

**MINIDOKA JOINT SCHOOL DISTRICT NO. 331**

**BASIC FINANCIAL STATEMENTS  
AND  
SELECTED OTHER FINANCIAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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## Independent Auditor's Report

To the Board of Trustees of the  
Minidoka Joint School District No. 331  
Rupert, Idaho 83350

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minidoka Joint School District No. 331, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Minidoka Joint School District No. 331, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 43 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

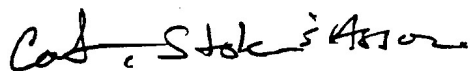
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Minidoka Joint School District No. 331 basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Requirements by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2018, on our consideration of the Minidoka Joint School District No. 331's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Minidoka Joint School District No. 331's internal control over financial reporting and compliance.



Condie, Stoker & Associates  
Rupert, Idaho  
October 12, 2018



# Minidoka County School District No. 331

## Board Members

Bonnie Heins, Chairman  
 Rick Stimpson, Vice Chairman  
 Tammy Stevenson, Trustee  
 Mary Anderson, Trustee  
 Jeff Gibson, Trustee

## Administration

Kenneth Cox, Superintendent  
 Kerri Tibbitts, Board Clerk  
 Michelle DeLuna, Business Manager

## MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The Minidoka County School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the year ending June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

### *Financial Position*

- The District saw an increase in funding and reimbursements from the State from \$22,945,448 in fiscal year 2017 to \$24,238,746 in fiscal year 2018, or an increase of 5.6% in all funds. The difference stemmed from an increase in enrollment and funding provided from state sources.
- Local revenue in all funds decreased slightly from \$4,806,408 in fiscal year 2017 to \$4,796,793 in fiscal year 2018, a decrease of 0.2%. This was due to a previous year rebate check for replacement carpet that made plant facilities revenue higher than the current year.
- Total General Fund revenues accounted for \$26,249,883 or 77.6% of all District revenues. Non-General Fund revenues in the form of charges for services, operating grants, capital grants and contributions accounted for \$7,560,083 or 22.4% of all revenues totaling \$33,809,966.
- The District General Fund fund-balance increased by \$1,721 from \$1,566,127 in fiscal year 2017 to \$1,567,848 in fiscal year 2018. The District was able to maintain a General Fund Operating Reserve equivalent to 5.3% of its General Fund revenue. These funds were not apportioned. In July 2017, the District initially reserved \$1,000,000 of its General Fund fund-balance within the contingency, and at year end the balance increased to \$1,400,000. This was due primarily to an increase in state support unit allocations over the previous year, savings from several staff not partaking in the district health benefit plan and undesignated fund balances from the previous year.
- The District transferred \$816,000 from the General Fund to the Permanent Improvement Capital Projects Fund to cover capital projects that are considered a fixed asset. The School District also transferred \$42,326 to the Food Service Fund to match employee benefits. Another \$111,000 was transferred to the Debt Fund to pay for the interest payment on the energy audit loan and \$220,566 of depreciation was transferred to Plant Facilities to cover the cost to lease buses.
- The Minidoka County School district continues to participate in and be the fiscal agent for the ARTEC Charter School. Minidoka County Schools received \$380,592 in reimbursements from the ARTEC Charter School in 2017-2018 to cover 3.8 FTE teacher salaries and benefits, equipment, building rental, and support services. The District also received \$52,000 to cover the administrative personnel assigned to the ARTEC Charter School which serves Region IV participating districts and \$37,000 for fiscal agent fees.

# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

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## **Overview of the Financial Statements**

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

- The Statement of Net Position and Statement of Activities provide information on a district-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information, as well as information for the completed fiscal year.
- The remaining statements are fund financial statements that focus on individual funds and financial activities of the District. Fund statements generally report operations in more detail than the district-wide statements.

## **District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two district-wide statements report the District's net position and how they have changed. Comparative data to the prior year is provided in Exhibit 1 and 2. Net position, the difference between the District's position and liabilities, are one way to measure the District's overall financial position.

- Increases or decreases in the District's net assets are one indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of the activities are supported by property taxes and state formula driven support.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds and not on the district as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money designated for particular purposes or to show that it is properly using certain revenues, like grants.
- Most of the District's activities are represented in governmental funds, which generally focus on (1) how cash and other financial assets, which are readily converted to cash, flow in and out, and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported in the district-wide statements.

# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

- Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

### ***The School District as a Whole***

Net position, which is the difference between total assets and total liabilities, is one indicator of the financial condition of the District. When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The District's net position, as measured in the Statement of Net Position (Exhibit 1), can be one way to measure the District's financial position. Over time increases or decreases in the District's net position are one indicator of whether its financial position is improving, deteriorating, or remaining essentially the same. However, it should be noted that the District's goal and mission is to provide success for each child's education and is not necessarily to generate "profits" as companies and corporations do. For this reason, many other non-financial factors should be considered in assessing the overall position of the District.

The District's net position increased in year 2017-2018. Its net position is now \$10,952,899 compared to \$10,028,862 last year, a difference of \$924,037.

### **EXHIBIT 1** **STATEMENT OF NET POSITION**

<b>ASSETS</b>	<b><u>2016-2017</u></b>	<b><u>2017-2018</u></b>
Current and Other Assets	\$8,692,702	\$8,500,409
Capital Assets	<u>\$29,722,204</u>	<u>\$28,898,952</u>
Total Assets	\$38,414,906	\$37,399,361
 <b>Deferred Outflow of Resources</b>	 \$7,492,594	 \$3,447,794
 <b>LIABILITIES</b>		
Long-Term Liabilities	\$28,369,057	\$24,640,951
Other Liabilities	<u>\$3,802,543</u>	<u>\$3,791,099</u>
Total Liabilities	\$32,171,600	\$28,432,050
 <b>Deferred Inflow of Resources</b>	 \$3,707,038	 \$1,462,206
 <b>NET POSITION</b>		
Invested in Capital Assets, Net of Debt	\$12,062,966	\$12,628,303
Unrestricted	<u>-\$2,034,104</u>	<u>-\$1,675,404</u>
Total Net Position	<u>\$10,028,862</u>	<u>\$10,952,899</u>

# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

## **Governmental Activities**

Exhibit 2 shows the changes in net position between the difference of revenues and expenses and compares them to the prior year. For fiscal year 2017-18, Grants and Entitlements accounted for 75.5% of the revenue and Property Taxes made up 10.4%. Instructional Programs accounted for 50.1% of total District expenses and Support Services expenses made up 41.6%.

### **EXHIBIT 2** **CHANGES IN NET POSITION**

<b>REVENUES</b>	<b><u>2016-2017</u></b>	<b><u>2017-2018</u></b>
Program Revenues		
Charges for Services	\$409,864	\$368,720
Operating Grants and Contributions	\$3,198,694	\$3,483,832
General Revenues:		
Property Taxes	\$3,435,772	\$3,499,759
Grants and Entitlements	\$24,246,068	\$25,496,466
Other	<u>\$945,936</u>	<u>\$940,708</u>
Total Revenues	<u>\$32,236,334</u>	<u>\$33,789,485</u>
 <b>PROGRAM EXPENSES</b>		
Instructional	\$15,805,353	\$16,456,075
Support Services	\$13,798,453	\$13,683,689
Non-Instructional	\$1,904,889	\$2,136,824
Interest and Fees	<u>\$822,968</u>	<u>\$588,860</u>
Total Expense	<u>\$32,331,663</u>	<u>\$32,865,448</u>
 Increase/Decrease in Net Position	 <u><u>(\$95,329)</u></u>	 <u><u>\$924,037</u></u>

Instructional expenses include activities directly dealing with teaching of pupils and the interaction between teacher and pupil.

Support Services expenses include:

- Guidance, health services, improvement of instruction for staff and library services.
- School Administration; including building principals and office staff.
- District Administration expenses associated with administrative and financial supervision of the district. It also includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of his information internally and to the public.
- Operation of Plant and Maintenance activities involved with keeping the school grounds, buildings, and equipment in an effective working condition.
- Transportation activities involved with the conveyance of students to and from school as well as to and from school activities.

Non Instructional expenses include:

- Food Services preparation, delivery, and servicing of breakfast, lunches and snacks to students.
- Community Services expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events or a combination of these for the purpose of motivation, enjoyment and skill improvement.
- Principal payments on bonds for facility acquisition and construction as well as annual plant facilities projects for renovations, HVAC and building additions to keep the buildings maintained and comfortable for student use.

Interest and Fiscal Charges involves the transactions associated with the payment of interest on debt held by the District.



# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

Exhibit 3 shows the excess of revenues and other financing sources over expenditures and other financing (uses) for the governmental funds for the fiscal years ending June 30, 2017 and 2018.

### **EXHIBIT 3** **STATEMENT OF REVENUES AND EXPENDITURE** **GOVERNMENTAL FUNDS**

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	3,461,604	3,490,902	29,298
Child nutrition lunches	247,477	299,478	52,001
Interest	54,553	100,993	46,440
Other local revenue	1,042,774	905,420	(137,354)
State support	22,945,448	24,238,746	1,293,298
Federal revenues	4,502,641	4,774,427	271,786
Total revenues	<u>32,254,497</u>	<u>33,809,966</u>	<u>1,555,469</u>
<b>EXPENDITURES</b>			
Instructional programs	15,846,096	17,124,299	1,278,203
Support service programs	11,872,371	12,014,495	142,124
Non-Instruction programs (Incl. commodities)	1,968,023	2,190,941	222,918
Capital asset program	626,939	924,783	297,844
Debt service	2,342,656	2,308,031	(34,625)
Total expenditures	<u>32,656,085</u>	<u>34,562,549</u>	<u>1,906,464</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,465,914	1,433,170	(32,744)
Transfers out	(1,465,914)	(1,433,170)	32,744
Debt/bond issuance	310,825	313,275	2,450
Total other financing sources	<u>310,825</u>	<u>313,275</u>	<u>2,450</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(90,763)</u>	<u>(439,308)</u>	<u>(348,545)</u>

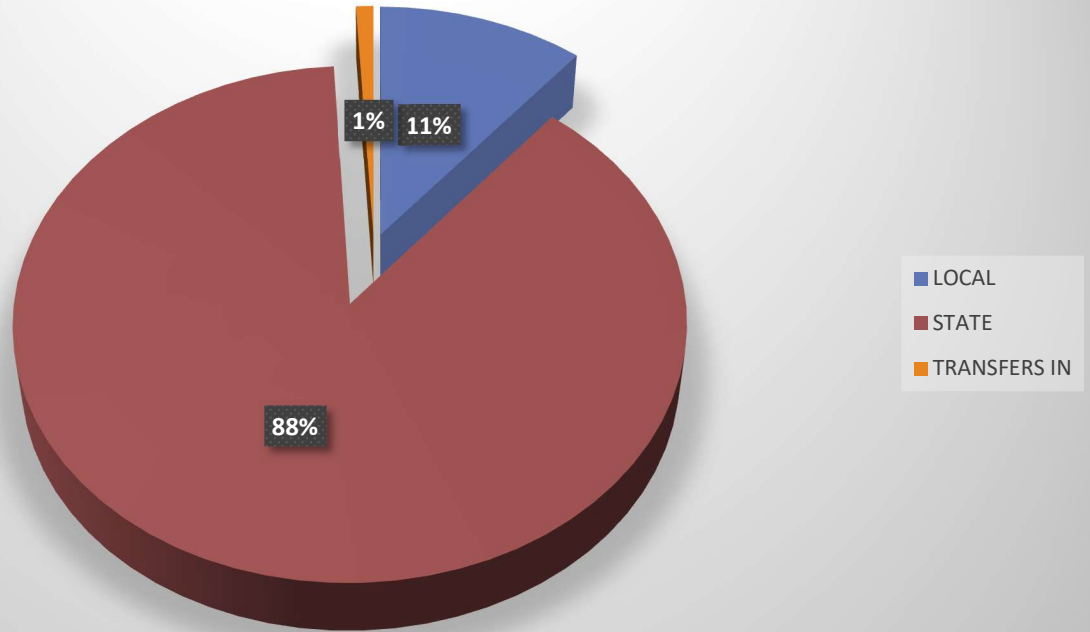
#### **Debt Service**

At June 30, 2018, the School District had \$15,380,000 in outstanding debt for bond levies, with a \$1,480,000 payment due within one year. The District also has five 5 year capital leases for 15 buses with an outstanding debt of \$890,649. The principal payment of \$285,199 is due within one year.

