>Total Transportation</u>	<u>118,400</u>	<u>138,600</u>	<u>132,853</u>	<u>5,747</u>
<u>Other Support Services</u>				
Purchased Services	3,400	9,400	9,394	6
Supplies	7,700	3,800	3,406	394
<u>Total Other Support Services</u>	<u>11,100</u>	<u>13,200</u>	<u>12,800</u>	<u>400</u>
<u>Non-Instructional</u>				
Benefits	3,200	2,600	2,183	417
Supplies	0	0	0	0
<u>Total Non-Instructional</u>	<u>3,200</u>	<u>2,600</u>	<u>2,183</u>	<u>417</u>
Contingency Reserve	96,800	94,200		94,200
Interfund Transfers	44,100	44,100	47,584	(3,484)
<u>Total Charges to Appropriations</u>	<u>2,034,200</u>	<u>1,978,600</u>	<u>1,848,926</u>	<u>129,674</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 519,200</u>	<u>\$ 552,700</u>	<u>\$ 703,091</u>	<u>\$ 150,391</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance With Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Budgetary Fund Balance - Beginning</u>	\$ 33,400	\$ 41,500	\$ 41,509	\$ 9
<u>Resources (Inflows)</u>				
<u>Local Revenue</u>				
Children Meal Sales	20,000	20,000	19,860	(140)
Adult Meal Sales	4,500	6,000	6,107	107
Other Local Revenue	0	1,600	1,845	245
<u>Total Local Revenue</u>	<u>24,500</u>	<u>27,600</u>	<u>27,812</u>	<u>212</u>
<u>State Revenue</u>				
State Revenue	0	2,800	0	(2,800)
<u>Total State Revenue</u>	<u>0</u>	<u>2,800</u>	<u>0</u>	<u>(2,800)</u>
<u>Federal Revenue</u>				
Child Nutrition Reimbursement	98,000	81,000	110,341	29,341
<u>Total Federal Revenue</u>	<u>98,000</u>	<u>81,000</u>	<u>110,341</u>	<u>29,341</u>
<u>Other Sources</u>				
Earnings on Investments	0	0	24	24
Interfund Transfers	0	0	30	30
<u>Total Other Sources</u>	<u>0</u>	<u>0</u>	<u>54</u>	<u>54</u>
<u>Amounts Available for Appropriations</u>	<u>155,900</u>	<u>152,900</u>	<u>179,716</u>	<u>26,816</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Non-Instructional</u>				
Salaries	41,000	44,000	41,716	2,284
Benefits	17,000	17,600	17,305	295
Purchased Services	200	0	16	(16)
Supplies	65,700	61,300	79,236	(17,936)
Capital Outlay	2,000	0	0	0
<u>Total Non-Instructional</u>	<u>125,900</u>	<u>122,900</u>	<u>138,273</u>	<u>(15,373)</u>
<u>Total Charges to Appropriations</u>	<u>125,900</u>	<u>122,900</u>	<u>138,273</u>	<u>(15,373)</u>
<u>Ending Budgetary Fund Balance</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 41,443</u>	<u>\$ 11,443</u>

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

<u>Year Ended June 30,</u>	<u>Employer's portion of net pension liability</u>	<u>Employer's proportionate share of the net pension liability</u>	<u>Employer's covered- employee payroll</u>	<u>Employer's proportional share of the net pension liability as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2017	0.0390164%	\$ 790,922	\$ 1,181,240	66.96%	87.26%
2016	0.0422452%	\$ 556,301	\$ 1,141,115	48.75%	91.38%
2015	0.0421504%	\$ 310,293	\$ 1,281,828	24.21%	94.95%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*

Data reported is measured as of July 1, 2016

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

<u>Year Ended June 30,</u>	<u>Statutorily required</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution (deficiency) excess</u>	<u>Employer's covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
2017	\$ 133,716	\$ 133,716	\$ -	\$ 1,181,240	11.32%
2016	\$ 129,174	\$ 129,174	\$ -	\$ 1,141,115	11.32%
2015	\$ 145,103	\$ 145,103	\$ -	\$ 1,281,828	11.32%
2014	*	*	*	*	*
2013	*	*	*	*	*
2012	*	*	*	*	*
2011	*	*	*	*	*
2010	*	*	*	*	*
2009	*	*	*	*	*
2008	*	*	*	*	*

