

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2018

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

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FINANCIAL SECTION

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Independent Auditor's Report

Board of Trustees
Soda Springs Joint School District No. 150

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Soda Springs Joint School District No. 150 (the School) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

Management believes the costs of implementing GASB 75 (having actuarial calculations performed for other post-employment benefits) cannot be justified at this time. Accounting principles generally accepted in the United States of America require that a liability and related expense be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2018, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer’s share of net pension liability, and schedule of employer contributions listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express

an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not included the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not 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, and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying 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 nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
September 12, 2018

BASIC FINANCIAL STATEMENTS

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$8,266,385
Receivables:	
Local Sources	524,150
State Sources	146,857
Federal Sources	74,860
Total Current Assets	<u>9,012,252</u>
Noncurrent Assets	
Nondepreciable Capital Assets	1,665,169
Depreciable Net Capital Assets	3,984,860
Total Noncurrent Assets	<u>5,650,029</u>
Total Assets	<u>14,662,281</u>
 Deferred Outflows of Resources	
Pension Sources	682,590
Total Deferred Outflows of Resources	<u>682,590</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$15,344,871</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	
Salaries & Benefits Payable	\$605,458
Unspent Grant Allocation	14,410
Accrued Interest	53,813
Long-Term Debt & Obligations, Current	556,026
Total Current Liabilities	<u>1,229,707</u>
Noncurrent Liabilities	
Long-Term Debt & Obligations, Noncurrent	6,004,234
Net Pension Liability	1,708,087
Total Noncurrent Liabilities	<u>7,712,321</u>
Total Liabilities	<u>8,942,028</u>
 Deferred Inflows of Resources	
Pension Sources	256,223
Total Deferred Inflows of Resources	<u>256,223</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,198,251</u>
 Net Position	
Net Investment in Capital Assets	(964,044)
Restricted:	
Special Programs	603,775
Debt Service	610,908
Capital Projects	6,150,950
Unrestricted	<u>(254,969)</u>
Total Net Position	<u>6,146,620</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$15,344,871</u></u>

See Accompanying Notes

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	
Governmental Activities				
Instructional Programs				
Elementary School	\$1,475,611		\$65,678	(\$1,409,933)
Secondary School	1,700,168		34,862	(1,665,306)
Special Education	411,175		159,813	(251,362)
Special Education Preschool	37,199		7,358	(29,841)
Gifted & Talented	1,238			(1,238)
Interscholastic	171,922			(171,922)
Support Service Programs				
Attendance - Guidance - Health	191,350		11,471	(179,879)
Special Education Support Services	77,769			(77,769)
Instruction Improvement	257,723		139,601	(118,122)
Educational Media	116,667			(116,667)
Board of Education	30,438			(30,438)
District Administration	302,943			(302,943)
School Administration	453,501			(453,501)
Business Operations	88,504			(88,504)
Buildings - Care	566,709			(566,709)
Maintenance - Non-Student Occupied	15,697		48,466	32,769
Maintenance - Student Occupied	260,650			(260,650)
Maintenance - Grounds	3,992			(3,992)
Pupil-To-School Transportation	358,101			(358,101)
Pupil-Activity Transportation	28,226			(28,226)
General Transportation	6,498			(6,498)
Non-Instructional Programs				
Child Nutrition	251,221	\$72,882	135,648	(42,691)
Capital Assets - Student Occupied	158,032			(158,032)
Capital Assets - Non-Student Occupied	0			0
Debt Service - Principal	0			0
Debt Service - Interest	127,072			(127,072)
Total	<u>\$7,092,406</u>	<u>\$72,882</u>	<u>\$602,897</u>	<u>\$0</u>
General Revenues				
Local Taxes				1,926,340
Other Local Revenues				263,889
State Revenues				5,278,380
Federal Revenues				0
Pension Revenue (Expense)				(192,023)
Total				<u>7,276,586</u>
Change in Net Position				859,959
Net Position - Beginning				<u>5,286,661</u>
Net Position - Ending				<u>\$6,146,620</u>