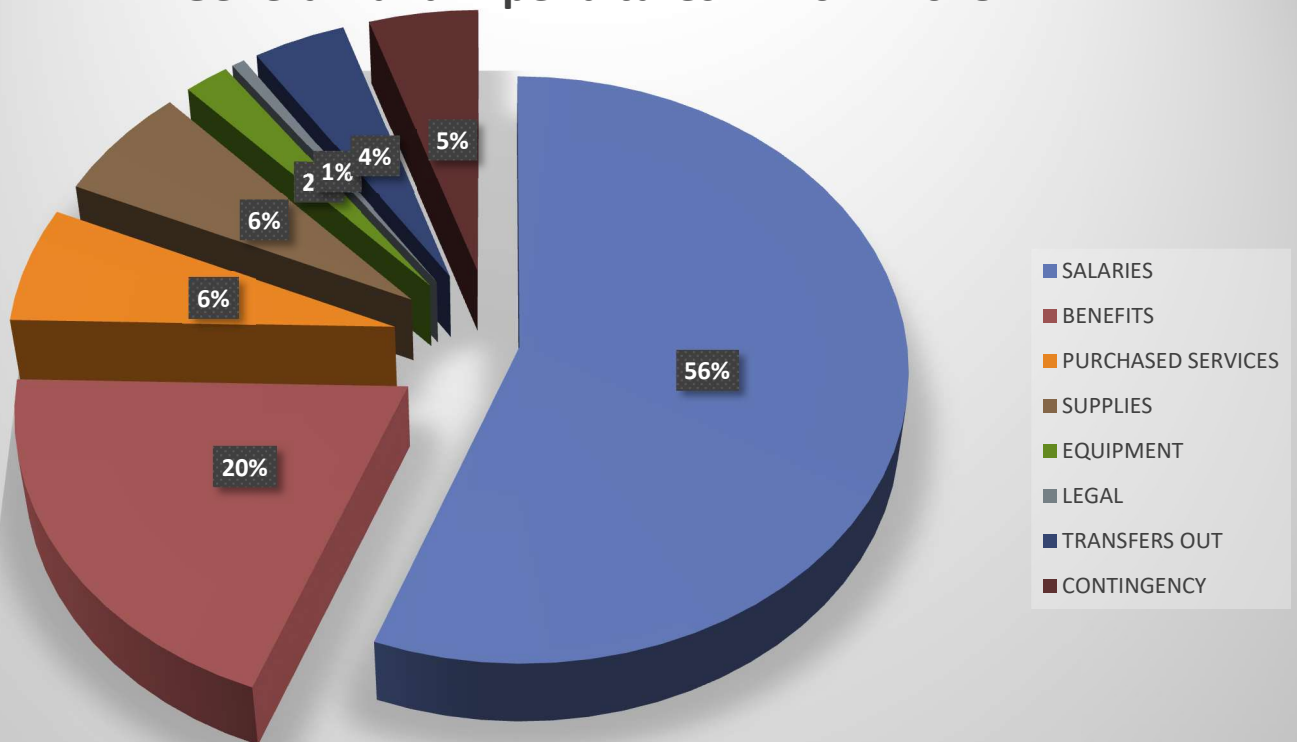
# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

EXHIBIT 4

## General Fund Revenues FY 2017-2018



## General Fund Expenditures FY 2017-2018



# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

## General Fund Budgeting Highlights

The School District's budget is prepared according to Idaho law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The proposed budget is formally adopted in June for the subsequent year. The most significant budgeted fund is the General Fund. The budget is then often amended later in the fiscal year, typically in June, following determination of the first attendance period, placement of certified staff, and certification of all levies on property taxes. Exhibit 4 shows the amended 2017-2018 revenues and expenditures in graphical comparison. State appropriations made up 89.0% of the total general fund revenues and salary and benefits comprised 75.4% of the general fund expenditures. The 2017-18 amended budget resulted in appropriations increasing \$451,500. This represents a 1.7% increase from the adopted budget. Increased state revenues, under budgeted general fund grants as well as matching fund grant all contributed to the revenue change.

For the General Fund, the revised budget calculated income estimate was \$26,245,500. The original budget estimate from the adopted budget was \$25,794,000. During fiscal year 2017-2018, the District's original budget was \$2,636,000 for property taxes and other revenue and \$23,158,000 for other inter-governmental revenues. The School District received \$2,899,268 in property and other tax revenues and \$23,350,615 in other inter-governmental revenue.

## Capital Assets

At the end of the fiscal year 2017-2018, the School District had \$28,898,952 invested in land, building, furniture and equipment, and vehicles qualifying as fixed assets.

Exhibit 5 shows fiscal 2017-2018 capital asset balances compared to 2016-2017.

### **EXHIBIT 5**

#### **CAPITAL ASSETS (Net of Depreciation) AS OF JUNE 30<sup>th</sup>**

	<b>2016-2017</b>	<b>2017-2018</b>
Land	749,487	749,487
Buildings and Improvements	23,320,059	22,497,124
Furniture and Equipment	4,366,196	4,283,959
Vehicles	1,286,463	1,368,382
 Totals	 29,722,205	 28,898,952

Overall capital assets decreased \$823,253 from fiscal year 2016-2017 to fiscal year 2017-2018.

## General Fund Balance

At fiscal year end, the fund balance for the General fund was \$1,567,848. Below Exhibit 6 shows designations, contingencies, and reserves budgeted for payment in the fiscal year 2017-2018. These designations are necessary because of the June 30 year-end that imposes a budget deadline for all projects. They are budgeted projects that (1) could not be finished and paid by June 30, 2018, (2) could not be initiated before June 30, 2018, (3) are designated to a reserved fund or grant, or (4) are used to help balance the 2018-2019 year budget.

# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

## **EXHIBIT 6 FUND BALANCE DESIGNATIONS**

<b>2016-2017 FUND BALANCE (carryover)</b>	<b>1,567,848</b>
Designations:	
General Fund Grants and designations	66,000
Contingency 17-18	800,000
Balance 17-18 General Budget Expenditures	600,000
Undesignated	101,848
 Total Encumbrances & Designations	 <b>1,567,848</b>

The General Fund balances documented in Exhibit 6 above include designations as well as contingencies. The total amount of budgeted contingency for the 2018-2019 school year is \$800,000 or 2.8% of the total General Fund. The Districts goal has been to maintain the General Fund contingency at the 5.0% level recommended. For the 2017-2018 school year ending on June 30, 2018 the General Fund contingency was \$1,400,000 or 5.3% of the total budget in the General Fund. Exhibit 7 shows historical data of ending fund balances in the General Fund.

## **EXHIBIT 7 HISTORICAL YEAR END GENERAL FUND BALANCE TOTALS**

<u>Fiscal Year</u>	<u>Fund Balance as of June 30<sup>th</sup></u>
2017-18	\$1,567,848
2016-17	\$1,566,127*
2015-16	\$1,753,102
2014-15	\$1,633,150
2013-14	\$ 920,954
2012-13	\$ 490,844
2011-12	\$1,042,265
2010-11	\$2,314,201**
2009-10	\$1,730,219
2008-09	\$1,204,885
2007-08	\$1,349,393
2006-07	\$1,643,453
2005-06	\$1,731,679
2004-05	\$1,536,147
2003-04	\$1,924,208
2002-03	\$2,651,832

\*Medicaid Fund balance moved to Fund 260

\*\*One time State funding was awarded on July 1 for previous year.

## **EXHIBIT 8 HISTORICAL ENROLLMENT DATA (PK-12 including Charter School)**

<u>Fiscal Year</u>	<u>Student Population</u>	<u>FTE Certified Teachers</u>
2017-18	4265	246.3
2016-17	4259	241.8
2015-16	4220	232.5
2014-15	4175	227.8
2013-14	4145	219
2012-13	4012	213.5
2011-12	4043	236
2010-11	4037	236.25
2009-10	3996	244.25
2008-09	3991	245.8
2007-08	4033	248.8

# Minidoka County School District Management's Discussion and Analysis For the Year Ended June 30, 2018

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## ***Economic Factors and the Budget***

The Minidoka County School District is financially stable having established a firm economic base on the funds received from the State of Idaho. The Board of Trustees continues to be conservative in planning ahead to protect the public trust with regard to the use of public funds. The economic outlook for the District and State of Idaho is improving as shown in the stability of our fund balance.

The Minidoka County School District must educate minority student populations that require costly special program funding. Current figures show that Limited English Proficiency students comprise 12% of the Minidoka student population and Special Education students comprise 12.6% of the population. Communities in the District include many households that function at a poverty level as indicated by a 2017 Federal Free and Reduced Lunch rate of 63.5% across all schools in the district.

The financial performance of the District has been affected by a variety of economic factors including changes in the way public schools are funded and the reallocation of the distributions in specific line items and categories by the state. After several years of decreases in funding due to declining enrollment and the economy, the district has seen an increase in revenues in recent years, allowing the district to increase staff to the levels allowed by state funding. Exhibit 8 provides enrollment and certified staff data for the years encompassing 2007-2018.

In accordance to the Negotiated Agreement for the 2017-2018 school year, the certificated salary schedule was based upon the State Career Ladder with a \$ 600, \$1200 and \$2100 increment for credits of BA+24, BA+48 or MA+24 respectively, with the exception of the employees who were "Above State Salary Schedule". The base for all salaries in the district were increased by at least 3%, with a minimum certified salary of \$34,600. The Certificated Salary Schedule for the 2017-2018 was based on a 190 day contract.

## ***Contacting the School District's Financial Management Team***

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the District's ongoing accountability for the money it receives. If you have questions about this report or need additional financial information please contact the business office at the District Service Center at (208) 436-4727 or 310 10th St., Rupert, Idaho 83350.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF NET POSITION AS OF JUNE 30, 2018

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#### **Assets:**

Cash and Cash Equivalents	4,655,966
Receivables:	
Property Taxes	1,202,096
State of Idaho	676,408
Federal	934,152
Other	40,570
Construction in Progress	9,427
Capital Assets, Net	28,898,952
Net OPEB Asset	981,790
	<hr/>
Total Assets	37,399,361
	<hr/>

#### **Deferred Outflows of Resources:**

Deferred Outflow of Resources From Pensions	3,248,013
Deferred Outflow of Resources From OPEB	199,781
	<hr/>

#### **Liabilities**

Accounts Payable	166,902
Salaries and Contracts Payable	3,310,576
Accrued Interest	206,762
Unearned Revenue	106,859
Accrued Vacation Pay	125,668
Long Term Liabilities:	
Due Within One Year	1,765,199
Due in More Than One Year	14,505,450
Net Pension Liability	8,244,634
	<hr/>
Total Liabilities	28,432,050
	<hr/>

#### **Deferred Inflows of Resources:**

Deferred Inflow of Resources From Pensions	1,418,796
Deferred Gain on Refunding	43,410
	<hr/>

#### **Net Position**

Net Investment in Capital Assets	12,628,303
Unrestricted	(1,675,404)
	<hr/>
Total Net Position	10,952,899
	<hr/> <hr/>

See accompanying notes to financial statements.

# MINIDOKA JOINT SCHOOL DISTRICT NO 331

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDING JUNE 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>
<b>Governmental Activities</b>					
<b>Instruction:</b>					
Elementary	5,935,673	-	46,752	-	(5,888,921)
Secondary	6,619,710	41,535	223,435	-	(6,354,740)
Alternative	1,038,292	-	-	-	(1,038,292)
Special	2,631,302	-	-	-	(2,631,302)
School Activity	46,575	-	-	-	(46,575)
Summer School	152,783	-	-	-	(152,783)
Detention	31,740	-	-	-	(31,740)
<b>Support Services:</b>					
Special Guidance	545,521	-	-	-	(545,521)
Special Services	661,037	-	-	-	(661,037)
Instruction Improvement	1,741,792	-	77,876	-	(1,663,916)
Board of Education	51,000	-	-	-	(51,000)
District Administration	441,335	-	-	-	(441,335)
School Administration	3,174,460	-	-	-	(3,174,460)
Business Operation	325,122	-	-	-	(325,122)
Buildings Operation and Maintenance	4,042,818	25,433	-	-	(4,017,385)
Transportation	2,700,604	2,274	1,334,632	-	(1,363,698)
Non-Instructional Services	2,136,824	299,478	1,801,137	-	(36,209)
Interest and Fiscal Charges	588,860	-	-	-	(588,860)
<b>Total Governmental Activities</b>	<b>32,865,448</b>	<b>368,720</b>	<b>3,483,832</b>	<b>-</b>	<b>(29,012,896)</b>
<b>General Revenues:</b>					
Property Taxes Levied for:					
General Operations					1,545,903
Supplemental					1,953,856
Grants and Entitlements not Restricted to Specific Programs					25,496,466
Investment Earnings					100,993
Miscellaneous					836,199
Gain on Disposition of Capital Assets					3,516
Total General Revenues					29,936,933
Change in Net Position					924,037
Net Position Beginning of Year, as Restated					10,028,862
Net Position End of Year					10,952,899

See accompanying notes to financial statements.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### BALANCE SHEET GOVERNMENTAL FUNDS AS OF JUNE 30, 2018

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	2,687,519	582,694	953,431
Receivables:			
Property Taxes	673,864	-	528,232
State of Idaho	676,408	-	-
Federal	-	61,316	-
Other	39,892	-	678
Interfund Loan Receivable	405,768	-	-
	<u>4,483,451</u>	<u>644,010</u>	<u>1,482,341</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	49,587	4,150	-
Salaries and Contracts Payable	2,810,398	121,294	-
Interfund Loan Payable	21,056	-	-
Unearned Revenue	-	-	-
	<u>2,881,041</u>	<u>125,444</u>	<u>-</u>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable Revenue - Property Taxes	34,562	-	27,505
Total Deferred Inflows of Resources	<u>34,562</u>	<u>-</u>	<u>27,505</u>
<b><u>Fund Balances:</u></b>			
Restricted For:			
Food Service	-	518,566	-
Debt Service	-	-	1,454,836
Plant Facility	-	-	-
Committed For:			
Subsequent Year Designations	1,466,000	-	-
Unassigned	101,848	-	-
	<u>1,567,848</u>	<u>518,566</u>	<u>1,454,836</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>4,483,451</u>	<u>644,010</u>	<u>1,482,341</u>

See accompanying notes to financial statements.