Data reported is measured as of June 30, 2017

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

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 - RECONCILIATION OF BUDGET TO GAAP

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

	<u>General Fund</u>	<u>Food Service</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,552,017	\$ 179,716
<u>Differences - Budget to GAAP</u>		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(646,955)	(41,509)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting		(30)
Earnings from investments are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(8,013)</u>	<u>(24)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,897,049</u>	<u>\$ 138,153</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,848,926	\$ 138,273
<u>Differences - Budget to GAAP</u>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting	<u>(47,584)</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 1,801,342</u>	<u>\$ 138,273</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 2 - REQUIRED FUND DISCLOSURE

The following funds had excess actual expenditures over budgeted expenditures:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
Food Service	\$ 122,900	\$ 138,273	\$ 15,373

NOTE 3 - BUDGET PROCESS

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

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

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

NOTE 4 - PENSION DISCLOSURES

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

- Changes of benefit terms: None
- Changes in composition of the population covered by the benefit terms: None
- Changes of assumptions: Actuarial assumptions are disclosed in Note 9 of the financial statements. Since this reporting is a new requirement, the prior assumptions are not available.

SUPPLEMENTAL INFORMATION SECTION

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>	<u>Title I-A Local Program</u>
<u>ASSETS</u>				
Cash		\$ 7,230	\$ 2,359	
Due From Other Governments	\$ 7,598			
<u>TOTAL ASSETS</u>	<u>\$ 7,598</u>	<u>\$ 7,230</u>	<u>\$ 2,359</u>	<u>\$ 0</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 94			
Contracts and Benefits Payable	1,847			\$ 2,730
Interfund Balances	219			
<u>TOTAL LIABILITIES</u>	<u>2,160</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,730</u>
<u>FUND BALANCES</u>				
Unreserved	5,438	7,230	2,359	(2,730)
<u>TOTAL FUND BALANCES</u>	<u>5,438</u>	<u>7,230</u>	<u>2,359</u>	<u>(2,730)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 7,598</u>	<u>\$ 7,230</u>	<u>\$ 2,359</u>	<u>\$ 0</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Title I-C Migrant	Special Education - Grants to States (IDEA, Part B)	Special Education - Preschool (IDEA Preschool)	Perkins III - Vocational Technology
<u>ASSETS</u>				
Cash				
Due From Other Governments		\$ 244		\$ 2,650
<u>TOTAL ASSETS</u>	\$ 0	\$ 244	\$ 0	\$ 2,650
 <u>LIABILITIES</u>				
Accounts Payable				
Contracts and Benefits Payable		\$ 3,419		
Interfund Balances		244		\$ 2,800
<u>TOTAL LIABILITIES</u>	\$ 0	3,663	\$ 0	2,800
 <u>FUND BALANCES</u>				
Unreserved	0	(3,419)	0	(150)
<u>TOTAL FUND BALANCES</u>	0	(3,419)	0	(150)
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 0	\$ 244	\$ 0	\$ 2,650

