

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2018

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

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FINANCIAL SECTION

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Independent Auditor's Report

Board of Trustees
Homedale Joint School District No. 370

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Homedale Joint School District No. 370 (the School) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

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

Qualified Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

Management has not included the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic,

and historical context. Our opinion on the basic financial statements is not affected by not including this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
October 11, 2018

BASIC FINANCIAL STATEMENTS

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$2,749,177
Receivables:	
Local Sources	407,109
State Sources	240,099
Federal Sources	198,580
Inventory	9,840
Total Current Assets	<u>3,604,805</u>
Noncurrent Assets	
Nondepreciable Capital Assets	514,068
Depreciable Net Capital Assets	4,306,069
Total Noncurrent Assets	<u>4,820,137</u>
Total Assets	<u>8,424,942</u>
Deferred Outflows of Resources	
Pension Sources	818,496
Total Deferred Outflows of Resources	<u>818,496</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$9,243,438</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$14,230
Salaries & Benefits Payable	860,763
Unspent Grant Allocation	82,992
Total Current Liabilities	<u>957,985</u>
Noncurrent Liabilities	
Net Pension Liability	2,069,661
Total Noncurrent Liabilities	<u>2,069,661</u>
Total Liabilities	<u>3,027,646</u>
Deferred Inflows of Resources	
Pension Sources	310,461
Total Deferred Inflows of Resources	<u>310,461</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,338,107</u>
Net Position	
Net Investment in Capital Assets	4,820,137
Restricted:	
Special Programs	64,768
Capital Projects	1,128,761
Unrestricted (Deficit)	<u>(108,335)</u>
Total Net Position	<u>5,905,331</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$9,243,438</u></u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Statement of Activities Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue And Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	
Governmental Activities				
Instructional Programs				
Elementary School	\$1,907,047		\$368,611	(\$1,538,436)
Secondary School	1,636,582	\$13,450	193,260	(1,429,872)
Vocational - Technical	139,081		5,602	(133,479)
Special Education	607,520			(607,520)
Interscholastic				0
School Activity	202,253			(202,253)
Summer School	7,963		7,963	0
Support Service Programs				
Attendance - Guidance - Health	269,326		7,072	(262,254)
Special Education Support Services				0
Instruction Improvement	104,025		17,134	(86,891)
Educational Media	34,123			(34,123)
Board of Education	13,973			(13,973)
District Administration	335,560		24,385	(311,175)
School Administration	486,678		142,602	(344,076)
Administrative Technology	412,903			(412,903)
Buildings - Care	465,460			(465,460)
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied	475,807			(475,807)
Maintenance - Grounds				0
Security	27,563		16,729	(10,834)
Pupil-To-School Transportation	406,337			(406,337)
Pupil-Activity Transportation	22,619			(22,619)
Other Support Services	15,052			(15,052)
Non-Instructional Programs				
Child Nutrition	554,463	67,928	470,007	(16,528)
Community Services				0
Capital Assets - Student Occupied	251,917			(251,917)
Capital Assets - Non-Student Occupied	78,268			(78,268)
Debt Service - Principal				0
Debt Service - Interest	2,984			(2,984)
Total	\$8,457,504	\$81,378	\$1,253,365	\$0
				(7,122,761)
General Revenues				
Local Taxes				1,060,826
Other Local Revenues				121,935
State Revenues				6,742,952
Federal Revenues				0
Pension Revenue (Expense)				(317,628)
Total				7,608,085
Change in Net Position				485,324
Net Position - Beginning				5,420,007
Net Position - Ending				\$5,905,331

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Child Nutrition Fund	Plant Facilities Fund	Other Governmental Funds
Assets				
Cash & Investments	\$1,727,089	\$46,350	\$601,111	\$374,627
Receivables:				
Local Sources	120,106		286,023	980
State Sources	220,724			19,375
Federal Sources				198,580
Due From Other Funds	66,271			0
Inventory		9,840		0
Total Assets	<u>\$2,134,190</u>	<u>\$56,190</u>	<u>\$887,134</u>	<u>\$593,562</u>
Liabilities				
Accounts Payable	\$11,359			\$2,871
Due To Other Funds				66,271
Salaries & Benefits Payable	737,753	\$40,859		82,151
Unspent Grant Allocation				82,992
Total Liabilities	<u>749,112</u>	<u>40,859</u>	<u>\$0</u>	<u>234,285</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	21,095		58,373	0
Total Deferred Inflows of Resources	<u>21,095</u>	<u>0</u>	<u>58,373</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs		5,491		59,277
Capital Projects			828,761	300,000
Nonspendable		9,840		0
Committed	162,289			0
Unassigned	1,201,694			0
Total Fund Balances	<u>1,363,983</u>	<u>15,331</u>	<u>828,761</u>	<u>359,277</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$2,134,190</u>	<u>\$56,190</u>	<u>\$887,134</u>	<u>\$593,562</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