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<u>Plant Facility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
432,322	-	4,655,966
-	-	1,202,096
-	-	676,408
-	872,836	934,152
-	-	40,570
-	21,056	426,824
<u>432,322</u>	<u>893,892</u>	<u>7,936,016</u>
110,783	2,382	166,902
-	378,883	3,310,575
-	405,768	426,824
-	106,859	106,859
<u>110,783</u>	<u>893,892</u>	<u>4,011,160</u>
-	-	62,067
<u>-</u>	<u>-</u>	<u>62,067</u>
-	-	518,566
-	-	1,454,836
321,539	-	321,539
-	-	1,466,000
-	-	101,848
<u>321,539</u>	<u>-</u>	<u>3,862,789</u>
<u>432,322</u>	<u>893,892</u>	<u>7,936,016</u>

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION AS OF JUNE 30, 2018

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Total Governmental Fund Balance 3,862,789

Amounts reported for the 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. These assets consist of:

Capital Assets	28,898,952	
Construction in Progress	9,427	
Total Capital Assets	<u>28,908,379</u>	28,908,379

Net pension assets and liabilities as well as pension-related deferred outflows  
and deferred inflows of resources are recognized in the government-wide  
statements and include:

Net Pension Liability	(8,244,634)	
Deferred Outflows of Resources From Pensions	3,248,013	
Deferred Inflows of Resources From Pensions	<u>(1,418,796)</u>	
Total Pension Related		(6,415,417)

Net OPEB assets and liabilities as well as OPEB-related deferred outflows  
and deferred inflows of resources are recognized in the government-wide  
statements and include:

Net OPEB Asset	981,790	
Deferred Outflows of Resources From OPEB	<u>199,781</u>	
Total Pension Related		1,181,571

Other long-term assets are not available to pay for current period  
expenditures and therefore are deferred in the fund statements. 62,067

Some liabilities are not due and payable in the current period and therefore are  
not reported in the fund statements. Those liabilities consist of:

Bond Payable:		
Due Within One Year	(1,765,199)	
Due in More Than One Year	(14,505,450)	
Deferred Gain on Bond Refunding	(43,410)	
Accrued Interest on Bonds	(206,763)	
Accrued Vacation Pay	<u>(125,668)</u>	
Total Liabilities		<u>(16,646,490)</u>

Net Position of Governmental Activities 10,952,899

See accompanying notes to financial statements.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDING JUNE 30, 2018

	<b>General Fund</b>	<b>Food Service</b>	<b>Debt Service</b>
<b>Revenues:</b>			
Property Taxes, Penalty and Interest	1,957,543	-	1,533,359
Tuition	40,856	-	-
Earnings on Investments	85,490	9,164	6,339
Lunches	-	299,478	-
Other Local Revenue	815,379	-	-
State	23,350,615	-	262,004
Federal	-	1,801,137	-
	<hr/>	<hr/>	<hr/>
Total Revenues	26,249,883	2,109,779	1,801,702
<b>Expenditures:</b>			
<b>Instruction:</b>			
Elementary	5,594,241	-	-
Secondary	5,847,186	-	-
Alternative	1,000,582	-	-
Special	2,194,278	-	-
School Activity	48,449	-	-
Summer School	112,812	-	-
Detention	80,687	-	-
<b>Support Services:</b>			
Special Guidance	514,296	-	-
Special Services	340,747	-	-
Instruction Improvement	917,772	-	-
Board of Education	51,030	-	-
District Administration	460,147	-	-
School Administration	1,809,745	-	-
Business Operation	335,990	-	-
Buildings Operation and Maintenance	4,465,842	-	-
Transportation	1,840,995	-	-
Non-Instructional Services	24	2,175,069	-
Principal Retirement	-	-	1,440,000
Interest and Fiscal Charges	-	-	592,769
	<hr/>	<hr/>	<hr/>
Total Expenditures	25,614,823	2,175,069	2,032,769
Excess (Deficit) Revenues Over Expenditures	635,060	(65,290)	(231,067)
<b>Other Financing Sources (Uses):</b>			
Debt/Bond Issuance	313,275	-	-
Operating Transfers In	243,278	42,326	111,000
Operating Transfers (Out)	(1,189,892)	(183,704)	-
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(633,339)	(141,378)	111,000
Net Change in Fund Balances	1,721	(206,668)	(120,067)
Fund Balance at Beginning of Year	1,566,127	725,234	1,574,903
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	1,567,848	518,566	1,454,836
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

<u>Plant Facility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	3,490,902
-	-	40,856
-	-	100,993
-	-	299,478
49,185	-	864,564
-	626,127	24,238,746
-	2,973,290	4,774,427
<hr/>	<hr/>	<hr/>
49,185	3,599,417	33,809,966
-	545,812	6,140,053
-	1,059,744	6,906,930
-	72,108	1,072,690
-	523,326	2,717,604
-	-	48,449
-	45,074	157,886
-	-	80,687
-	49,686	563,982
-	343,857	684,604
-	841,251	1,759,023
-	-	51,030
-	-	460,147
-	-	1,809,745
-	-	335,990
924,783	43,137	5,433,762
-	-	1,840,995
-	15,848	2,190,941
261,864	-	1,701,864
13,398	-	606,167
<hr/>	<hr/>	<hr/>
1,200,045	3,539,843	34,562,549
(1,150,860)	59,574	(752,583)
-	-	313,275
1,036,566	-	1,433,170
-	(59,574)	(1,433,170)
<hr/>	<hr/>	<hr/>
1,036,566	(59,574)	313,275
(114,294)	-	(439,308)
<hr/>	<hr/>	<hr/>
435,833	-	4,302,097
<hr/>	<hr/>	<hr/>
321,539	-	3,862,789
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES AS OF JUNE 30, 2018

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Net Change in Fund Balances - Total Governmental Funds (439,308)

Amounts reported for the 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. In the current period, these  
amounts are:

Capital Outlay	1,538,052	
Construction in Progress	(37,067)	
Depreciation Expense	<u>(2,324,295)</u>	
Depreciation Expense in Excess of Capital Outlay		(823,310)

Repayment of long-term debt is reported as an expenditure in governmental  
funds, but the repayment reduces long-term liabilities in the statement of net  
position. Further, long term obligations are recorded as other financing resources  
in the governmental funds but increase the long-term liabilities in the statement  
of net position. In the current year, these amounts consist of:

Long-term Bond Proceeds	(313,275)	
Bond Principal Payments	1,701,864	
Amortization of Deferred Gain on Bond Refunding	<u>7,670</u>	
Principal Payments in Excess of Long-term Proceeds		1,396,259

Net differences between pension system contributions recognized 646,747

Net differences between OPEB contributions recognized 159,280

Revenues that will not be collected for several months after the School  
District's fiscal year end are not considered "available" revenues and are  
deferred in the governmental funds. Deferred revenue changed as follows:

Property Taxes (Decrease)		8,857
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Some items reported in the statement of activities do not require the use of  
current financial resources and therefore are not reported as expenditures in  
governmental funds. These activities consist of:

Net Decrease (Increase) in Accrued Interest	17,307	
Net Decrease (Increase) in Vacation Leave Pay	<u>(4,786)</u>	
		<u>(24,488)</u>

Change in Net Position of Governmental Activities 924,037

See accompanying notes to financial statements.

# MINIDOKA JOINT SCHOOL DISTRICT NO 331

## STATEMENT OF NET POSITION FIDUCIARY FUNDS AS OF JUNE 30, 2018

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	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	<u>22,520</u>	<u>413,206</u>
Total Assets	<u>22,520</u>	<u>413,206</u>
Liabilities		
Due to Student Groups	<u>-</u>	<u>413,206</u>
Total Liabilities	<u>-</u>	<u>413,206</u>
Net Position		
Held in Trust for Scholarships	<u>22,520</u>	<u>-</u>
Total Net Position	<u><u>22,520</u></u>	<u><u>-</u></u>

See accompanying notes to financial statements.

**MINIDOKA JOINT SCHOOL DISTRICT NO 331****STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
AS OF JUNE 30, 2018**

---

	<b>Private Purpose Trust</b>
Additions:	
Donations	28,752
Deductions:	
Scholarship Awards	(23,166)
Net Position - Beginning of Year	<u>16,934</u>
Net Position - End of Year	<u><u>22,520</u></u>

See accompanying notes to financial statements.

**MINIDOKA JOINT SCHOOL DISTRICT NO. 331**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The School District operates under a Board of Trustees elected by the people within each trustee's zone. The Board shall have power to make bylaws, rules and regulations consistent with the laws of the State of Idaho and the State Board of Education in managing the school affairs.

The accounting policies of the School District are to conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

**1. Scope of Entity**

All funds and account groups of the School District as directed and defined by the National Council on Governmental Reporting Accounting are included in this basic financial report.

**2. Basis of Presentation**

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements that provide a more detailed level of financial information.

**a. Government-wide Financial Statements:**

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

**b. Fund Financial Statements:**

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary fund is reported by type.



## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

### **3. Fund Accounting**

#### **GOVERNMENTAL FUNDS**

Governmental funds are used to account for the government's general activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time.

Expenditures are recorded when the liability is incurred.

Formal budgetary accounting is employed as a management control for all funds of the District. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenue Funds, and Debt Service Fund, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgets for certain Capital Projects Funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in governmental funds.

Encumbrances outstanding at the year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities of the present year because the commitments will be honored in the subsequent year.

Encumbrances outstanding at the year-end have materially lapsed.

Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grants. Various reimbursement procedures are used for grant awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of expenditures over cash reimbursements received to date. Deferred balances at year end represent an excess of cash reimbursements received over reimbursable expenditures to date. Generally, accrued or deferred balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

The District reports the following major governmental funds:

**General Fund** – The District's primary operating fund, it accounts for all activities of the general government, except those required to be accounted for in another fund.

**Food Service Fund** – This fund accounts for the food preparation services provided by the District.

**Debt Service Fund** – This fund provides for the repayment of long-term debt obligations.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Plant Facility Fund** – This fund accounts for purchase of minor capital assets, along with the maintenance and repair of all District facilities.

GASB Statement No. 54 provided new categories for reporting fund balances in governmental funds. The categories and descriptions are as follows:

**Non-spendable Fund Balance** – Amounts which are considered non-spendable because they are not available for current use (such as fund balance associated with inventories, long-term receivables, and prepaid expenditures).

**Restricted Fund Balance** – Amounts which are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** – Amounts which are constrained for specific purposes, imposed by formal action of the School Board by ordinance, or resolution. Committed fund balances cannot be used for other purposes unless the government uses that same action to modify or rescind a fund balance commitment.

**Other (Nonmajor) Governmental Funds**

-Title I-A Basic	-Combined Federal Funds	-Combined State Grants
-Title I-C Migrant	-Title I-D Neglected Children	-Forest Reserve
-Title VI – B -Title III ESEA LEP	-Drivers Ed	-Professional Tech
Special Education	-Gear Up Grant	-Technology
Preschool	-Emergency Immigrant	-Substance Abuse
-Medicaid		
-Title II-A Improving Teacher Quality	- Title III ESEA	-Local Special Project
-Perkins III	-Title VI-B Rural Ed	-School Improvement

**FIDUCIARY FUNDS****Private Purpose Trust**

- Birrer Scholarship Fund
- Private Scholarship Donation

**Agency Trust Funds**

- |                             |                             |
|-----------------------------|-----------------------------|
| - Minico High School        | - East Minico Middle School |
| - West Minico Middle School | - Acequia Elementary School |
| - Heyburn Elementary School | - Mt. Harrison High School  |
| - Paul Elementary School    | - Rupert Elementary School  |

**4. Measurement Focus****a. Government-wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement on Net Position. Internal activity between funds has been eliminated.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)****b. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**5. Taxes**

Taxes are recorded as revenue when levied from the various counties. The balances to be collected and remitted by the various counties per the county records are recorded as a receivable. The amounts collected after 60 days of year end are recorded as deferred inflows of resources.

The bases of accounting described above are in accordance with generally accepted accounting principles.

**6. Budgetary Data**

The budgets are set based on resources available and/or appropriations necessary for each fiscal year by program and fund.

At least 28 days prior to its annual meeting, the Board of Trustees of the School District shall have a budget prepared and a public hearing held thereon. A copy of the budget shall be available for public inspection and a summary statement of the budget for the ensuing year shall be published, including amounts budgeted for the prior year, which shall be included for purposes of comparison. Within 14 days after the budget public hearing, the Board shall adopt the budget for the ensuing year.

Once the budget is approved, it can be amended at the Function and Fund level only by unanimous approval of the Board of Trustees of the School District. Amendments are presented to the Board at their regular meetings. Each amendment must have unanimous Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

**7. Component Units**

No component units exist that are connected to the School District.

**8. Capital Assets**

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Office computers and library books	5 Yr.
Lab, AV, business machines, and communication equipment	10 Yr.
Mowers/tractors, kitchen, shop, and custodial equipment	15 Yr.
Outdoor equipment	20 Yr.
Building remodels	25 Yr.
Buildings & Additions	30 Yr.

**9. Capital Leases**

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statements at the present value of the future minimum lease payments using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statements at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

**10. General Long-Term Debt**

Unmatured long-term debt is presented in the government-wide financial statements. Repayment of all long-term debt, except accrued vacation pay, is recorded in the Debt Service Fund. Payment of accrued vacation pay will be made from the General and Special Revenue Funds incurring the expenditure. Interest expense on long-term debt is recorded when due.

**11. Restricted and Unrestricted Resources**

The District has the policy of using restricted resources first before using unrestricted resources.

**12. Cash and Cash Equivalents**

Cash and Cash equivalents consist of cash on deposit and certificates of deposit.