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Title II-A Improving Teacher Quality</u>	<u>Medicaid Match</u>	<u>Rural Education Achievement Program</u>	<u>Mayor's Challenge</u>
<u>ASSETS</u>				
Cash		\$ 241		\$ 8
Due From Other Governments				
<u>TOTAL ASSETS</u>	<u>\$ 0</u>	<u>\$ 241</u>	<u>\$ 0</u>	<u>\$ 8</u>
<u>LIABILITIES</u>				
Accounts Payable				
Contracts and Benefits Payable			\$ 2,063	
Interfund Balances				
<u>TOTAL LIABILITIES</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,063</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>				
Unreserved	0	241	(2,063)	8
<u>TOTAL FUND BALANCES</u>	<u>0</u>	<u>241</u>	<u>(2,063)</u>	<u>8</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 0</u>	<u>\$ 241</u>	<u>\$ 0</u>	<u>\$ 8</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Audio Visual</u>	<u>Music</u>	<u>Lightfoot Grant</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 409	\$ 9		\$ 10,256
Due From Other Governments				10,492
<u>TOTAL ASSETS</u>	\$ 409	\$ 9	\$ 0	\$ 20,748
 <u>LIABILITIES</u>				
Accounts Payable		\$		\$ 94
Contracts and Benefits Payable				10,059
Interfund Balances				3,263
<u>TOTAL LIABILITIES</u>	\$ 0	0	\$ 0	13,416
 <u>FUND BALANCES</u>				
Unreserved	409	9	0	7,332
<u>TOTAL FUND BALANCES</u>	409	9	0	7,332
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 409	\$ 9	\$ 0	\$ 20,748

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Vocational Technology</u>	<u>State Basic Technology</u>	<u>State Drug Free</u>	<u>Title I-A Local Program</u>
<u>REVENUES</u>				
Local				
State	\$ 32,982	\$ 43,828	\$ 4,902	
Federal				\$ 42,278
	<u>32,982</u>	<u>43,828</u>	<u>4,902</u>	<u>42,278</u>
<u>TOTAL REVENUES</u>				
	<u>32,982</u>	<u>43,828</u>	<u>4,902</u>	<u>42,278</u>
<u>EXPENDITURES</u>				
Instructional	18,864			40,032
Support		30,725	2,456	
Administrative		7,245		
Non-Instructional - Food Service				
Capital Expenditures	6,924		1,464	
	<u>25,788</u>	<u>37,970</u>	<u>3,920</u>	<u>40,032</u>
<u>TOTAL EXPENDITURES</u>				
	<u>25,788</u>	<u>37,970</u>	<u>3,920</u>	<u>40,032</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>				
	<u>7,194</u>	<u>5,858</u>	<u>982</u>	<u>2,246</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	7,194	5,858	982	2,246
<u>FUND BALANCE - BEGINNING</u>				
	<u>(1,756)</u>	<u>1,372</u>	<u>1,377</u>	<u>(4,976)</u>
<u>FUND BALANCE - ENDING</u>				
	<u>\$ 5,438</u>	<u>\$ 7,230</u>	<u>\$ 2,359</u>	<u>\$ (2,730)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Title I-C Migrant</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>	<u>Special Education - Preschool (IDEA Preschool)</u>	<u>Perkins III - Vocational Technology</u>
<u>REVENUES</u>				
Local				\$ 2,650
State				
Federal	\$ 32,092	\$ 51,654		
<u>TOTAL REVENUES</u>	<u>32,092</u>	<u>51,654</u>	<u>\$ 0</u>	<u>2,650</u>
<u>EXPENDITURES</u>				
Instructional	30,707	21,132		2,800
Support				
Administrative	1,385	24,474		
Non-Instructional - Food Service				
Capital Expenditures				
<u>TOTAL EXPENDITURES</u>	<u>32,092</u>	<u>45,606</u>	<u>0</u>	<u>2,800</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>6,048</u>	<u>0</u>	<u>(150)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers		(6,044)		
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>(6,044)</u>	<u>0</u>	<u>0</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>(150)</u>
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>(3,423)</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ (3,419)</u>	<u>\$ 0</u>	<u>\$ (150)</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Title II-A Improving Teacher Quality</u>	<u>Medicaid Match</u>	<u>Rural Education Achievement Program</u>	<u>Mayor's Challenge</u>
<u>REVENUES</u>				
Local				\$ 2,000
State				
Federal	\$ 765	\$ 9,464	\$ 36,452	
<u>TOTAL REVENUES</u>	<u>765</u>	<u>9,464</u>	<u>36,452</u>	<u>2,000</u>
<u>EXPENDITURES</u>				
Instructional	765		37,294	1,052
Support		15,267		
Administrative				
Non-Instructional - Food Service				
Capital Expenditures				940
<u>TOTAL EXPENDITURES</u>	<u>765</u>	<u>15,267</u>	<u>37,294</u>	<u>1,992</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>0</u>	<u>(5,803)</u>	<u>(842)</u>	<u>8</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers		6,044		(969)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>6,044</u>	<u>0</u>	<u>(969)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>0</u>	<u>241</u>	<u>(842)</u>	<u>(961)</u>
<u>FUND BALANCE - BEGINNING</u>	<u>0</u>	<u>0</u>	<u>(1,221)</u>	<u>969</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 0</u>	<u>\$ 241</u>	<u>\$ (2,063)</u>	<u>\$ 8</u>