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Forest Reserve Fund	Child Nutrition Fund	Bond R & I Fund
Assets				
Cash & Investments	\$1,194,841	\$558,054	\$14,487	\$427,610
Receivables:				
Local Sources	193,046			194,579
State Sources	146,857			
Federal Sources				
Due From Other Funds	60,450			
Total Assets	<u>\$1,595,194</u>	<u>\$558,054</u>	<u>\$14,487</u>	<u>\$622,189</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable	\$590,971		\$14,487	
Unspent Grant Allocation				
Total Liabilities	<u>590,971</u>	<u>\$0</u>	<u>14,487</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	17,468			11,281
Total Deferred Inflows of Resources	<u>17,468</u>	<u>0</u>	<u>0</u>	<u>11,281</u>
Fund Balances				
Restricted:				
Special Programs		558,054		
Debt Service				610,908
Capital Projects				
Unassigned	986,755			
Total Fund Balances	<u>986,755</u>	<u>558,054</u>	<u>0</u>	<u>610,908</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$1,595,194</u>	<u>\$558,054</u>	<u>\$14,487</u>	<u>\$622,189</u>

Balance Sheet - Governmental Funds

June 30, 2018

	Plant Facilities Fund	Capital Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash & Investments	\$544,453	\$5,389,010	\$137,930	\$8,266,385
Receivables:				
Local Sources	136,525		0	524,150
State Sources			0	146,857
Federal Sources			74,860	74,860
Due From Other Funds			0	60,450
Total Assets	<u>\$680,978</u>	<u>\$5,389,010</u>	<u>\$212,790</u>	<u>\$9,072,702</u>
Liabilities				
Accounts Payable			\$0	\$0
Due To Other Funds			60,450	60,450
Salaries & Benefits Payable			0	605,458
Unspent Grant Allocation			14,410	14,410
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>74,860</u>	<u>680,318</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	11,247		0	39,996
Total Deferred Inflows of Resources	<u>11,247</u>	<u>0</u>	<u>0</u>	<u>39,996</u>
Fund Balances				
Restricted:				
Special Programs			45,721	603,775
Debt Service			0	610,908
Capital Projects	669,731	5,389,010	92,209	6,150,950
Unassigned			0	986,755
Total Fund Balances	<u>669,731</u>	<u>5,389,010</u>	<u>137,930</u>	<u>8,352,388</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$680,978</u>	<u>\$5,389,010</u>	<u>\$212,790</u>	<u>\$9,072,702</u>

Balance Sheet - Governmental Funds

June 30, 2018

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

Total Governmental Fund Balances	\$8,352,388
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,650,029
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	39,996
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Certain liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(6,614,073)
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(1,281,720)
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Net Position of Governmental Activities	<u><u>\$6,146,620</u></u>
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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

	<u>General Fund</u>	<u>Forest Reserve Fund</u>	<u>Child Nutrition Fund</u>	<u>Bond R & I Fund</u>
Revenues				
Local Taxes	\$691,591			\$722,823
Other Local Revenue	208,660		\$72,986	2,373
State Revenue	5,278,380			
Federal Revenue		\$48,466	135,648	
Total Revenues	<u>6,178,631</u>	<u>48,466</u>	<u>208,634</u>	<u>725,196</u>
Expenditures				
Instructional Programs				
Elementary School	1,579,597			
Secondary School	1,862,112			
Special Education	251,362			
Special Education Preschool	29,841			
Gifted & Talented	1,238			
Interscholastic	171,922			
Support Service Programs				
Attendance - Guidance - Health	180,391			
Special Education Support Services	77,769			
Instruction Improvement	72,179			
Educational Media	116,667			
Board of Education	30,438			
District Administration	195,833			
School Administration	453,501			
Business Operations	87,378			
Buildings - Care	566,709			
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied	72,373			
Maintenance - Grounds	2,699			
Pupil-To-School Transportation	303,112			
Pupil-Activity Transportation	28,226			
General Transportation	6,498			
Non-Instructional Programs				
Child Nutrition			251,221	
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				114,288
Total Expenditures	<u>6,089,845</u>	<u>0</u>	<u>251,221</u>	<u>114,288</u>
Excess (Deficiency) of Revenues Over Expenditures	88,786	48,466	(42,587)	610,908
Other Financing Sources (Uses)				
Proceeds from Bond Issuance				
Transfers In			42,587	
Transfers Out	(77,009)			
Total Other Financing Sources (Uses)	<u>(77,009)</u>	<u>0</u>	<u>42,587</u>	<u>0</u>
Net Change in Fund Balances	11,777	48,466	0	610,908
Fund Balances - Beginning	974,978	509,588	0	0
Fund Balances - Ending	<u>\$986,755</u>	<u>\$558,054</u>	<u>\$0</u>	<u>\$610,908</u>