**13. Deferred Outflows/Inflows of Resources**

The School District has implemented GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. These new standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a Statement of Net Position.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has two items that qualify for reporting in this category. These items only arise under the full accrual basis of accounting. Accordingly, these items, Deferred Outflow of Resources From Pensions and Deferred Outflow of Resources From OPEB, are reported only on the Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Deferred Outflow of Resources From Pensions and Deferred Outflow of Resources from OPEB are only reported in the government-wide financial statements. The Statement of Net Position report defers pension and OPEB cost, which will be recognized as an inflow of resources in the period in which the amounts are applied. The other item, deferred gain on bond refunding, is only reported on the government-wide Statement of Net Position. A deferred gain on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)****14. 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.

**15. Other Post Employment Benefits (OPEB)**

For purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho (PERSI or System) Sick Leave Insurance Reserve Fund and additions to/deductions from Sick Leave Insurance Reserve Fund's fiduciary net position have been determined on the same basis as they are reported by the Sick Leave Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE B – CASH AND INVESTMENTS**

The School District accounts for its cash and cash equivalents on a pooled basis whereby total cash is pooled in the general ledger account. Each fund has a positive or negative equity in the general ledger cash depending upon the net effect of its receipts and disbursements activity. In effect, the funds with negative cash balances are borrowing from those with positive balances.

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – The District has no investment policy which would further limit its investment choices beyond those stated in Idaho Code. All deposits are either FDIC insured or fully collateralized, with securities held in trust by the financial institutions but not in the name of Minidoka County School District.

**Concentration of Credit Risk** – The District places no limit on the amount the District may invest in any one issuer.

**Custodial Credit Risk, Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The District's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the District at fiscal year-end. The cash is recorded in terms of United States currency.

District and Fiduciary cash balances at year end are as follows:

	Bank Balance	Book Balance			Total
		Collateralized or FDIC insured and held in the District's name	Uncollateralized, uni- nsured, or unregistered and held in the District's name	Uncollateralized, uni- nsured, or unregistered and not held in the District's name	
Financial Institutions	668,873	489,882	-	-	489,882
State Investment Pool	4,601,810	4,601,810	-	-	4,601,810
<b>Total</b>	<b>5,270,683</b>	<b>5,091,692</b>	<b>-</b>	<b>-</b>	<b>5,091,692</b>
Less Amounts Reported on the Fiduciary Funds Statement of Net Position:					
					(22,520)
					(413,206)
					<u>4,655,966</u>
				Government Wide Cash Report on Statement of Net Position	<u>4,655,966</u>

**NOTE C – TAXES RECEIVABLE**

Minidoka, Cassia, Jerome, and Lincoln counties serve as collecting agents for taxes levied by the School District. Property taxes are certified to the County officials each September and recorded on the books of each county as taxes owing during the month of November. Taxes are due in two installments at December 20 and June 20 following the levy date.

Taxes receivable are stated at taxes levied less amounts collected and canceled. The Counties maintain individual taxpayer records. Because the County has the right to take tax deeds on property for the collection of real property taxes no allowance for uncollectible taxes receivable has been established. Deferred revenue has been recorded as recommended by NCGA Interpretation #3 - "Revenue Recognition" for collections 60 days after year end.

<b>County</b>	<b>2017 Levy</b>	<b>2016 Levy</b>	<b>2015 Levy</b>	<b>2014 Levy</b>	<b>2013 Levy</b>	<b>Total</b>
Minidoka	1,100,587	24,972	15,672	873	-	1,142,104
Cassia	21,964	1,066	1,056	-	-	24,086
Jerome	35,577	329	-	-	-	35,906
Lincoln	-	-	-	-	-	-
	<u>1,158,128</u>	<u>26,367</u>	<u>16,728</u>	<u>873</u>	<u>-</u>	<u>1,202,096</u>

**NOTE D – STATE RECEIVABLE**

This represents the final 2017-2018 apportionment of State funds for the School District along with state grant receivables.

**NOTE E – FEDERAL RECEIVABLE**

The federal government provides resources for certain programs conducted by the School District (e.g., school lunch, title and migrant programs). Each program is funded separately and distinctly, e.g., some are dollar amount requests of approved funds while others are dollar amount reimbursements for expenditures incurred. The amounts receivable represent accrual for reimbursement of program expenditures financed temporarily by other Special Revenue Funds.

**NOTE F – CONSTRUCTION IN PROGRESS**

The School District had \$9,427 in various open construction projects as of June 30, 2018.

**NOTE G – CAPITAL ASSETS**

All purchased capital assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost. Fixed asset activity for the 2018 fiscal year is reflected as follows:

**NOTE G – CAPITAL ASSETS (Cont.)**

	<u>6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2018</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	749,487	-	-	749,487
Capital Assets, Being Depreciated:				
Buildings	52,035,196	561,836	(132,882)	52,464,150
Furniture and Equipment	12,978,194	608,627	(582,038)	13,004,783
Vehicles	4,799,431	367,589	(251,229)	4,915,791
<b>Total Capital Assets Being Depreciated</b>	<b>69,812,821</b>	<b>1,538,052</b>	<b>(966,149)</b>	<b>70,384,724</b>
Less Accumulated Depreciation:				
Buildings	(28,715,138)	(1,364,892)	113,004	(29,967,026)
Furniture and Equipment	(8,611,998)	(673,733)	564,907	(8,720,824)
Vehicles	(3,512,968)	(285,670)	251,229	(3,547,409)
<b>Total Accumulated Depreciation</b>	<b>(40,840,104)</b>	<b>(2,324,295)</b>	<b>929,140</b>	<b>(42,235,259)</b>
<b>Capital Assets, Net of Depreciation</b>	<b>29,722,204</b>	<b>(786,243)</b>	<b>(37,009)</b>	<b>28,898,952</b>

**Depreciation expense was charged to governmental functions as follows:**

Instruction:	
Elementary	716,129
Secondary	706,934
Support Services	
School Administration	2,023
Other	899,209
<b>Total Depreciation</b>	<b>2,324,295</b>

As of June 30, 2018, the District had capital leases included in the schedule of capital assets of \$2,024,518 – \$52,650 and \$1,971,868 shown in furniture and equipment and vehicles, respectively. The accumulated depreciation related to these capital leases was \$783,645 – \$10,530 and \$773,115 shown in furniture and equipment and vehicles, respectively.

**NOTE H – ACCOUNTS PAYABLE**

Accounts payable consist of goods and services acquired prior to the fiscal year end and approved for payment by the School District's July School Board Meeting.

**NOTE I – SALARIES AND CONTRACTS PAYABLE**

It is the policy of the School District to pay contracted personnel over a 12-month period beginning July, August or September (depending on the time of starting their position). Since the fiscal year ends June 30 and most of the personnel have completed their contract, an outstanding obligation of funds is required to be paid in July and August following the fiscal year end.

Included, along with salaries, are accrued employee benefits for health, dental, life insurance, retirement, unused personal leave benefit, and payroll taxes on the contracted balance of salaries for the 2018 fiscal school year.

**NOTE J – LONG TERM LIABILITIES AND CAPITAL LEASES**

Change in Long Term-Debt:

Beginning Long-Term Debt	17,659,238
Add Additional Debt Proceeds	313,275
Less Scheduled Principal Payments Debt Service Fund	(1,701,864)
Ending Long-Term Liabilities	<u>16,270,649</u>

The District issued a \$4,400,000 General Obligation Bonds for the purpose of completing the building of two new elementary schools replacing Heyburn and Acequia Elementary, due to an increase in construction cost. The District was funded by these bonds on November 25, 2008. Original terms of the bonds are payments every March 15 and September 15 through the year 2028 with a true interest cost of 4.717%. The payments by year are as follows:

Fiscal Year	Interest	Principal	Total
2018-19	136,138	200,000	336,138
2019-20	-	-	-
2020-21	-	-	-
2021-22	-	-	-
2022-23	-	-	-
Thereafter	-	-	-
Total	<u>136,138</u>	<u>200,000</u>	<u>336,138</u>

The District issued \$4,950,000 General Obligation Bonds to advance refund term bonds in the amount of \$5,045,000. The general obligation bonds were issued at a premium of \$559,090 and, after paying issuance costs of \$92,128, the net proceeds were \$5,416,962. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the school districts government wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by \$95,000, which resulted in an economic gain of \$235,267. The District was funded by these bonds on October 19, 2011. Terms of the bonds are payments every August 1 and February 1 through the year 2021 with a true interest cost of 3.862%. The payments by year are as follows:

Fiscal Year	Interest	Principal	Total
2018-19	92,400	620,000	712,400
2019-20	67,200	640,000	707,200
2020-21	41,100	665,000	706,100
2021-22	13,900	695,000	708,900
2022-23	-	-	-
Thereafter	-	-	-
Total	<u>214,600</u>	<u>2,620,000</u>	<u>2,834,600</u>



**NOTE J – LONG TERM LIABILITIES AND CAPITAL LEASES (Cont.)**

The District issued \$10,770,000 General Obligation Bonds to advance refund term bonds in the amount of \$10,820,000. The general obligation bonds were issued at a premium of \$1,113,414 and, after paying issuance costs of \$147,702, the net proceeds were \$11,735,712. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the school districts government wide financial statements. The District was funded by these bonds on April 17, 2014. Terms of the bonds are payments every August 15 and February 15 through the year 2026 with a true interest costs ranging from 1.38% to 4%.

The reacquisition price exceeded the net carrying amount of the old debt by \$50,000. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The District advance refunded the general obligation bonds to reduce its total debt service payments by \$771,771 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$656,280.

The payments by year are as follows:

Fiscal Year	Interest	Principal	Total
2018-19	355,396	660,000	1,015,396
2019-20	339,331	680,000	1,019,331
2020-21	319,341	705,000	1,024,341
2021-22	300,225	575,000	875,225
2022-23	264,700	1,345,000	1,609,700
Thereafter	487,300	5,945,000	6,432,300
Total	2,066,293	9,910,000	11,976,293

The District issued \$2,650,000 General Obligation Bonds to advance refund term bonds in the amount of \$2,665,000. The general obligation bonds were issued at a premium of \$381,103 and, after paying issuance costs of \$88,562, the net proceeds were \$2,942,541. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the school districts government wide financial statements. The District was funded by these bonds on May 25, 2016. Terms of the bonds are payments every September 15 and March 15 through the year 2028 with a true interest costs of 3.406%.

The reacquisition price exceeded the net carrying amount of the old debt by \$15,000. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The District advance refunded the general obligation bonds to reduce its total debt service payments by \$384,358 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$358,899.

The payments by year are as follows:

Fiscal Year	Interest	Principal	Total
2018-19	94,250	-	94,250
2019-20	89,750	225,000	314,750
2020-21	80,650	230,000	310,650
2021-22	71,250	240,000	311,250
2022-23	61,450	250,000	311,450
Thereafter	163,675	1,705,000	1,868,675
Total	561,025	2,650,000	3,211,025

**NOTE J – LONG TERM LIABILITIES AND CAPITAL LEASES (Cont.)**

The District entered into a five year capital lease on February 15, 2014 for three Blue Bird school buses. The District is required to maintain minimum amounts of liability and collision insurance. The titles of the vehicles are held by Sovereign Bank until the final lease payment is made. The lease payments by year are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018-19	890	54,889	55,779
2019-20	-	-	-
2020-21	-	-	-
2021-22	-	-	-
2022-23	-	-	-
Thereafter	-	-	-
Total	890	54,889	55,779

The District entered into a five year capital lease on February 15, 2015 for three Blue Bird school buses. The District is required to maintain minimum amounts of liability and collision insurance. The titles of the vehicles are held by the Bank until the final lease payment is made. The lease payments by year are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018-19	2,901	55,068	57,969
2019-20	1,464	56,508	57,972
2020-21	-	-	-
2021-22	-	-	-
2022-23	-	-	-
Thereafter	-	-	-
Total	4,365	111,576	115,941

The District entered into a five year capital lease on May 25, 2016 for three Blue Bird school buses. The District is required to maintain minimum amounts of liability and collision insurance. The titles of the vehicles are held by the Bank until the final lease payment is made. The lease payments by year are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018-19	4,296	53,673	57,969
2019-20	2,900	55,069	57,969
2020-21	1,482	56,490	57,972
2021-22	-	-	-
2022-23	-	-	-
Thereafter	-	-	-
Total	8,678	165,231	173,909

**NOTE J – LONG TERM LIABILITIES AND CAPITAL LEASES (Cont.)**

The District entered into a five year capital lease on June 27, 2017 for three Blue Bird school buses. The District is required to maintain minimum amounts of liability and collision insurance. The titles of the vehicles are held by the Bank until the final lease payment is made. The lease payments by year are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018-19	7,076	58,829	65,905
2019-20	5,381	60,524	65,905
2020-21	3,638	62,267	65,905
2021-22	1,845	64,060	65,905
2022-23	-	-	-
Thereafter	-	-	-
Total	17,940	245,680	263,620

The District entered into a five year capital lease on January 15, 2018 for three Blue Bird school buses. The District is required to maintain minimum amounts of liability and collision insurance. The titles of the vehicles are held by the Bank until the final lease payment is made. The lease payments by year are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018-19	4,583	62,740	67,323
2019-20	7,391	59,932	67,323
2020-21	5,623	61,700	67,323
2021-22	3,803	63,520	67,323
2022-23	1,941	65,382	67,323
Thereafter	-	-	-
Total	23,341	313,275	336,616

**NOTE K – ACCRUED VACATION PAY**

School District employees are granted vacation and sick leave in varying amounts. Vacation days are for full-time classified and certified employees who are assigned a twelve-month work schedule. Vacation days are earned after one year of continuous employment and are granted based on years of employment. If there are unused vacation days at the end of the year, up to five days can be carried to the next year. The maximum that can be earned in any year is 20 days for employees who have been with the District in excess of twenty-one years. The Board of Directors occasionally exempts this policy under special circumstances. In the event of termination, an employee is reimbursed for accumulated vacation days up to 25 days. Amounts accrued for vacation pay will be provided out of future resources of the School District.