Continued

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Audio Visual</u>	<u>Music</u>	<u>Lightfoot Grant</u>	<u>Total</u>
<u>REVENUES</u>				
Local		\$ 2,800	\$ 20,000	\$ 27,450
State				81,712
Federal				172,705
<u>TOTAL REVENUES</u>	<u>\$ 0</u>	<u>2,800</u>	<u>20,000</u>	<u>281,867</u>
 <u>EXPENDITURES</u>				
Instructional		1,172		153,818
Support			19,002	67,450
Administrative				33,104
Non-Instructional - Food Service				0
Capital Expenditures		1,619	998	11,945
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>2,791</u>	<u>20,000</u>	<u>266,317</u>
 <u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUE OVER EXPENDITURES</u>				
	<u>0</u>	<u>9</u>	<u>0</u>	<u>15,550</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfers				(969)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(969)</u>
 <u>NET CHANGE IN FUND BALANCE</u>				
	<u>0</u>	<u>9</u>	<u>0</u>	<u>14,581</u>
 <u>FUND BALANCE - BEGINNING</u>				
	<u>409</u>	<u>0</u>	<u>0</u>	<u>(7,249)</u>
 <u>FUND BALANCE - ENDING</u>				
	<u>\$ 409</u>	<u>\$ 9</u>	<u>\$ 0</u>	<u>\$ 7,332</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING BALANCE SHEET SCHEDULE
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>ASSETS</u>			
Cash		\$ 81,195	
Interfund Balances		140,314	
Investments			
<u>TOTAL ASSETS</u>	\$ 0	\$ 221,509	\$ 0
 <u>LIABILITIES</u>			
Accounts Payable			
Salaries and Benefits Payable			
Interfund Balances			
<u>TOTAL LIABILITIES</u>	\$ 0	\$ 0	\$ 0
 <u>FUND BALANCES</u>			
Unreserved:			
Designated - Capital Projects	0	221,509	0
<u>TOTAL FUND BALANCES</u>	0	221,509	0
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 0	\$ 221,509	\$ 0

<u>Bond Construction</u>	<u>Total</u>
	\$ 81,195
	140,314
<u>\$ 2,242,602</u>	<u>2,242,602</u>
<u><u>\$ 2,242,602</u></u>	<u><u>\$ 2,464,111</u></u>
	\$ 0
	0
	0
<u>\$ 0</u>	<u>0</u>
<u>2,242,602</u>	<u>2,464,111</u>
<u>2,242,602</u>	<u>2,464,111</u>
<u><u>\$ 2,242,602</u></u>	<u><u>\$ 2,464,111</u></u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Capital Construction</u>	<u>Plant Facilities</u>	<u>P.F. - Bus Depreciation</u>
<u>REVENUES</u>			
Other Local Revenue	_____	_____	_____
<u>TOTAL REVENUE</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>EXPENDITURES</u>			
Purchased Services		7,650	
Supplies		2,314	
Capital Outlay			
Debt Service - Principal			43,397
Debt Service - Interest			741
	_____	_____	_____
<u>TOTAL EXPENDITURES</u>	<u>0</u>	<u>9,964</u>	<u>44,138</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	 <u>0</u>	 <u>(9,964)</u>	 <u>(44,138)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Earnings on Investments		2	
Transfer In (Out)		228,697	44,138
	_____	_____	_____
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>0</u>	<u>228,699</u>	<u>44,138</u>
 <u>NET CHANGE IN FUND BALANCE</u>	 <u>0</u>	 <u>218,735</u>	 <u>0</u>
 <u>FUND BALANCE - BEGINNING</u>	 <u>0</u>	 <u>2,774</u>	 <u>0</u>
 <u>FUND BALANCE - ENDING</u>	 <u>\$ 0</u>	 <u>\$ 221,509</u>	 <u>\$ 0</u>