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Balance Sheet - Governmental Funds

June 30, 2018

	Total Governmental Funds
Assets	
Cash & Investments	\$2,749,177
Receivables:	
Local Sources	407,109
State Sources	240,099
Federal Sources	198,580
Due From Other Funds	66,271
Inventory	9,840
Total Assets	<u><u>\$3,671,076</u></u>
Liabilities	
Accounts Payable	\$14,230
Due To Other Funds	66,271
Salaries & Benefits Payable	860,763
Unspent Grant Allocation	82,992
Total Liabilities	<u><u>1,024,256</u></u>
Deferred Inflows of Resources	
Unavailable Tax Revenues	79,468
Total Deferred Inflows of Resources	<u><u>79,468</u></u>
Fund Balances	
Restricted:	
Special Programs	64,768
Capital Projects	1,128,761
Nonspendable	9,840
Committed	162,289
Unassigned	1,201,694
Total Fund Balances	<u><u>2,567,352</u></u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u><u>\$3,671,076</u></u>

Balance Sheet - Governmental Funds

June 30, 2018

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

Total Governmental Fund Balances \$2,567,352

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 4,820,137

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds. 79,468

Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds. (1,561,626)

Net Position of Governmental Activities \$5,905,331

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

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

	General Fund	Child Nutrition Fund	Plant Facilities Fund	Other Governmental Funds
Revenues				
Local Taxes	\$277,638		\$765,084	\$4,243
Other Local Revenue	75,793	\$67,928	31,675	44,677
State Revenue	6,766,441			327,260
Federal Revenue		470,007		415,849
Total Revenues	<u>7,119,872</u>	<u>537,935</u>	<u>796,759</u>	<u>792,029</u>
Expenditures				
Instructional Programs				
Elementary School	1,803,436			411,170
Secondary School	1,677,435			221,142
Vocational - Technical	133,479			5,602
Special Education	607,520			0
Interscholastic				0
School Activity	202,253			0
Summer School				7,963
Support Service Programs				
Attendance - Guidance - Health	262,254			7,072
Special Education Support Services				0
Instruction Improvement	49,386			54,639
Educational Media	34,123			0
Board of Education	13,973			0
District Administration	308,518			27,042
School Administration	486,678			0
Administrative Technology	264,517			148,386
Buildings - Care	465,460			0
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied	247,292			228,515
Maintenance - Grounds				0
Security	9,863			17,700
Pupil-To-School Transportation	406,337			0
Pupil-Activity Transportation	22,619			0
Other Support Services	15,052			0
Non-Instructional Programs				
Child Nutrition	10,161	544,302		0
Community Services				0
Capital Assets - Student Occupied				0
Capital Assets - Non-Student Occupied			685,650	90,592
Debt Service - Principal				385,000
Debt Service - Interest				8,951
Total Expenditures	<u>7,020,356</u>	<u>544,302</u>	<u>685,650</u>	<u>1,613,774</u>
Excess (Deficiency) of Revenues Over Expenditures	99,516	(6,367)	111,109	(821,745)
Other Financing Sources (Uses)				
Transfers In	24,531		238,236	309,264
Transfers Out	(80,235)		(231,922)	(259,874)
Total Other Financing Sources (Uses)	<u>(55,704)</u>	<u>0</u>	<u>6,314</u>	<u>49,390</u>
Net Change in Fund Balances	43,812	(6,367)	117,423	(772,355)
Fund Balances - Beginning	1,320,171	21,698	711,338	1,131,632
Fund Balances - Ending	<u>\$1,363,983</u>	<u>\$15,331</u>	<u>\$828,761</u>	<u>\$359,277</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