Also, employees are given four days of personal leave per fiscal year. Personal leave days not used at the end of the fiscal year can be paid as additional compensation to the employee at year end. Any unpaid personal leave benefit has been accrued with salaries and contracts payable.

**NOTE L – UNEARNED REVENUE**

Unearned revenue, as of June 30, 2018, consists of grant and Medicaid funds received but not yet expended.

## **NOTE M – DEFINED BENEFIT PENSION PLAN**

### *Plan Description*

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

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

### *Pension Benefits*

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

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 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 District's contributions were \$1,953,212 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 District 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 District's proportion of the net pension liability was based on the School District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the School District's proportion was 0.5245251 percent.

**NOTE M – DEFINED BENEFIT PENSION PLAN (Cont.)**

For the year ended June 30, 2018, the School District recognized pension expense (revenue) of \$1,332,032. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$1,142,142	\$ 742,772
Changes in assumptions or other inputs	\$ 152,466	-
Net difference between projected and actual earnings on pension plan investments	-	\$ 493,970
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	\$ 193	\$ 182,054
Employer contributions subsequent to the measurement date	<u>\$1,953,212</u>	<u>-</u>
Total	<u>\$3,248,013</u>	<u>\$1,418,796</u>

The \$1,953,212 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, 2018.

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 years and 5.5 years for the measurement period June 30, 2016.

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

<b>Year Ended Date:</b>	
2018	\$ (495,038)
2019	\$ 727,755
2020	\$ 172,953
2021	\$ (518,114)
Thereafter	\$ (11,551)

***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.

**NOTE M – DEFINED BENEFIT PENSION PLAN (Cont.)**

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 July 1, 2017.

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**

<b>Asset Class</b>	<b>Expected Return</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
<b>Total Fund</b>	<b>Expected Return</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
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

**NOTE M – DEFINED BENEFIT PENSION PLAN (Cont.)****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>
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>	<u>7.10%</u>

*Discount Rate*

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

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

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

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net pension liability (asset)	\$19,162,225	\$8,244,634	\$ (828,174)

*Pension plan fiduciary net position*

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

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

## **NOTE N – OPEB PLAN**

### *Plan Description*

The School District contributes to the Sick Leave Insurance reserve Fund (Sick Leave Plan) which is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits that are administered by PERSI 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 the Sick Leave Plan. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

Responsibility for administration of the Sick Leave 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.

### *OPEB Benefits*

Group retiree health, dental, accident, and life insurance premiums may qualify as a benefit. Retirees who have a sick leave account can use their balance as a credit towards these premiums paid directly to the applicable insurance company.

### *Employer Contributions*

The contributions rate for employees are set by statute at .065% of covered compensation for state members. Covered school members contribution rates are set by statute based on the number of sick days offered by the employer. The contribution rate of 1.16% for school members with nine or ten sick days, 1.26% for school members with 11-14 sick days. If a school member has more than 14 days of sick leave the contribution rate will be set by the PERSI Retirement Board based on Current cost and actuarial data and reviewed annually. The Districts contributions were \$188,982 for the year ended June 30, 2017.

### *OPEB Liabilities, OPEB Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2018, the District reported an asset for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Districts proportion of the net OPEB asset was based on the Districts share of contributions relative to the total contributions of all participating Sick Leave employers. At June 30, 2017, the Districts proportion was 0.012789897 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of \$159,280. There was \$199,781 reported as deferred outflows of resources related to OPEBs resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2018.

### *Actuarial Assumptions*

Valuations are based on the actuarial assumptions, the benefit formulas, and employee groups. The Sick Leave Plan amortizes any net OPEB asset based on a level percentage of payroll. The maximum amortization period for the Sick Leave Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total OPEB 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	3.75%
Salary inflation	3.75%
Investment rate of return	7.10%, net of investment expenses



**NOTE N – OPEB PLAN (Cont.)**

The long-term expected rate of return on OPEB 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 OPEB 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 assets allocation percentage and by adding expected inflation. The health care rate is not applicable as the benefit amount a participant will receive is established with a set amount upon retirement thus would have no impact.

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 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.

**Capital Market Assumptions**

<b>Asset Class</b>	<b>Expected Return*</b>	<b>Expected Risk</b>	<b>Strategic Normal</b>	<b>Strategic Ranges</b>
Equities			70%	66%-77%
Broad Domestic Equity	9.15%	19.00%	55%	50%-65%
International	9.25%	20.20%	15%	10%-20%
Fixed Income	3.05%	3.75%	30%	23%-33%
Cash	2.25%	0.90%	0%	0%-5%
	<b>Expected Return*</b>	<b>Expected Inflation</b>	<b>Expected Real Return</b>	<b>Expected Risk</b>
<b>Total Fund</b>				
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	3.24%
Assumed Inflation-Standard Deviation	2.00%
Portfolio Arithmetic mean Return	8.08%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
<b>Long-Term expected Geometric Rate of Return, Net of Investment Expenses</b>	<b>7.10%</b>

**Discount Rate**

The discount rate used to measure the total OPEB 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 OPEB plan's 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

*Sensitivity of the net OPEB asset to changes in the discount rate.*

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

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Employer's proportionate share of the net OPEB liability (asset)	\$ (871,661)	\$ (981,790)	\$ (1,110,484)

*OPEB plan fiduciary net position*

Detailed information about the OPEB 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 OPEB. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

**NOTE O – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to manage the risks of loss.

**NOTE P – INTERFUND TRANSFERS**

<b>Transfer From Fund</b>	<b>Purpose</b>	<b>Transfer to Fund</b>	<b>Amount</b>
Other Governmental Funds	Indirect Cost Transfer	General Fund	59,574
Food Service Fund	Indirect Cost Transfer	General Fund	183,704
General Fund	Levy Funds Transfer	Plant Facility Fund	1,036,566
General Fund	Required Benefits Reimbursement	Food Service Fund	42,326
General Fund	Energy Bond Payment	Debt Service Fund	111,000
<b>Total</b>			<b>1,433,170</b>

**NOTE Q – INTERFUND RECEIVABLES AND PAYABLES**

<b>Interfund Payable</b>	<b>Purpose</b>	<b>Interfund Receivable</b>	<b>Amount</b>
Title I-A	Pooled Cash	General	85,021
Title I-C Migrant	Pooled Cash	General	36,505
Title VI-B Special Ed	Pooled Cash	General	107,331
Title II-A Improving Teacher	Pooled Cash	General	8,753
Medicaid	Pooled Cash	General	87,705
Perkins III	Pooled Cash	General	46,356
School Improvement	Pooled Cash	General	13,101
Title VI-B Rural Ed	Pooled Cash	General	6,092
Combined Federal Grants	Pooled Cash	General	14,904
General	Pooled Cash	Combined State Grants	21,056
<b>Total</b>			<b>426,824</b>

**NOTE R – RELATED PARTY TRANSACTIONS**

The District has an agreement with ARTEC Charter Schools to provide facilities, equipment, materials and services for programs. Along with this agreement the ARTEC reimburses the district for direct cost related to ARTEC students. During the last fiscal year, the school district received \$469,592 in revenue from ARTEC.

**NOTE S – PRIOR PERIOD RESTATEMENT**

In conjunction with the implementation of GASB 75, there was a restatement to beginning Net Position to enter the beginning Net OPEB Asset that was provided by PERSI.

Beginning Net Position as Previously Stated	\$ 9,006,572
Beginning Net OPEB Asset	<u>\$ 1,022,290</u>
Beginning Net Position, as restated	<u>\$10,208,862</u>

The restatement only affects the Net Position amount on the government-wide financial statements and does not change the fund balance amounts previously reported.

**NOTE T – SUBSEQUENT EVENTS**

Management for the Company reviewed subsequent events as of October 12, 2018, which was the date the report was available to be issued, and was not aware of any subsequent events that needed to be disclosed.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### PENSION PLAN REQUIRED SUPPLEMENTARY INFORMATION FOR YEAR ENDED JUNE 30, 2018 WITH 2017 PERSI DATA

#### Schedule of Employer's Share of Net Pension Liability PERSI - Base Plan Last 10 Fiscal Years \*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's portion of net pension liability	0.524525%	0.528318%	0.528303%	0.539394%
Employer's proportionate share of the net pension liability	\$8,244,634	\$10,709,819	\$6,956,894	\$3,970,780
Employer's covered-employee payroll	\$17,254,519	\$16,365,809	\$15,459,367	\$14,797,625
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll	47.78%	65.44%	45.00%	26.83%
Plan fiduciary net position as a percentage of liability	90.68%	87.26%	91.38%	94.95%

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

Data reported is measured as of July 1 of the prior year.

#### 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	\$1,953,212	\$1,852,610	\$1,750,002	\$1,675,091
Contributions in relation to the statutorily required contribution	\$1,953,212	\$1,852,610	\$1,750,002	\$1,675,091
Contribution (deficiency) excess	\$0	\$0	\$0	\$0
Employer's covered-employee payroll	\$17,254,519	\$16,365,809	\$15,459,367	\$14,797,625
Contributions as a percentage of covered-employee payroll	11.32%	11.32%	11.32%	11.32%

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

Data reported is measured as of July 1 of the prior year.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### OPEB REQUIRED SUPPLEMENTARY INFORMATION FOR YEAR ENDED JUNE 30, 2018 WITH 2017 OPEB DATA

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#### Schedule of Employer's Share of Net OPEB Asset PERSI - OPEB Plan Last 10 - Fiscal Years \*

	<u>2018</u>
Employer's portion of net the OPEB asset	1.2789897%
Employer's proportionate share of the net OPEB asset	\$ 981,790
Employer's covered-employee payroll	\$ 17,117,940
Employer's proportional share of the net OPEB asset as a percentage of its covered-employee payroll	5.74%
Plan fiduciary net position as a percentage of the total OPEB Asset	136.78%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the School District will present information for those years for which information is available.

Data reported is measured as of June 30 of the prior year.

#### Schedule of Employer Contributions PERSI - OPEB Plan Last 10 - Fiscal Years\*

	<u>2018</u>
Statutorily required contribution	\$ 198,568
Contributions in relation to the statutorily required contribution	\$ 198,568
Contribution (deficiency) excess	\$ -
Employer's covered-employee payroll	\$ 17,117,940
Contributions as a percentage of covered-employee payroll	1.16%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the School District will present information for those years for which information is available.

Data reported is measured as of June 30 of the prior year.

# MINIDOKA JOINT SCHOOL DISTRICT NO 331

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GENERAL FUND BUDGET AND ACTUAL FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property Taxes, Penalty and Interest	1,960,000	1,961,000	1,957,543	(3,457)
Tuition	10,000	36,000	40,856	4,856
Earnings on Investments	35,000	85,000	85,490	490
Other Local Revenue	631,000	804,000	815,379	11,379
State	23,158,000	23,359,500	23,350,615	(8,885)
<b>Total Revenues</b>	<b>25,794,000</b>	<b>26,245,500</b>	<b>26,249,883</b>	<b>4,383</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Elementary	5,609,457	5,651,027	5,594,241	56,786
Secondary	5,670,940	5,865,693	5,847,186	18,507
Alternative	1,013,523	1,001,319	1,000,582	737
Special	2,183,150	2,201,209	2,194,278	6,931
School Activity	62,000	50,500	48,449	2,051
Summer School	107,202	113,502	112,812	690
Detention	3,680	77,295	80,687	(3,392)
<b>Support Services:</b>				
Special Guidance	538,942	521,314	514,296	7,018
Special Services	340,993	341,039	340,747	292
Instruction Improvement	948,996	974,146	917,772	56,374
Board of Education	55,000	50,000	51,030	(1,030)
District Administration	422,291	454,791	460,147	(5,356)
School Administration	1,820,297	1,816,197	1,809,745	6,452
Business Operation	328,808	330,808	335,990	(5,182)
Buildings Operation and Maintenance	3,900,721	4,177,760	4,465,842	(288,082)
Transportation	1,808,000	1,829,000	1,840,995	(11,995)
Non-Instructional Services	-	-	24	(24)
Contingency	1,000,000	1,400,000	-	1,400,000
<b>Total Expenditures</b>	<b>25,814,000</b>	<b>26,855,600</b>	<b>25,614,823</b>	<b>1,240,777</b>
Excess (Deficit) Revenues Over Expenditures	(20,000)	(610,100)	635,060	1,245,160
<b>Other Financing Sources (Uses):</b>				
Debt Issuance	-	-	313,275	313,275
Operating Transfers In	230,000	230,000	243,278	13,278
Operating Transfers (Out)	(1,510,000)	(1,186,000)	(1,189,892)	(3,892)
<b>Net Change in Fund Balances</b>	<b>(1,300,000)</b>	<b>(1,566,100)</b>	<b>1,721</b>	<b>1,567,821</b>
Fund Balance at Beginning of Year	1,300,000	1,566,100	1,566,127	27
Fund Balance at End of Year	-	-	1,567,848	1,567,848

See independent auditor's report on other financial information.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOOD SERVICE FUND BUDGET AND ACTUAL FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Earnings on Investments	5,000	5,000	9,164	4,164
Lunches	265,000	295,000	299,478	4,478
Federal	1,545,000	1,667,000	1,801,137	134,137
Total Revenues	1,815,000	1,967,000	2,109,779	142,779
<b><u>Expenditures:</u></b>				
<b><u>Support Services:</u></b>				
Non-Instructional Services	1,690,600	2,567,600	2,175,069	392,531
Total Expenditures	1,690,600	2,567,600	2,175,069	392,531
Excess (Deficit) Revenues Over Expenditures	124,400	(600,600)	(65,290)	535,310
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers In	40,000	40,000	42,326	2,326
Operating Transfers (Out)	(164,400)	(164,400)	(183,704)	(19,304)
Net Change in Fund Balances	-	(725,000)	(206,668)	518,332
Fund Balance at Beginning of Year	-	725,000	725,234	234
Fund Balance at End of Year	-	-	518,566	518,566

See independent auditor's report on other financial information.



## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DEBT SERVICE FUND BUDGET AND ACTUAL FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Property Taxes, Penalty and Interest	1,610,000	1,455,000	1,533,359	78,359
Earnings on Investments	-	5,000	6,339	1,339
State	311,000	262,000	262,004	4
Total Revenues	1,921,000	1,722,000	1,801,702	79,702
<b><u>Expenditures:</u></b>				
Principal Retirement	1,440,000	1,440,000	1,440,000	-
Interest and Fiscal Charges	596,000	596,000	592,769	3,231
Total Expenditures	2,036,000	2,036,000	2,032,769	3,231
Excess (Deficit) Revenues Over Expenditures	(115,000)	(314,000)	(231,067)	82,933
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers In	115,000	111,000	111,000	-
Operating Transfers (Out)	-	(1,371,800)	-	1,371,800
Net Change in Fund Balances	-	(1,574,800)	(120,067)	1,454,733
Fund Balance at Beginning of Year	-	1,574,800	1,574,903	103
Fund Balance at End of Year	-	-	1,454,836	1,454,836

See independent auditor's report on other financial information.

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES PLANT FACILITIES FUND BUDGET AND ACTUAL FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Other Local Revenue	-	40,000	49,185	9,185
Total Revenues	-	40,000	49,185	9,185
<b><u>Expenditures:</u></b>				
<b><u>Support Services:</u></b>				
Buildings Operation and Maintenance	1,705,000	1,470,000	924,783	545,217
Principal Retirement	-	-	261,864	(261,864)
Interest and Fiscal Charges	-	-	13,398	(13,398)
Total Expenditures	1,705,000	1,470,000	1,200,045	269,955
Excess (Deficit) Revenues Over Expenditures	(1,705,000)	(1,430,000)	(1,150,860)	279,140
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers In	1,355,000	1,035,000	1,036,566	1,566
Operating Transfers (Out)	(100,000)	(40,000)	-	40,000
Net Change in Fund Balances	(450,000)	(435,000)	(114,294)	320,706
Fund Balance at Beginning of Year	450,000	435,000	435,833	833
Fund Balance at End of Year	-	-	321,539	321,539

See independent auditor's report on other financial information.

**MINIDOKA JOINT SCHOOL DISTRICT NO. 331**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**Basis of Presentation**

The Schedules of Revenues, Expenditures and Changes in Fund Balance have been prepared on the modified accrual basis of accounting.

**Budgetary Legal Requirements**

Idaho codified law prescribes the budgetary procedures to be followed by the School District as follows:

- A. No later than 28 days prior to the District's annual meeting school board will prepare a budget in accordance with guide lines prescribed by the state of Idaho superintendent.
- B. The School Board will hold a public hearing concerning the proposed budget.
- C. No longer than 14 days after the public hearing the board shall adopt a budget for the ensuing school year.
- D. As necessary, due to unanticipated resources and expenditures, the School Board can amend the adopted budget by resolution

## **SUPPLEMENTAL INFORMATION**

**MINIDOKA JOINT SCHOOL DISTRICT NO 331**

**COMBINING BALANCE SHEET - NON-MAJOR FUNDS  
AS OF JUNE 30, 2018**

	Title I-A ESEA Improving Basic	Title I-C ESEA Migrant	Title VI-B Special Ed and Preschool	Title II-A ESEA Improving Teacher	Medicaid
<b><u>Assets</u></b>					
Receivables:					
Federal	211,401	57,376	228,935	15,476	228,187
Interfund Loan Receivable	-	-	-	-	-
Total Assets	<u>211,401</u>	<u>57,376</u>	<u>228,935</u>	<u>15,476</u>	<u>228,187</u>
<b><u>Liabilities</u></b>					
Accounts Payable	36	-	455	-	-
Salaries and Contracts Payable	126,344	20,871	121,149	6,723	42,323
Interfund Loan Payable	85,021	36,505	107,331	8,753	87,705
Unearned Revenue	-	-	-	-	98,159
Total Liabilities	211,401	57,376	228,935	15,476	228,187
<b><u>Fund Equity</u></b>					
Fund Balance:					
Undesignated	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
Total Liabilities and Fund Equity	<u>211,401</u>	<u>57,376</u>	<u>228,935</u>	<u>15,476</u>	<u>228,187</u>

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<b>Perkins III Professional Tech Act</b>	<b>School Improvement</b>	<b>Title VI-B Rural Ed</b>	<b>Combined Small Federal Grants</b>	<b>Combined State Grants</b>	<b>Total</b>
51,287	27,024	19,135	34,015	-	872,836
-	-	-	986	20,070	21,056
<u>51,287</u>	<u>27,024</u>	<u>19,135</u>	<u>35,001</u>	<u>20,070</u>	<u>893,892</u>
70	-	1	1,319	502	2,383
4,861	13,923	13,042	17,793	11,853	378,882
46,356	13,101	6,092	14,904	-	405,768
-	-	-	985	7,715	106,859
51,287	27,024	19,135	35,001	20,070	893,892
-	-	-	-	-	-
-	-	-	-	-	-
<u>51,287</u>	<u>27,024</u>	<u>19,135</u>	<u>35,001</u>	<u>20,070</u>	<u>893,892</u>

**MINIDOKA JOINT SCHOOL DISTRICT NO 331**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR SPECIAL REVENUE FUNDS - ACTUAL  
AS OF JUNE 30, 2018**

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	<b>Title I-A ESEA Improving Basic</b>	<b>Title I-C ESEA Migrant</b>	<b>Title VI-B Special Ed and Preschool</b>	<b>Title II-A ESEA Improving Teacher</b>	<b>Medicaid</b>
<b>Revenues:</b>					
State	-	-	-	-	-
Federal	821,663	199,022	897,062	82,286	571,382
Total Revenues	821,663	199,022	897,062	82,286	571,382
<b>Expenditures:</b>					
Instructional	723,502	139,873	524,586	39,839	255,746
Support Services	69,444	50,768	348,027	40,021	315,636
Non-Instructional	7,171	2,559	-	-	-
Total Expenditures	800,117	193,200	872,613	79,860	571,382
Excess (Deficit) Revenues Over Expenditures	21,546	5,822	24,449	2,426	-
Other Financing Sources (Uses): Operating Transfers (Out)	(21,546)	(5,822)	(24,449)	(2,426)	-
Fund Balance at Beginning of Year	-	-	-	-	-
Fund Balance at End of Year	-	-	-	-	-

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<b>Perkins III Professional Tech Act</b>	<b>School Improvement</b>	<b>Title VI-B Rural Ed</b>	<b>Combined Small Federal Grants</b>	<b>Combined State Grants</b>	<b>Total</b>
-	-	-	-	626,127	626,127
51,287	140,007	77,876	132,705	-	2,973,290
51,287	140,007	77,876	132,705	626,127	3,599,417
51,287	85,230	77,876	112,535	235,590	2,246,064
-	50,689	-	18,858	384,488	1,277,931
-	-	-	69	6,049	15,848
51,287	135,919	77,876	131,462	626,127	3,539,843
-	4,088	-	1,243	-	59,574
-	(4,088)	-	(1,243)	-	(59,574)
-	-	-	-	-	-
-	-	-	-	-	-



## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TITLE I-A FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Federal	749,500	907,200	821,663	(85,537)
Total Revenues	749,500	907,200	821,663	(85,537)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	431,711	453,911	437,360	16,551
Secondary	237,800	214,000	214,036	(36)
Alternative	62,685	111,085	72,106	38,979
<b><u>Support Services:</u></b>				
Instruction Improvement	100,304	89,904	68,177	21,727
Buildings Operation and Maintenance	-	1,000	1,267	(267)
Non-Instructional Services	12,500	13,300	7,171	6,129
Total Expenditures	845,000	883,200	800,117	83,083
Excess (Deficit) Revenues Over Expenditures	(95,500)	24,000	21,546	(2,454)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	95,500	(24,000)	(21,546)	2,454
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TITLE I-C MIGRANT FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	234,000	288,000	199,022	(88,978)
Total Revenues	234,000	288,000	199,022	(88,978)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	-	-	643	(643)
Secondary	113,400	121,400	95,416	25,984
Summer School	60,000	86,000	43,814	42,186
<b><u>Support Services:</u></b>				
Special Guidance	30,600	49,600	48,676	924
Instruction Improvement	14,000	15,000	2,092	12,908
Non-Instructional Services	9,000	9,000	2,559	6,441
Total Expenditures	227,000	281,000	193,200	87,800
Excess (Deficit) Revenues Over Expenditures	7,000	7,000	5,822	(1,178)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	(7,000)	(7,000)	(5,822)	1,178
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TITLE VI-B SPECIAL ED AND PRESCHOOL FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	933,000	996,000	897,062	(98,938)
Total Revenues	933,000	996,000	897,062	(98,938)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Special	568,093	577,093	523,326	53,767
Summer School	-	2,000	1,260	740
<b><u>Support Services:</u></b>				
Special Services	328,607	379,607	343,857	35,750
Instruction Improvement	10,000	10,000	4,170	5,830
Total Expenditures	906,700	968,700	872,613	96,087
Excess (Deficit) Revenues Over Expenditures	26,300	27,300	24,449	(2,851)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	(26,300)	(27,300)	(24,449)	2,851
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES IMPROVING TEACHER FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	166,000	142,000	82,286	(59,714)
Total Revenues	166,000	142,000	82,286	(59,714)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	7,000	44,500	27,276	17,224
Secondary	32,000	40,000	12,563	27,437
<b><u>Support Services:</u></b>				
Instruction Improvement	28,000	53,500	40,021	13,479
Total Expenditures	67,000	138,000	79,860	58,140
Excess (Deficit) Revenues Over Expenditures	99,000	4,000	2,426	(1,574)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	(99,000)	(4,000)	(2,426)	1,574
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES MEDICAID FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

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	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues:</u></b>				
Federal	400,000	615,000	571,382	(43,618)
Total Revenues	400,000	615,000	571,382	(43,618)
<b><u>Expenditures:</u></b>				
<b>Instruction:</b>				
Secondary	250,000	255,000	255,746	(746)
<b>Support Services:</b>				
Instruction Improvement	150,000	360,000	315,636	44,364
Total Expenditures	400,000	615,000	571,382	43,618
Excess (Deficit) Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES PERKINS III PROFESSIONAL TECH ACT FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	55,000	52,900	51,287	(1,613)
Total Revenues	55,000	52,900	51,287	(1,613)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Secondary	55,000	52,900	51,285	1,615
Alternative	-	-	2	(2)
Total Expenditures	55,000	52,900	51,287	1,613
Excess (Deficit) Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES SCHOOL IMPROVEMENT FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	167,000	175,000	140,007	(34,993)
Total Revenues	167,000	175,000	140,007	(34,993)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Secondary	73,000	89,000	85,230	3,770
<b><u>Support Services:</u></b>				
Instruction Improvement	89,000	81,000	50,689	30,311
Total Expenditures	162,000	170,000	135,919	34,081
Excess (Deficit) Revenues Over Expenditures	5,000	5,000	4,088	(912)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	(5,000)	(5,000)	(4,088)	912
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TITLE VI-B RURAL ED FUND BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	78,000	78,000	77,876	(124)
Total Revenues	78,000	78,000	77,876	(124)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	50,000	46,000	46,090	(90)
Secondary	28,000	32,000	31,786	214
Total Expenditures	78,000	78,000	77,876	124
Excess (Deficit) Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-



## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES COMBINED SMALL FEDERAL FUNDS BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
Federal	65,000	148,300	132,705	(15,595)
Total Revenues	65,000	148,300	132,705	(15,595)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	33,200	32,200	34,342	(2,142)
Secondary	3,000	81,900	78,193	3,707
<b><u>Support Services:</u></b>				
Instruction Improvement	5,000	32,900	18,858	14,042
Non-Instructional Services	-	-	69	(69)
Total Expenditures	41,200	147,000	131,462	15,538
Excess (Deficit) Revenues Over Expenditures	23,800	1,300	1,243	(57)
<b><u>Other Financing Sources (Uses):</u></b>				
Operating Transfers (Out)	(23,800)	(1,300)	(1,243)	57
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO 331

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES COMBINED STATE FUNDS BUDGET AND ACTUAL (NON-MAJOR) FOR THE YEAR ENDING JUNE 30, 2018

	<u>Budget Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b><u>Revenues:</u></b>				
State	535,100	626,700	626,127	(573)
Total Revenues	535,100	626,700	626,127	(573)
<b><u>Expenditures:</u></b>				
<b><u>Instruction:</u></b>				
Elementary	-	-	101	(101)
Secondary	158,100	234,200	235,489	(1,289)
<b><u>Support Services:</u></b>				
Special Guidance	2,000	1,000	1,010	(10)
Instruction Improvement	325,000	342,500	341,608	892
Buildings Operation and Maintenance	45,000	42,000	41,870	130
Non-Instructional Services	5,000	7,000	6,049	951
Total Expenditures	535,100	626,700	626,127	573
Excess (Deficit) Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	-	-	-	-