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

	Plant Facilities Fund	Capital Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$500,655		\$0	\$1,915,069
Other Local Revenue	53	\$72,395	0	356,467
State Revenue			126,378	5,404,758
Federal Revenue			272,709	456,823
Total Revenues	<u>500,708</u>	<u>72,395</u>	<u>399,087</u>	<u>8,133,117</u>
Expenditures				
Instructional Programs				
Elementary School	22,875		65,678	1,668,150
Secondary School	44,730		15,166	1,922,008
Special Education			159,813	411,175
Special Education Preschool			7,358	37,199
Gifted & Talented			0	1,238
Interscholastic			0	171,922
Support Service Programs				
Attendance - Guidance - Health			10,959	191,350
Special Education Support Services			0	77,769
Instruction Improvement	35,622		149,922	257,723
Educational Media			0	116,667
Board of Education			0	30,438
District Administration	5,820	101,290	0	302,943
School Administration			0	453,501
Business Operations	1,126		0	88,504
Buildings - Care			0	566,709
Maintenance - Non-Student Occupied	15,697		0	15,697
Maintenance - Student Occupied	272,434		0	344,807
Maintenance - Grounds	1,293		0	3,992
Pupil-To-School Transportation	20,567		0	323,679
Pupil-Activity Transportation			0	28,226
General Transportation			0	6,498
Non-Instructional Programs				
Child Nutrition			0	251,221
Capital Assets - Student Occupied	14,941		0	14,941
Capital Assets - Non-Student Occupied		1,183,384	0	1,183,384
Debt Service - Principal			0	0
Debt Service - Interest			0	114,288
Total Expenditures	<u>435,105</u>	<u>1,284,674</u>	<u>408,896</u>	<u>8,584,029</u>
Excess (Deficiency) of Revenues Over Expenditures	65,603	(1,212,279)	(9,809)	(450,912)
Other Financing Sources (Uses)				
Proceeds from Bond Issuance		6,601,289		6,601,289
Transfers In			34,422	77,009
Transfers Out			0	(77,009)
Total Other Financing Sources (Uses)	<u>0</u>	<u>6,601,289</u>	<u>34,422</u>	<u>6,601,289</u>
Net Change in Fund Balances	65,603	5,389,010	24,613	6,150,377
Fund Balances - Beginning	604,128	0	113,317	2,202,011
Fund Balances - Ending	<u>\$669,731</u>	<u>\$5,389,010</u>	<u>\$137,930</u>	<u>\$8,352,388</u>

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the
Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds **\$6,150,377**

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

Government 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 excess of capital outlays over (under) depreciation expense in the current period. 1,090,028

Proceeds of bond issuance is a financing source in the governmental funds, but increases long-term debt in the statement of net position. (6,601,289)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 11,271

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position. 41,029

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. (53,813)

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. 222,356

Change in Net Position of Governmental Activities \$859,959

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Fiduciary Net Position

June 30, 2018

	Agency Funds - Student Activity
Assets	
Cash & Investments	\$208,152
Total Assets	<u>\$208,152</u>
Liabilities	
Due to Student Groups	\$208,152
Total Liabilities	<u>208,152</u>
Net Position	
Total Net Position	<u>0</u>
Total Liabilities and Net Position	<u>\$208,152</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Soda Springs Joint School District No. 150 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Bear Lake, Bonneville, and Caribou Counties.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. 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 School are discussed below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net position, the 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.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. 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) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School 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

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

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. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of the funds) for the determination of major funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Major special revenue funds include the forest reserve fund, used primarily for major capital outlay, and the child nutrition fund, which serves to account for providing nutritional meals to students (including subsidized meals).

Debt Service Funds – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long term debt. Major debt service funds include the bond redemption and interest fund, which accounts for accumulation of funds for the periodic payment of principal and interest on long term debt.