	<u>Total Governmental Funds</u>
Revenues	
Local Taxes	\$1,046,965
Other Local Revenue	220,073
State Revenue	7,093,701
Federal Revenue	885,856
Total Revenues	<u>9,246,595</u>
Expenditures	
Instructional Programs	
Elementary School	2,214,606
Secondary School	1,898,577
Vocational - Technical	139,081
Special Education	607,520
Interscholastic	0
School Activity	202,253
Summer School	7,963
Support Service Programs	
Attendance - Guidance - Health	269,326
Special Education Support Services	0
Instruction Improvement	104,025
Educational Media	34,123
Board of Education	13,973
District Administration	335,560
School Administration	486,678
Administrative Technology	412,903
Buildings - Care	465,460
Maintenance - Non-Student Occupied	0
Maintenance - Student Occupied	475,807
Maintenance - Grounds	0
Security	27,563
Pupil-To-School Transportation	406,337
Pupil-Activity Transportation	22,619
Other Support Services	15,052
Non-Instructional Programs	
Child Nutrition	554,463
Community Services	0
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	776,242
Debt Service - Principal	385,000
Debt Service - Interest	8,951
Total Expenditures	<u>9,864,082</u>
Excess (Deficiency) of Revenues Over Expenditures	(617,487)
Other Financing Sources (Uses)	
Transfers In	572,031
Transfers Out	(572,031)
Total Other Financing Sources (Uses)	<u>0</u>
Net Change in Fund Balances	(617,487)
Fund Balances - Beginning	<u>3,184,839</u>
Fund Balances - Ending	<u><u>\$2,567,352</u></u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

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

Net Change in Fund Balances - Total Governmental Funds (\$617,487)

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period. 446,057

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 13,861

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net 385,000

In the statement of activities, interest is accrued on long-term debt, but the expenditure is reported when due in the governmental funds. 5,967

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. 251,926

Change in Net Position of Governmental Activities \$485,324

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Statement of Fiduciary Net Position

June 30, 2018

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds - Student Activity</u>	<u>Total</u>
Assets			
Cash & Investments	\$15,911	\$185,188	\$201,099
Total Assets	<u>\$15,911</u>	<u>\$185,188</u>	<u>\$201,099</u>
Liabilities			
Due to Student Groups		\$185,188	\$185,188
Total Liabilities	<u>\$0</u>	<u>185,188</u>	<u>185,188</u>
Net Position			
Restricted:			
Scholarships	15,911		15,911
Total Net Position	<u>15,911</u>	<u>0</u>	<u>15,911</u>
Total Liabilities and Net Position	<u>\$15,911</u>	<u>\$185,188</u>	<u>\$201,099</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2018

	<u>Private Purpose Trust Funds</u>
Additions	
Investment Income (Loss)	\$1,043
Total Additions	<u>1,043</u>
Deductions	
Transfer to Third Party Administrator	11,992
Total Deductions	<u>11,992</u>
Change in Net Position	(10,949)
Net Position - Beginning	<u>26,860</u>
Net Position - Ending	<u><u>\$15,911</u></u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Homedale Joint School District No. 370 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Owyhee and Canyon Counties.

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to school districts. The governmental accounting standards board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

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

In the government-wide statement of net position, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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

The net costs (by function) are normally covered by general revenues.

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

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

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Notes to Financial Statements

outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

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

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

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

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

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

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

Private Purpose Trust Funds – Private purpose trust funds are used to account for the assets, and related income producing and disbursement activities, for which the School acts as a scholarship trustee.

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

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

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

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Notes to Financial Statements

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

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

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

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

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

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

Other Post-Employment Benefits – The School does not provide benefits to retired employees other than retirement benefits funded through the Public Employees Retirement System of Idaho. However, certain retired employees can remain on the School insurance policy after retirement if the retired employee pays the average monthly cost. The difference between the age-adjusted monthly cost and the average monthly cost is referred to as an "implicit subsidy" since the medical insurance rate of a retired employee is generally higher than the medical insurance rate of a younger employee. GASB 75 requires that employers have actuarial calculations performed for these other post-employment benefits so that liabilities and related expenses can be recorded in the government-wide financial statements and related notes and required supplementary information can be prepared. Management believes the costs of implementing GASB 75 cannot be justified at this time. Accordingly, the School accounts for the other-post employment benefits for retirees on the pay-as-you-go basis.