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### ACEQUIA ELEMENTARY SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

	<u>Cash Balance 6/30/2017</u>	<u>Receipts and Transfers</u>	<u>Disbursed and Transfers</u>	<u>Cash Balance 6/30/2018</u>
Student Activity Fee Fund	3,062	3,810	-5,935	937
Kindergarten Activity Fee Fund	271	328	-589	10
School Improvement Fund	-	859	-70	789
Library Fund	301	79	-242	138
Instruction - Media Fund	683	2,067	-2,191	559
Sunshine Fund	626	613	-780	459
School Climate Fund	<u>6,963</u>	<u>810</u>	<u>-2,921</u>	<u>4,852</u>
Total	<u><u>11,906</u></u>	<u><u>8,566</u></u>	<u><u>-12,728</u></u>	<u><u>7,744</u></u>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### RUPERT ELEMENTARY SCHOOLS ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

	<u>Cash Balance 6/30/2017</u>	<u>Receipts and Transfers</u>	<u>Disbursed and Transfers</u>	<u>Cash Balance 6/30/2018</u>
Library Fund	151	59	(93)	117
Kindergarten Activity	535	688	(556)	667
Kindergarten	-	405	(201)	204
General Account	18,299	12,901	(25,726)	5,474
School Improvement	11,635	29,780	(13,012)	28,403
Activity Fund	329	3,198	(3,527)	-
KinderKamp	1	9,139	(9,140)	-
School Climate	<u>3,296</u>	<u>2,269</u>	<u>(3,471)</u>	<u>2,094</u>
Total	<u><u>34,246</u></u>	<u><u>58,439</u></u>	<u><u>(55,726)</u></u>	<u><u>36,959</u></u>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### HEYBURN ELEMENTARY SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

	<b>Cash Balance 6/30/2017</b>	<b>Receipts and Transfers</b>	<b>Disbursed and Transfers</b>	<b>Cash Balance 6/30/2018</b>
General Fund	2,284	3,821	(3,343)	2,762
Student Activity	1,556	6,924	(7,587)	893
Kindergarten Supplies	745	429	(535)	639
Sunshine	1,762	7,089	(3,329)	5,522
Fundraiser	1,951	290	(1,013)	1,228
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>8,298</u>	<u>18,553</u>	<u>(15,807)</u>	<u>11,044</u>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### PAUL ELEMENTARY SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

	<b>Cash Balance 6/30/2017</b>	<b>Receipts and Transfers</b>	<b>Disbursed and Transfers</b>	<b>Cash Balance 6/30/2018</b>
Activity Fee	4,907	5,286	(7,218)	2,975
Kindergarten	208	424	(197)	435
Library	1,597	2,508	(1,906)	2,199
Fun Run - Technologies/Supplies	7,728	7,550	(3,168)	12,110
General	4,725	4,187	(2,086)	6,826
Total	<u>19,165</u>	<u>19,955</u>	<u>(14,575)</u>	<u>24,545</u>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### EAST MINICO MIDDLE SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

Activity	Cash Balance 6/30/2017	Receipts	Transfers	Disbursed	Cash Balance 6/30/2018
Webstore Fees	(142)	60	-	82	-
Sales Tax	-	2,763	-	(2,763)	-
Athletics	-	200	-	(200)	-
Athletics-Uniforms	-	1,547	-	(1,547)	-
Athletics-Staff Clothing	-	534	-	(534)	-
Athletics-Gate Reciepts	-	8,172	-	(8,172)	-
Athletics-Basketball Boys	-	250	-	(250)	-
Athletics-Basketball Boys 7th	192	4,158	-	(4,350)	-
Athletics-Basketball Girls	-	1,171	-	(1,171)	-
Athletics-Football	5,681	3,624	-	(6,358)	2,947
Athletics-Football 7th	-	4,150	-	(3,560)	590
Athletics-Wrestling	-	973	-	(973)	-
Class 2022	418	37	-	(431)	24
General Account	-	12	-	(12)	-
Concessions	-	6,172	-	(5,946)	226
Vending	210	1,708	-	(1,918)	-
Activity Cards	-	4,722	-	(4,722)	-
Annuals	-	6,667	-	(6,316)	351
School Planners/Handbooks	419	515	-	(595)	339
Interest	-	20	-	2	22
Student Body Fundraiser	1,434	11,058	-	(12,230)	262
Special Interest Fundraiser	2,615	584	-	(3,138)	61
Student Council	1,751	7,816	-	(7,041)	2,526
Club-Builders	151	-	-	(396)	(245)
Club-Ski	2,960	10,175	-	(9,869)	3,266
Club-Special Olympics	180	-	-	-	180
Club-Technology	2,863	-	-	(312)	2,551
Instructional-General	1,101	150	-	(642)	609
Instruction-Art	189	350	-	(504)	35
Instruction-Band	403	384	-	(787)	-
Instruction-Cheerleading	980	7,037	-	(9,010)	(993)
Instruction-Cheer Uniform	1,582	5,075	-	(6,657)	-
Instruction-Choreography/Gym	(500)	759	-	(259)	-
Instruction-Cheerleading Trip	-	-	-	(924)	(924)
Instruction-Choir	720	63	-	(307)	476
Instruction-Dance/Drill	2,270	-	-	(2,270)	-
Instruction-Dance/Drill Unif	302	15,192	-	(12,796)	2,698
Instruction-Home Ec	2,423	740	-	(1,086)	2,077
Instruction-Life Skills	311	-	-	-	311
Instruction-Media	525	1,175	-	(1,400)	300
Instruction-Orchestra	418	110	-	(164)	364
Instruction-Physical Education	145	100	(145)	(100)	-
Instruction-Towel And Locker	-	66	-	-	66
Instruction-Bowling Fee	3,387	3,542	145	(3,301)	3,773
Instruction-Shop 7Th & 8Th	858	558	-	(825)	591
Due To Dsc-Other	268	-	-	(213)	55
<b>Total</b>	<b>34,114</b>	<b>112,389</b>	<b>-</b>	<b>(123,965)</b>	<b>22,538</b>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### WEST MINICO MIDDLE SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

Activity	Cash Balance 6/30/17	Receipts	Transfers	Disbursed	Cash Balance 6/30/18
Web Store Fees	(110)	52	-	58	-
Sales Tax	-	4,750	-	(4,750)	-
Athletics	1,079	827	-	(1,906)	-
Athletics-Gate Receipts	-	8,269	-	(8,269)	-
Athletics-Region IV Tournament	-	830	-	(830)	-
General Account	65	-	-	(65)	-
Concessions	3,457	7,969	-	(7,189)	4,237
Vending	2,102	2,335	-	(3,530)	907
Activity Cards	744	7,464	-	(8,208)	-
Annuals	3,199	7,284	-	(6,981)	3,502
School Planners/Handbooks	4	-	-	-	4
Lockers-Hallway	2,279	-	-	(2,279)	-
Interest	2	-	-	-	2
Student Body Fundraiser	3,470	-	(175)	(3,295)	-
School Improvement Fund Raise	24,478	25,391	-	(30,139)	19,730
Student Council	393	2,300	175	(2,521)	347
Club-Builders	2,070	-	-	(373)	1,697
Club-Sources of Strength	-	2,452	-	(756)	1,696
Club-Heritage	4	-	-	-	4
Club-Ski	560	9,380	-	(8,928)	1,012
Club-Special Olympics	27	-	-	-	27
Club-Technology	620	-	(620)	-	-
Instructional-General	8,757	5	-	(380)	8,382
Instruction-Renaissance	1,797	86	-	(925)	958
Instruction-Art	2,051	346	-	(1,758)	639
Instruction-Band	407	728	-	(1,135)	-
Instruction-Cheerleading	3,101	922	-	(3,871)	152
Instruction-Cheer Uniform	4,362	9,354	-	(9,989)	3,727
Instruction-Cheerleading Camp	-	1,462	-	(1,462)	-
Instruction-Choir	109	266	-	(133)	242
Instruction-Dance/Drill	1,961	254	-	196	2,411
Instruction-Dance/Drill Unif	1,717	3,896	-	(4,840)	773
Instruction-Dance/Drill Camp	900	1,450	-	(2,370)	(20)
Instruction-Facs Class	672	564	-	(247)	989
Instruction-Home Ec 6Th Gr	728	-	-	(270)	458
Instruction-Media	452	263	-	(53)	662
Instruction-Orchestra	2,124	1,650	-	(286)	3,488
Instruction-Towel And Locker	-	68	-	2,163	2,231
Instruction-Bowling Fee	-	5,517	-	(5,366)	151
Instruction-Shop 7th & 8th	1,737	583	620	(2,007)	933
Due To Dsc-Textbook Fines-Dan	3	-	-	(2)	1
Due To Dsc-Other	360	-	-	-	360
<b>Total</b>	<b>75,681</b>	<b>110,366</b>	<b>-</b>	<b>(126,345)</b>	<b>59,702</b>



## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### MINICO HIGH SCHOOL ACTIVITIES FUND FOR THE YEAR ENDING JUNE 30, 2018

Activity	Cash				Cash
	Balance 6/30/17	Receipts	Transfers	Disbursements	Balance 6/30/18
Web Store Fees	(1,703)	523	-	1,180	-
Sales Tax	-	22,630	-	(22,616)	14
Athletics	19,125	10,825	-	(17,895)	12,055
Athletics-Gate Receipts	-	72,253	-	(72,253)	-
Athletics-Region IV Tournament	-	6,381	-	(6,381)	-
Athletics-Red Halverson	-	10,228	-	(10,228)	-
Athletics Memorial Donation	8,080	-	-	(4,032)	4,048
Athletics-Baseball	2,094	380	-	6,305	8,779
Athletics-Baseball Fundraisers	-	29,310	-	(29,310)	-
Athletics-Basketball Boys	5,780	14,243	-	(13,450)	6,573
Athletics-Bb Boys Fundraisers	-	18,059	-	(18,059)	-
Athletics-Basketball Girls	4,320	3,591	-	(6,288)	1,623
Athletics-Bb Girls Fundraisers	-	10,590	-	(10,590)	-
Athletics-Bowling	1,065	6,048	-	(6,330)	783
Athletics-Cross Country	1,510	402	-	(657)	1,255
Athletics-Football	297	13,431	-	(8,563)	5,165
Athletics-Football Fundraisers	-	22,914	-	(22,914)	-
Athletics-Spartan Moms	-	725	-	(585)	140
Athletics-Football Camp	-	14,897	-	(14,897)	-
Athletics-Golf	(804)	3,236	-	(1,981)	451
Athletics-Soccer Boys	708	-	-	(24)	684
Athletics-Soccer Girls	3,467	425	-	(3,806)	86
Athletics-Soccer Girls Uniform	-	3,275	-	(2,930)	345
Athletics-Softball	345	21,676	-	(18,108)	3,913
Athletics-Tennis	2,209	3,729	-	(2,085)	3,853
Athletics-Track	3,336	1,976	-	(615)	4,697
Athletics-Volleyball	5,396	12,960	-	(10,395)	7,961
Athletics-Wrestling	3,000	34,498	-	(34,548)	2,950
Athletics-Wrestling Fundraise	-	290	-	(44)	246
Class 2016	800	-	-	-	800
Class 2017	224	-	-	(65)	159
Class 2018	3,433	14,720	-	(16,412)	1,741
Class 2019	1,728	5,567	-	(3,961)	3,334
Class 2020	485	2,934	-	(1,073)	2,346
Class 2021	-	980	-	(623)	357
General Account	-	178	-	(168)	10
Parking Permits	2,800	3,335	-	(676)	5,459
Concessions	4,272	31,603	-	(34,501)	1,374
Vending	-	5,798	-	(5,768)	30
Activity Cards	780	22,149	-	(22,059)	870
Yearbooks	2,747	21,663	-	(17,202)	7,208
Interest	1,034	-	-	-	1,034
School Improvement Fund	12,054	13,306	-	(7,500)	17,860
Gift Of Green	561	4,559	-	(3,428)	1,692
Student Council	1,031	15,972	-	(17,002)	1
Club-Annual	577	845	-	(168)	1,254
Club-Art	214	10	-	(163)	61