Capital Projects Funds – Capital projects funds are used to account for the acquisition of capital assets. Major capital project funds include the plant facilities fund, used to account for the maintenance of facilities and other capital assets and the capital construction fund, used to account for facility construction and betterments.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds. Fiduciary funds of the School include:

Agency Funds – Agency funds are used to account for assets held by the School on behalf of students.

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.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

Activities in the government-wide and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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 (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds based on each fund's respective investment balance. Investments include the local government investment pool, reported and measured at amortized cost following the provisions of GASB 79 which provide for consistent measurement of investment value amongst pool participants.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at the lower of cost or net realizable value using the first-in, first-out method.

Capital Assets and Depreciation – Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of all depreciable assets is recorded using the straight line method, except for certain transportation vehicles which use the declining balance method.

Compensated Absences – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded.

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that liabilities and related expenses can be recorded in the

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Notes to Financial Statements

government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

Pensions – For purposes of measuring the net pension liability and pension expense/revenue, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (the 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.

Deferred Outflows/Inflows of Resources – The School’s financial statements may report deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net assets that apply to a future period. Deferred inflows of resources represent an acquisition of net assets that apply to a future period. Deferred outflows/inflows of resources generally represent amounts that are not available in the current period.

Net Position – Net position is assets plus deferred outflows of resources less liabilities less deferred inflows of resources. The net investment in capital assets component of net position consists of the historical cost of capital assets less accumulated depreciation less any outstanding debt that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by creditors, grantors, contributors, legislation, and other parties. All other net position not reported as restricted or net investment in capital assets is reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources then assigned resources before using unassigned resources.

Property Taxes – The School is responsible for levying property taxes, but the taxes are collected by the respective county. Taxes are levied by the second Monday in September for each calendar year. Taxes are due in two installments – December 20th and June 20th. A lien is filed on real property three years from the date of delinquency.

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already

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Notes to Financial Statements

collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

Custodial Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning custodial credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Nonmonetary Transactions – Items received via food commodities programs are recognized at their stated fair market value.

Subsequent Events – Subsequent events were evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$612,733	\$208,152	\$820,885
Investments - Local Gov't Investment Pool	7,653,652		7,653,652
Total	\$8,266,385	\$208,152	\$8,474,537

Deposits – At year end, the carrying amounts of the School's deposits were \$820,885 and the bank balances were \$904,046. Of the bank balances, \$500,000 was insured and the remainder was uninsured and uncollateralized.

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Notes to Financial Statements

Considerations for interest rate risk and credit rate risk relating to investments are shown below.

Interest rate risk:

<u>Investment Type</u>	Investment Maturity Schedule (In Years)	
	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	\$7,653,652	\$7,653,652
Total	\$7,653,652	\$7,653,652

Credit rate risk:

<u>Investment Type</u>	Investment Rating Schedule	
	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$7,653,652	\$7,653,652
Total	\$7,653,652	\$7,653,652

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Government, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. More information on the local governmental investment pool including regulatory information, restriction on withdrawals, and rating and risk information can be found at sto.idaho.gov.

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C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Local Sources					
Local Taxes	\$193,046		\$194,579	\$136,525	\$524,150
Total	<u>\$193,046</u>		<u>\$194,579</u>	<u>\$136,525</u>	<u>\$524,150</u>
State Sources					
Foundation Program	\$146,857				\$146,857
Total	<u>\$146,857</u>				<u>\$146,857</u>
Federal Sources					
Special Programs		\$74,860			\$74,860
Total		<u>\$74,860</u>			<u>\$74,860</u>

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Notes to Financial Statements

D. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$481,785			\$481,785
Construction in Progress	0	\$1,183,384		1,183,384
Total	<u>481,785</u>	<u>1,183,384</u>	<u>\$0</u>	<u>1,665,169</u>
Depreciable Capital Assets				
Buildings	7,664,302	60,157		7,724,459
Equipment	835,462	24,000		859,462
Transportation	1,643,850			1,643,850
Subtotal	<u>10,143,614</u>	<u>84,157</u>	<u>0</u>	<u>10,227,771</u>
Accumulated Depreciation				
Buildings	4,068,055	111,857		4,179,912
Equipment	722,742	31,234		753,976
Transportation	1,274,601	34,422		1,309,023
Subtotal	<u>6,065,398</u>	<u>177,513</u>	<u>0</u>	<u>6,242,911</u>
Total	<u>4,078,216</u>	<u>(93,356)</u>	<u>0</u>	<u>3,984,860</u>
Net Capital Assets	<u><u>\$4,560,001</u></u>	<u><u>\$1,090,028</u></u>	<u><u>\$0</u></u>	<u><u>\$5,650,029</u></u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$143,091
Pupil-To-School Transportation	34,422
Total	<u><u>\$177,513</u></u>

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Notes to Financial Statements

E. LONG-TERM DEBT AND OBLIGATIONS

Bonded Debt - At year end, the School's bonded debt was as follows:

	<u>Outstanding</u>
2017 - \$6,150,000 - general obligation bonds for capital improvements due in annual principal installments and semiannual interest payments with interest at 3% through 2027/28, secured by future taxes, paid through the bond redemption and interest fund	\$6,150,000
Total	<u><u>\$6,150,000</u></u>

Maturities on the bonds are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/19	\$515,000	\$176,775
6/30/20	555,000	160,725
6/30/21	570,000	143,850
6/30/22	590,000	126,450
6/30/23	605,000	108,525
6/30/24-28	3,315,000	254,475
Total	<u><u>\$6,150,000</u></u>	<u><u>\$970,800</u></u>

Changes in long-term debt and obligations are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2017 G.O.R. Bonds	\$0	\$6,150,000	\$0	\$6,150,000	\$515,000
Bond Premium	0	451,289	41,029	410,260	41,026
Total	<u><u>\$0</u></u>	<u><u>\$6,601,289</u></u>	<u><u>\$41,029</u></u>	<u><u>\$6,560,260</u></u>	<u><u>\$556,026</u></u>

Interest and related costs during the year amounted to \$127,072 and were charged to the debt service – interest program.

F. PENSION PLAN

Plan Description

The School 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

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Notes to Financial Statements

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 *Plan Description*

The School 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.

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. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and

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Notes to Financial Statements

employee contribution rates (expressed as percentages of annual covered payroll) that are adequate 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, 2017 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The School's contributions were \$414,379 for the year ended June 30, 2018.

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

At June 30, 2018, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the School's proportion was 0.1086688 percent.

For the year ended June 30, 2018, the School recognized pension revenue (expense) of (\$192,023). At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$236,624	\$153,884
Changes in assumptions or other inputs	31,587	
Net difference between projected and actual earnings on pension plan investments		102,339
Employer contributions subsequent to the measurement date	414,379	
Total	\$682,590	\$256,223

\$414,379 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2019.

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

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Notes to Financial Statements

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	
6/30/19	(\$92,857)
6/30/20	160,475
6/30/21	45,534
6/30/22	(101,164)
Total	\$11,988

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

Inflation	3.25%
Salary increases	4.25 – 10.00%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses
Cost-of-living adjustments	1%

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

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

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

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

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

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

Capital Market Assumptions

Asset Class	Expected Return*	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equities	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
			Expected	
Total Fund	Expected Return*	Expected Inflation	Real Return	Expected Risk
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*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	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.10%

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Notes to Financial Statements

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 School's proportionate share of the net pension liability to changes in the discount rate.

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the School'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%)
School's proportionate share of the net pension liability (asset)	\$3,969,945	\$1,708,087	(\$171,577)

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.

Impacts on the School's net position

Depending on the annual performance of the Base Plan and the various non-financial factors that affect the collective Base Plan net pension liability (as described above), the School may periodically experience a deficit in its net position. This can occur as a result of recording the School's allocable portion of the net pension liability which is an estimated liability that changes substantially from year to year depending on the factors described above but does not currently require cash outflows. As the net pension liability of the Base Plan is closely monitored by PERSI's board (who makes changes to the contribution rates and other terms of the Base Plan whenever deemed necessary), such deficits are not deemed to be of substantial concern.

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Notes to Financial Statements

H. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	
	<u>Nonmajor Governmental</u>	<u>Total</u>
General	\$60,450	\$60,450
Total	<u>\$60,450</u>	<u>\$60,450</u>

These interfund balances resulted from the time lag between when expenditures are incurred in a fund and when the fund is reimbursed for such expenditures.