<u>Bond Construction</u>	<u>Total</u>
	\$ 0
\$ 0	<u>0</u>
265,735	273,385
	2,314
	0
	43,397
	741
<u>265,735</u>	<u>319,837</u>
<u>(265,735)</u>	<u>(319,837)</u>
	2
<u>2,508,337</u>	<u>2,781,172</u>
<u>2,508,337</u>	<u>2,781,174</u>
2,242,602	2,461,337
<u>0</u>	<u>2,774</u>
<u>\$ 2,242,602</u>	<u>\$ 2,464,111</u>

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF CHANGE IN NET POSITION - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Student Group</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
Student Council	\$ 396.58	\$ 1,080.34	\$ 1,331.72	\$ 145.20
General Student Body	81.77	0.01	81.78	0.00
Yearbook	3,318.61	5,583.95	6,225.86	2,676.70
Kindergarten	49.50	44.13		93.63
First Grade	440.88	67.35		508.23
Second Grade	818.06	264.72	134.00	948.78
Third Grade	677.52	62.58	3.01	737.09
Fourth Grade	678.43	84.53		762.96
Fifth Grade	290.65	96.01	62.10	324.56
Sixth Grade	480.79	286.86	167.86	599.79
Class of 2019	304.87		83.52	221.35
Class of 2018	178.10	2,095.62	1,815.65	458.07
Class of 2017	1,433.22	391.50	1,251.88	572.84
Class of 2020	478.00		111.80	366.20
Class of 2021	475.20			475.20
Class of 2022	100.00		78.78	21.22
Blue Devil Boosters	6,705.79		6,705.79	0.00
Future Farmers of America	881.44	1,413.08	1,490.73	803.79
YEA	0.00	699.00	698.99	0.01
Music Club	108.53	1,871.76	115.70	1,864.59
Ski/Skate	35.00		35.00	0.00
Library	2,409.37	1,710.66	2,583.44	1,536.59
Robotics	0.00	1,294.94	1,028.82	266.12
Drama	2,256.70			2,256.70
Science Club	8.15			8.15
BPA	4,608.21	9,030.37	10,961.12	2,677.46
Athletics	2,796.31	17,124.00	14,496.04	5,424.27
Box Tops/Field Trips	184.10	230.00	24.36	389.74
Team Accounts	9,758.20	23,813.19	19,951.74	13,619.65
Field Trips	96.34	560.00	398.00	258.34
Tournament	0.00	959.00	959.00	0.00
Rodeo	848.19	105.00	953.19	(0.00)
In & Out - Other	0.00	3,307.30	3,259.00	48.30
Concessions	345.51	665.05	314.03	696.53
SPED	195.45			195.45
Speech	0.00	1,127.25	1,127.25	0.00
Scholarships	11,573.52	3,255.25	5,450.00	9,378.77
Total	\$ 53,012.99	\$ 77,223.45	\$ 81,900.16	\$ 48,336.28

R. MICHAEL BURR

Certified Public Accountant

P.O. Box 2229

Twin Falls, ID 83303-2229

(208) 736-8747

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

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

September 1, 2017

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dietrich School District No. 314, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Dietrich School District No. 314's basic financial statements and have issued my report thereon dated September 1, 2017.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be material weaknesses, 2017-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dietrich School District No. 314's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Dietrich School District No. 314's Response to Findings

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

Purpose of this Report

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

Sincerely,

R. Michael Burr

R. Michael Burr
Certified Public Accountant

DIETRICH SCHOOL DISTRICT NO. 314
DIETRICH, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

FINDING 2017-001: Lack of Segregation of Duties

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

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

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

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

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

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

Summary Schedule of Prior Audit Findings

Finding 2016-001 Lack of Segregation of Duties

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