Activity	Cash				Cash
	Balance 6/30/17	Receipts	Transfers	Disbursements	Balance 6/30/18
Club-Business	1,256	2,541	-	(4,142)	(345)
Club-Mr Mhs	1,433	2,152	-	-	3,585
Club-Drug Free Youth	708	683	-	(1,243)	148
Club-Fccla	40	80	-	(132)	(12)
Club-Ffa	7,020	50,480	-	(45,652)	11,848
Club-Key	613	952	-	(1,219)	346
Club-Leo	454	-	-	-	454
Club-M Club	256	-	-	-	256
Club-Mountain Bike	1,365	-	-	-	1,365
Club-Nhs	271	1,115	-	(400)	986
Club-Rodeo	6,493	7,620	-	(13,236)	877
Club-Science	709	6,570	-	(6,641)	638
Club-Ski	257	5,902	-	(5,770)	389
Club-Spanish	284	30	-	(82)	232
Club-Swim Team	(60)	2,960	-	(2,041)	859
Club-Tsa Industrial Tech	665	324	-	(675)	314
Club-Young Republican	1,583	730	-	(1,345)	968
Club-Trap	-	2,650	-	(334)	2,316
Instructional-General	10,701	2,815	-	(4,706)	8,810
Instruction-Renaissance	872	-	-	(111)	761
Instruction-Psat	342	105	-	(220)	227
Instruction-Plan Test	293	-	-	-	293
Instruction-Idla Fees	-	2,025	-	(1,950)	75
Instruction-Aerobics	1,235	-	-	-	1,235
Instruction-Art	-	-	-	-	-
Instruction-Art Baird	2,541	2,912	(616)	(2,915)	1,922
Instruction-Art Call	332	-	616	(933)	15
Instruction-Band	4,239	13,677	-	(14,271)	3,645
Instruction-Piano Repair	120	-	-	-	120
Instruction-Band Instrument	-	-	-	(41)	(41)
Instruction-Cheerleading	13,245	14,759	-	(27,215)	789
Instruction-Cheer Uniform	-	18,181	-	(18,181)	-
Instruction-Chemistry	1,515	-	-	-	1,515
Instruction-Choir	12,291	7,394	-	(7,673)	12,012
Instruction-Madrigal Dinner	5,000	14,704	-	(12,701)	7,003
Instruction-Dance Force	10,929	21,887	-	(25,257)	7,559
Instruction-Dance Uniforms	(876)	4,576	-	(3,700)	-
Instruction-Choreography	500	1,357	-	(3,810)	(1,953)
Instruction-Dance Force Trip	-	20,970	-	(20,970)	-
Instruction-Drama	550	-	-	-	550
Instruction-Drivers Ed	-	18,900	-	(18,700)	200
Instruction-Dr Ed IDLA Fees	-	150	-	(150)	-
Instruction-Journalism	198	-	-	-	198
Instruction-Life Skills	15	-	-	-	15
Instruction-Life Sports	3,486	7,030	-	(6,885)	3,631
Instruction-Media	1,261	326	-	(1,006)	581
Instruction-Operetta	4,966	8,094	-	(10,481)	2,579

Activity	Cash				Cash
	Balance 6/30/17	Receipts	Transfers	Disbursements	Balance 6/30/18
Instruction-Orchestra	2,020	3,161	-	(3,009)	2,172
Instruction-Orchestra Trip	-	13,948	-	(13,948)	-
Instruction-Cowboy Dinner	1,341	5,112	-	(6,453)	-
Instruction-Photo & Graphic	774	-	-	(752)	22
Instruction-Pe Bowling	(398)	3,100	-	(2,702)	-
Instruction-Science	557	179	(129)	(357)	250
Instruction-Science Fundraiser	611	-	129	(740)	-
Instruction-Speech/Debate	2,575	-	-	-	2,575
Instruction-Weights	9,218	1,210	-	(6,671)	3,757
Voc Instruction-Greenhouse	10,382	15,259	-	(11,721)	13,920
Voc Instruction-Floral Design	737	1,515	-	(2,044)	208
Voc Instruction-Ag Shop	4,054	1,110	83	(5,247)	-
Voc Instruction-Shop Supplies	873	7,969	(83)	(6,042)	2,717
Voc Instruction-Diesel	1,021	1,149	(554)	(764)	852
Voc Instruction-Diesel Skills	-	-	554	(480)	74
Voc-Instruction-Business Stely	592	-	(270)	-	322
Voc Instruction-Business Killoy	656	-	270	(69)	857
Voc Instruction-Business Shipen	135	-	-	(39)	96
Voc Instruction-Vid Multimedia	720	-	-	5	725
Voc Instruction-Info Tech	1,056	-	-	-	1,056
Voc Instruction-Info Tech Skills	221	-	-	(118)	103
Voc Instruction-Preengineering	254	59	287	(898)	(298)
Voc Instruction- Academy	120	170	-	-	290
Voc Instruction-Manufacturing	1,197	1,891	(287)	(1,015)	1,786
Voc Instruction- Copies	126	-	-	(68)	58
Voc Instruction-Construction	504	13,394	(130)	(13,768)	-
Voc Instruction-Constr Skills	2,209	4,968	130	(5,767)	1,540
Voc Instruction-Food Lab	2,676	105	-	(21)	2,760
Voc Instruction-Spartan Bistro	200	-	-	-	200
Voc Instruction-Clothing	1,267	160	-	(95)	1,332
Voc Instruction-Cert Nursing	5,160	2,746	-	(6,222)	1,684
Esl Scholarship	369	-	-	-	369
Miss MHS	294	-	-	-	294
Due to DSC-Laptop Insurance	-	3,920	-	(3,920)	-
Due to DSC-Laptop Replace Fine	-	210	-	(180)	30
	<u>239,588</u>	<u>809,100</u>	<u>-</u>	<u>(820,761)</u>	<u>227,927</u>

## MINIDOKA JOINT SCHOOL DISTRICT NO. 331

### MT. HARRISON HIGH SCHOOL FOR THE YEAR ENDING JUNE 30, 2018

	Cash Balance 6/30/2017	Receipts and Transfers	Disbursed and Transfers	Cash Balance 6/30/2018
Class 2018	1,465	2,244	(2,160)	1,549
Senior Spotlight	-	1,925	(1,824)	101
General Account	23	-	-	23
Concessions	92	-	-	92
Vending	994	1,640	(879)	1,755
Annuals	345	246	(344)	247
Interest	-	11	-	11
Special Interest Fundraiser-Veterans	684	457	(750)	391
Student Council	541	1,653	(1,381)	813
Club-Sources Of Strength	521	1,047	(704)	864
Instruction-Daycare	14,129	2,965	(1,640)	15,454
Instructional-Renaissance	441	250	-	691
Voc Instruction-Bus/Accounting Phoenix Publ	333	270	-	603
Sunshine Fund	138	353	(347)	144
Total	<u>19,706</u>	<u>13,061</u>	<u>(10,029)</u>	<u>22,738</u>

**MINIDOKA JOINT SCHOOL DISTRICT NO. 331**  
**UNIFORM GUIDANCE**  
**SUPPLEMENTARY FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**UNIFORM GUIDANCE  
SUPPLEMENTARY FINANCIAL REPORT**

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

To the Board of Trustees of the  
Minidoka Joint School District No. 331  
Rupert, Idaho 83350

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 Minidoka Joint School District No. 331, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Minidoka Joint School District No. 331's basic financial statements and have issued our report thereon dated October 12, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Minidoka Joint School District No. 331's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Minidoka Joint School District No. 331's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Minidoka Joint School District No. 331's internal control.

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

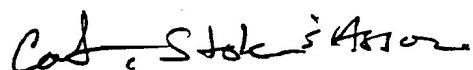
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Minidoka Joint School District No. 331'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 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.

A handwritten signature in black ink, appearing to read "Condie, Stoker & Associates". The signature is written in a cursive, flowing style.

Condie, Stoker & Associates  
October 12, 2018





Condie  
Stoker &  
Associates

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of the  
Minidoka Joint School District No. 331  
Rupert, Idaho 83350

### **Report on Compliance for Each Major Federal Program**

We have audited the Minidoka Joint School District No. 331's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. Minidoka Joint School District No. 331's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Minidoka Joint School District No. 331's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Minidoka Joint School District No. 331's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Minidoka Joint School District No. 331's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Minidoka Joint School District No. 331, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

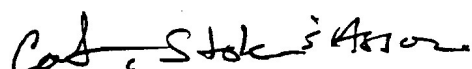
### Report on Internal Control Over Compliance

Management of Minidoka Joint School District No. 331, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Minidoka Joint School District No. 331's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance..

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Condie, Stoker & Associates

October 12, 2018

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR END JUNE 30, 2018**

Description	Federal CFDA Number	Accrued (Deferred) Grant Revenue 6/30/2017	Cash/ Commodities Received 07/01/17 thru 6/30/2018	Expenditures	Accrued (Deferred) Grant Revenue 6/30/2018
<b>Department of Agriculture</b>					
Passed Through State Department of Education					
School Breakfast Program	10.553	-	456,171	456,171	-
National School Lunch Program	10.555	-	1,088,090	1,088,090	-
Commodities	10.555	-	93,927	93,927	-
Summer Food Service Program	10.559	60,141	87,983	88,166	60,324
Total Child Nutrition Cluster		60,141	1,726,171	1,726,354	60,324
Team Nutrition Grants	10.574	-	-	-	-
Fresh Fruit and Vegetable Program	10.582	4,996	78,941	80,379	6,434
Total Dept of Agriculture		65,137	1,805,112	1,806,733	66,758
<b>Department of Education</b>					
Passed Through State Department of Education					
Title 1 Basic Concentration*	84.010	228,721	838,483	821,163	211,401
Title I-D ESEA Neglected Children	84.010	-	-	-	-
Total Title I	84.010	228,721	838,483	821,163	211,401
Handicapped State Grants	84.027	243,121	876,035	850,310	217,395
Handicapped Preschool	84.173	12,389	47,602	46,752	11,540
Total Special Ed Cluster		255,510	923,637	897,062	228,935
State Administrative Expenses for Child Nutrition	10.560	-	838	838	-
Migrant Education - Basic State Formula	84.011	32,516	174,161	199,022	57,376
Carl Perkins Vocational Ed Basic	84.048	54,372	54,372	51,286	51,287
Migrant Education Interstate and Intrastate Coordination Pro	84.162	-	500	500	-
Gear Up Grant	84.334	20,844	73,006	73,879	21,717
School Program	84.358	23,449	82,190	77,876	19,135
English Language Acquisition Grants	84.365	8,553	39,361	43,096	12,288
Improving Teacher Quality	84.367	48,241	115,052	82,286	15,476
Idaho Dept. of Ed. - Statewide Data	84.377	33,557	146,540	140,007	27,024
Student Support and Academic Enrichment Program	84.424	-	11,974	11,974	-
Total State Department of Education		705,764	2,460,114	2,398,988	644,638
Total Federal Financial Assistance		770,901	4,265,226	4,205,721	711,396

**MINIDOKA JOINT SCHOOL DISTRICT NO. 331****NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, *Audit of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position or changes in net position of Minidoka Joint School District #331.

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received.

**MINIDOKA JOINT SCHOOL DISTRICT #331  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses a qualified opinion on the financial statements of Minidoka Joint School District #331.
2. No reportable deficiencies disclosed during the audit of the financial statements are reported in the report of internal control dated October 12, 2018. None of the conditions are reported as a material weakness.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No material reportable conditions were discovered during the audit of the Major Federal Award Programs.
5. The auditor's report on compliance for the Major Federal Award Programs for Minidoka Joint School District #331 expresses an unqualified opinion.
6. The audit did not disclose any audit findings.
7. The programs tested as major programs include:
  - Child Nutrition Cluster – 10.553 School Breakfast Program, 10.555 National School Lunch Program and 10.559 Summer Food Service Program for Children
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Minidoka Joint School District #331 was determined to be a high-risk Auditee.

**B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

<u>Finding</u>	<u>Reportable Condition</u>	<u>Questioned Cost</u>
None	None	None

**C. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None



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## Management Letter Comments

To the Board of Trustees of the  
Minidoka Joint School District No. 331  
Rupert, Idaho 83350

In planning and performing our audit of the general purpose financial statements of Minidoka Joint School District No. 331 for the year ended June 30, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that are not considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Minidoka Joint School District No. 331's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

### East Minico – Bank Reconciliation Review

Michelle Deluna completes the bank reconciliations for the individual schools. After Michelle completes the bank reconciliations, she sends them to the individual schools and the respective school's book keeper and principal are supposed to review the reconciliations. Per discussion with Nicole Jones, although she reviews the bank reconciliations, the principal does not review them. Condie, Stoker & Associates recommends that the principal reviews all bank reconciliations.

### East Minico – Travel and Other Reimbursements

In our testing of East Minico expenditures, we noted that an individual that was receiving a reimbursement was also one of the individuals that approved the purchase order and signed the check. To help with segregation of duties and to reduce the risk of fraud or misappropriation of assets, we recommend that the person receiving a reimbursement should never be the one to approve the purchase order or sign the check.

### Payroll – PERSI

In our testing of payroll, we noted that there were several errors made in PERSI payments throughout the year. There was PERSI paid on the wages that resulted from discriminatory health benefits, uniforms, etc. that were a result of an IRS audit. The School District paid PERSI, including the employer portion, on these wages, but there should not have been a retirement benefit for these items. There were also several other instances throughout the year where PERSI was paid on wages that were not PERSI eligible. The amount of these items were not material to our audit, but we recommend that wages and PERSI payments are reviewed to ensure the accuracy of the payments.

### Charge Accounts/Credit Cards

During our testing of credit cards and charge accounts, it was noted that there were several instances throughout the year where school district employees used the school district's account to receive the school district's discount and/or to get the purchase without paying taxes since the school district is tax-exempt. In each of the instances, it appears that the employee paid for the purchase with their personal money. Therefore, it doesn't appear that the school district paid for any unauthorized expenditures, but the school district's account should strictly be used for authorized school district purchases. We recommend that all employees are made aware of this and that controls are put in place to prevent this from happening in the future.

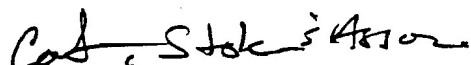
**ARTEC Salary Reimbursement**

Audit procedures discovered that one of the quarterly payments from ARTEC for reimbursement of the director's salary was not made. Internal control procedures should be implemented to ensure that all payments to affiliated school districts are made in accordance with the approved scheduled amounts.

We appreciated working with and the assistance and responsiveness of District personnel during the audit. We also note management's ability and sensitivity to display and communicate an appropriate attitude regarding internal control and the financial reporting process. We are available to discuss these matters with you as needed.

This communication is intended solely for the information and use of management and the Board and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink, appearing to read "Condie, Stoker & Associates". The signature is written in a cursive, flowing style.

Condie, Stoker and Associates  
October 12, 2018