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General		\$77,009	Support, Benefits, Depreciation
Child Nutrition	\$42,587		Support, Benefits
Nonmajor Governmental	34,422		Depreciation
Total	<u>\$77,009</u>	<u>\$77,009</u>	

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedule - General and Major Special Revenue Funds
Year Ended June 30, 2018

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$740,078	\$740,078	\$691,591	(\$48,487)
Other Local Revenue	95,000	95,000	208,660	113,660
State Revenue	4,932,130	4,932,130	5,278,380	346,250
Federal Revenue	0	0	0	0
Total Revenues	5,767,208	5,767,208	6,178,631	411,423
Expenditures				
Instructional Programs				
Elementary School	1,519,534	1,519,534	1,579,597	(60,063)
Secondary School	1,907,002	1,907,002	1,862,112	44,890
Special Education	259,742	259,742	251,362	8,380
Special Education Preschool	49,922	49,922	29,841	20,081
Gifted & Talented	3,500	3,500	1,238	2,262
Interscholastic	147,648	147,648	171,922	(24,274)
Support Service Programs				
Attendance - Guidance - Health	207,581	207,581	180,391	27,190
Special Education Support Services	77,304	77,304	77,769	(465)
Instruction Improvement	62,000	62,000	72,179	(10,179)
Educational Media	122,007	122,007	116,667	5,340
Board of Education	25,000	25,000	30,438	(5,438)
District Administration	182,871	182,871	195,833	(12,962)
School Administration	431,642	431,642	453,501	(21,859)
Business Operations	83,648	83,648	87,378	(3,730)
Buildings - Care	568,249	568,249	566,709	1,540
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	75,000	75,000	72,373	2,627
Maintenance - Grounds	5,000	5,000	2,699	2,301
Pupil-To-School Transportation	294,309	294,309	303,112	(8,803)
Pupil-Activity Transportation	25,575	25,575	28,226	(2,651)
General Transportation	10,000	10,000	6,498	3,502
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Capital Assets - Student Occupied	60,000	60,000	0	60,000
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	6,117,534	6,117,534	6,089,845	27,689 *
Excess (Deficiency) of Revenues Over Expenditures				
	(350,326)	(350,326)	88,786	439,112
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(33,055)	(33,055)	(77,009)	(43,954) *
Total Other Financing Sources (Uses)	(33,055)	(33,055)	(77,009)	(43,954)
Net Change in Fund Balances	(383,381)	(383,381)	11,777	395,158
Fund Balances - Beginning	710,000	710,000	974,978	264,978
Fund Balances - Ending	\$326,619	\$326,619	\$986,755	\$660,136

*Total expenditures (over) under appropriations are: \$ (16,265)

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 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2018

Forest Reserve Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive Negative
Revenues				
Local Taxes	\$0	\$0	\$0	\$0
Other Local Revenue	0	0	0	0
State Revenue	0	0	0	0
Federal Revenue	0	0	48,466	48,466
Total Revenues	<u>0</u>	<u>0</u>	<u>48,466</u>	<u>48,466</u>
Expenditures				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
Special Education	0	0	0	0
Special Education Preschool	0	0	0	0
Gifted & Talented	0	0	0	0
Interscholastic	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Board of Education	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Business Operations	0	0	0	0
Buildings - Care	0	0	0	0
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	0	0	0	0
Maintenance - Grounds	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
Excess (Deficiency) of Revenues Over Expenditures	0	0	48,466	48,466
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	48,466	48,466
Fund Balances - Beginning	498,763	498,763	509,588	10,825
Fund Balances - Ending	<u>\$498,763</u>	<u>\$498,763</u>	<u>\$558,054</u>	<u>\$59,291</u>

*Total expenditures (over) under appropriations are: \$0

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150 Page 3 of 3
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2018