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Notes to Financial Statements

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

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

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

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

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

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

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

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

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

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

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

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	(\$59,700)	\$81,522	\$21,822
Investments - Local Gov't Investment Pool	2,808,877	119,577	2,928,454
Total	\$2,749,177	\$201,099	\$2,950,276

Deposits – At year end, the carrying amounts of the School's deposits were \$21,822 and the bank balances were \$156,385. The bank balances were insured.

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Notes to Financial Statements

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

Interest rate risk:

<u>Investment Type</u>	Investment Maturity Schedule (In Years)	
	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	\$2,928,454	\$2,928,454
Total	\$2,928,454	\$2,928,454

Credit rate risk:

<u>Investment Type</u>	Investment Rating Schedule	
	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$2,928,454	\$2,928,454
Total	\$2,928,454	\$2,928,454

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

The local government investment pool is managed by the state treasurer's office and is invested in accordance with state statutes and regulations. More information on the local governmental investment pool including regulatory information, restriction on withdrawals, and rating and risk information can be found at sto.idaho.gov. Government accounting standards board statements requires government entities to disclose credit quality ratings, concentration of credit risk, and interest rate risk on investment balances. Investments in the local government investment pool are, due to their nature, not required to be rated in terms of credit quality, and are excluded from the other disclosure requirements.

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Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Local Sources				
Local Taxes	\$103,384		\$286,023	\$389,407
Other Local Sources	16,722	\$980		17,702
Total	<u>\$120,106</u>	<u>\$980</u>	<u>\$286,023</u>	<u>\$407,109</u>
State Sources				
Foundation Program	\$220,724			\$220,724
Special Programs		\$19,375		19,375
Total	<u>\$220,724</u>	<u>\$19,375</u>		<u>\$240,099</u>
Federal Sources				
Special Programs		\$198,580		\$198,580
Total		<u>\$198,580</u>		<u>\$198,580</u>

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Notes to Financial Statements

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$335,000			\$335,000
Construction in Progress	19,068	\$160,000		179,068
Total	<u>354,068</u>	<u>160,000</u>	<u>\$0</u>	<u>514,068</u>
Depreciable Capital Assets				
Buildings	9,487,081	430,568		9,917,649
Equipment	529,542	16,814		546,356
Transportation	1,252,846	90,592		1,343,438
Subtotal	<u>11,269,469</u>	<u>537,974</u>	<u>0</u>	<u>11,807,443</u>
Accumulated Depreciation				
Buildings	5,875,802	159,781		6,035,583
Equipment	458,451	15,951		474,402
Transportation	915,204	76,185		991,389
Subtotal	<u>7,249,457</u>	<u>251,917</u>	<u>0</u>	<u>7,501,374</u>
Total	<u>4,020,012</u>	<u>286,057</u>	<u>0</u>	<u>4,306,069</u>
Net Capital Assets	<u><u>\$4,374,080</u></u>	<u><u>\$446,057</u></u>	<u><u>\$0</u></u>	<u><u>\$4,820,137</u></u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$175,732
Pupil-To-School Transportation	76,185
Total	<u><u>\$251,917</u></u>

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Notes to Financial Statements

E. LONG-TERM DEBT

Changes in long-term debt are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2004 G.O.R. Bonds	\$385,000		\$385,000	\$0	\$0
Total	<u>\$385,000</u>	<u>\$0</u>	<u>\$385,000</u>	<u>\$0</u>	<u>\$0</u>

Interest and related costs during the year amounted to \$2,984 and were charged to the debt service – interest program.

F. PENSION PLAN

Plan Description

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

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

Pension Benefits

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

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

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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's contributions were \$493,509 for the year ended June 30, 2018.

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

At June 30, 2018, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the School's proportion was 0.1316722 percent.

For the year ended June 30, 2018, the School recognized pension revenue (expense) of (\$317,628). At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$286,713	\$186,459
Changes in assumptions or other inputs	38,274	
Net difference between projected and actual earnings on pension plan investments		124,002
Employer contributions subsequent to the measurement date	493,509	
Total	<u><u>\$818,496</u></u>	<u><u>\$310,461</u></u>

\$493,509 reported as deferred outflows of resources related to pensions resulting from School

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contributions made subsequent to the measurement date will be recognized as an addition to the pension expense or reduction of the pension revenue in the year ending June 30, 2019.