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Other Local Revenue	\$219,000	\$219,000	\$72,986	(\$146,014)
Federal Revenue	0	0	135,648	135,648
Total Revenues	<u>219,000</u>	<u>219,000</u>	<u>208,634</u>	<u>(10,366)</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	240,500	240,500	251,221	(10,721)
Total Expenditures	<u>240,500</u>	<u>240,500</u>	<u>251,221</u>	<u>(10,721) *</u>
Excess (Deficiency) of Revenues Over Expenditures				
	(21,500)	(21,500)	(42,587)	(21,087)
Other Financing Sources (Uses)				
Transfers In	21,500	21,500	42,587	21,087
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>21,500</u>	<u>21,500</u>	<u>42,587</u>	<u>21,087</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>*Total expenditures (over) under appropriations are:</i>				<u><u>(\$10,721)</u></u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's portion of the net pension liability	0.1086688%	0.1140606%	0.1171214%	0.1216649%
School's proportionate share of the net pension liability	\$1,708,087	\$2,312,184	\$1,542,298	\$895,644
School's covered payroll	\$3,423,569	\$3,322,677	\$3,272,235	\$3,296,060
School's proportional share of the net pension liability as a percentage of its covered payroll	49.89%	69.59%	47.13%	27.17%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of June 30.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$414,379	\$387,548	\$376,127	\$370,417
Contributions in relation to the statutorily required contribution	\$414,379	\$387,548	\$376,127	\$370,417
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	<u>\$3,660,592</u>	<u>\$3,423,569</u>	<u>\$3,322,677</u>	<u>\$3,272,235</u>
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

*GASB 68 requires ten years of information to be presented in this table. However, until a 10-year trend is compiled, only those years for which information is available will be presented.

Data reported is measured as of each year's fiscal year end.

SUPPLEMENTARY INFORMATION

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds		
	Technology	Substance Abuse	Title I-A ESSA IBP
Assets			
Cash & Investments	\$22,274	\$23,447	
Receivables:			
Local Sources			
State Sources			
Federal Sources			\$16,011
Due From Other Funds			
Total Assets	\$22,274	\$23,447	\$16,011
Liabilities			
Accounts Payable			
Due To Other Funds			\$12,528
Salaries & Benefits Payable			
Unspent Grant Allocation			3,483
Total Liabilities	\$0	\$0	16,011
Deferred Inflows of Resources			
Unavailable Tax Revenues			
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Restricted:			
Special Programs	22,274	23,447	
Debt Service			
Capital Projects			
Unassigned			
Total Fund Balances	22,274	23,447	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$22,274	\$23,447	\$16,011

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds		
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Title IV-A ESSA SS & AE
Assets			
Cash & Investments			
Receivables:			
Local Sources			
State Sources			
Federal Sources	\$31,146	\$7,358	\$1,576
Due From Other Funds			
Total Assets	\$31,146	\$7,358	\$1,576
Liabilities			
Accounts Payable			
Due To Other Funds	\$25,289	\$7,358	
Salaries & Benefits Payable			
Unspent Grant Allocation	5,857		\$1,576
Total Liabilities	31,146	7,358	1,576
Deferred Inflows of Resources			
Unavailable Tax Revenues			
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Restricted:			
Special Programs			
Debt Service			
Capital Projects			
Unassigned			
Total Fund Balances	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$31,146	\$7,358	\$1,576

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Capital Projects</u>	<u>Total</u>
	<u>Perkins III Professional Technical Act</u>	<u>Title II-A ESSA SEI</u>	<u>Bus Depreciation Fund</u>	
Assets				
Cash & Investments			\$92,209	\$137,930
Receivables:				
Local Sources				0
State Sources				0
Federal Sources	\$14,182	\$4,587		74,860
Due From Other Funds				0
Total Assets	<u>\$14,182</u>	<u>\$4,587</u>	<u>\$92,209</u>	<u>\$212,790</u>
Liabilities				
Accounts Payable				\$0
Due To Other Funds	\$14,182	\$1,093		60,450
Salaries & Benefits Payable				0
Unspent Grant Allocation		3,494		14,410
Total Liabilities	<u>14,182</u>	<u>4,587</u>	<u>0</u>	<u>74,860</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				45,721
Debt Service				0
Capital Projects			92,209	92,209
Unassigned				0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>92,209</u>	<u>137,930</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$14,182</u>	<u>\$4,587</u>	<u>\$92,209</u>	<u>\$212,790</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds		
	Technology	Substance Abuse	Title I-A ESSA IBP
Revenues			
Local Taxes			
Other Local Revenue			
State Revenue	\$113,923	\$12,455	
Federal Revenue			\$65,678
Total Revenues	113,923	12,455	65,678
Expenditures			
Instructional Programs			
Elementary School			65,678
Secondary School		984	
Special Education			
Special Education Preschool			
Gifted & Talented			
Interscholastic			
Support Service Programs			
Attendance - Guidance - Health		10,959	
Special Education Support Services			
Instruction Improvement	124,244		
Educational Media			
Board of Education			
District Administration			
School Administration			
Business Operations			
Buildings - Care			
Maintenance - Non-Student Occupied			
Maintenance - Student Occupied			
Maintenance - Grounds			
Pupil-To-School Transportation			
Pupil-Activity Transportation			
General Transportation			
Non-Instructional Programs			
Child Nutrition			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	124,244	11,943	65,678
Excess (Deficiency) of Revenues			
Over Expenditures	(10,321)	512	0
Other Financing Sources (Uses)			
Transfers In			
Transfers Out			
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	(10,321)	512	0
Fund Balances - Beginning	32,595	22,935	0
Fund Balances - Ending	\$22,274	\$23,447	\$0

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds		
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Title IV-A ESSA SS & AE
Revenues			
Local Taxes			
Other Local Revenue			
State Revenue			
Federal Revenue	\$159,813	\$7,358	\$8,424
Total Revenues	159,813	7,358	8,424
Expenditures			
Instructional Programs			
Elementary School			
Secondary School			
Special Education	159,813		
Special Education Preschool		7,358	
Gifted & Talented			
Interscholastic			
Support Service Programs			
Attendance - Guidance - Health			
Special Education Support Services			
Instruction Improvement			8,424
Educational Media			
Board of Education			
District Administration			
School Administration			
Business Operations			
Buildings - Care			
Maintenance - Non-Student Occupied			
Maintenance - Student Occupied			
Maintenance - Grounds			
Pupil-To-School Transportation			
Pupil-Activity Transportation			
General Transportation			
Non-Instructional Programs			
Child Nutrition			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	159,813	7,358	8,424
Excess (Deficiency) of Revenues			
Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers In			
Transfers Out			
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	0	0	0
Fund Balances - Beginning	0	0	0
Fund Balances - Ending	\$0	\$0	\$0

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	<u>Special Revenue Funds</u>		<u>Capital Projects</u>	<u>Total</u>
	<u>Perkins III Professional Technical Act</u>	<u>Title II-A ESSA SEI</u>	<u>Bus Depreciation Fund</u>	
Revenues				
Local Taxes				\$0
Other Local Revenue				0
State Revenue				126,378
Federal Revenue	\$14,182	\$17,254		272,709
Total Revenues	<u>14,182</u>	<u>17,254</u>	<u>\$0</u>	<u>399,087</u>
Expenditures				
Instructional Programs				
Elementary School				65,678
Secondary School	14,182			15,166
Special Education				159,813
Special Education Preschool				7,358
Gifted & Talented				0
Interscholastic				0
Support Service Programs				
Attendance - Guidance - Health				10,959
Special Education Support Services				0
Instruction Improvement		17,254		149,922
Educational Media				0
Board of Education				0
District Administration				0
School Administration				0
Business Operations				0
Buildings - Care				0
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied				0
Maintenance - Grounds				0
Pupil-To-School Transportation				0
Pupil-Activity Transportation				0
General Transportation				0
Non-Instructional Programs				
Child Nutrition				0
Capital Assets - Student Occupied				0
Capital Assets - Non-Student Occupied				0
Debt Service - Principal				0
Debt Service - Interest				0
Total Expenditures	<u>14,182</u>	<u>17,254</u>	<u>0</u>	<u>408,896</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	(9,809)
Other Financing Sources (Uses)				
Transfers In			34,422	34,422
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>34,422</u>	<u>34,422</u>
Net Change in Fund Balances	0	0	34,422	24,613
Fund Balances - Beginning	0	0	57,787	113,317
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$92,209</u>	<u>\$137,930</u>

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Soda Springs Joint School District No. 150

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Soda Springs Joint School District No. 150 (the School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
September 12, 2018