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

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

Year Ended	
6/30/19	(\$112,514)
6/30/20	194,445
6/30/21	55,173
6/30/22	(122,578)
Total	\$14,526

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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- Set back one year for all general employees and all beneficiaries

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

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.

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

*Expected arithmetic return net of fees and expenses

Actuarial Assumptions

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.10%

Discount Rate

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

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

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

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	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School's proportionate share of the net pension liability (asset)	\$4,810,318	\$2,069,661	\$207,898

Pension plan fiduciary net position

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

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

Impacts on the School's net position

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

G. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
	Nonmajor Governmental	Total
Due To Fund		
General	\$66,271	\$66,271
Total	\$66,271	\$66,271

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

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Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$24,531	\$80,235	Depreciation, Indirect Costs, Support
Plant Facility	238,236	231,922	Support, Balance Transfer
Nonmajor Governmental	309,264	259,874	Depreciation, Indirect Costs, Support, Balance Transfer
Total	<u>\$572,031</u>	<u>\$572,031</u>	

H. CANYON OWYHEE SCHOOL SERVICE AGENCY

The School is involved in a cooperative effort with the Marsing, Notus, Parma, and Wilder School Districts to provide special and vocational education to the School's students through the Canyon Owyhee School Service Agency (COSSA). During the year, the School paid COSSA \$756,051 for instruction of School students served by COSSA.

REQUIRED SUPPLEMENTARY INFORMATION

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

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$297,627	\$280,091	\$277,638	(\$2,453)
Other Local Revenue	52,005	84,700	75,793	(8,907)
State Revenue	6,649,585	6,877,032	6,766,441	(110,591)
Federal Revenue	0	0	0	0
Total Revenues	<u>6,999,217</u>	<u>7,241,823</u>	<u>7,119,872</u>	<u>(121,951)</u>
Expenditures				
Instructional Programs				
Elementary School	1,915,881	1,905,420	1,803,436	101,984
Secondary School	1,768,799	1,762,726	1,677,435	85,291
Vocational - Technical	136,979	143,154	133,479	9,675
Special Education	607,520	607,520	607,520	0
Interscholastic	0	0	0	0
School Activity	223,150	213,850	202,253	11,597
Summer School	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	295,150	299,556	262,254	37,302
Special Education Support Services	0	0	0	0
Instruction Improvement	101,980	105,008	49,386	55,622
Educational Media	39,830	35,510	34,123	1,387
Board of Education	22,120	22,120	13,973	8,147
District Administration	300,451	320,251	308,518	11,733
School Administration	486,150	487,949	486,678	1,271
Administrative Technology	280,029	278,289	264,517	13,772
Buildings - Care	504,444	504,534	465,460	39,074
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	247,200	244,100	247,292	(3,192)
Maintenance - Grounds	0	0	0	0
Security	18,000	18,453	9,863	8,590
Pupil-To-School Transportation	463,074	466,354	406,337	60,017
Pupil-Activity Transportation	28,555	28,555	22,619	5,936
Other Support Services	0	15,052	15,052	0
Non-Instructional Programs				
Child Nutrition	12,000	12,000	10,161	1,839
Community Services	0	0	0	0
Capital Assets - Student Occupied	320,967	417,700	0	417,700
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>7,772,279</u>	<u>7,888,101</u>	<u>7,020,356</u>	<u>867,745 *</u>
Excess (Deficiency) of Revenues Over Expenditures				
	(773,062)	(646,278)	99,516	745,794
Other Financing Sources (Uses)				
Transfers In	22,365	25,928	24,531	1,397
Transfers Out	(80,582)	(81,620)	(80,235)	1,385 *
Total Other Financing Sources (Uses)	<u>(58,217)</u>	<u>(55,692)</u>	<u>(55,704)</u>	<u>2,782</u>
Net Change in Fund Balances	<u>(831,279)</u>	<u>(701,970)</u>	<u>43,812</u>	<u>748,576</u>
Fund Balances - Beginning	<u>831,279</u>	<u>1,193,790</u>	<u>1,320,171</u>	<u>(126,381)</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$491,820</u>	<u>\$1,363,983</u>	<u>\$622,195</u>

*Total expenditures (over) under appropriations are: \$869,130

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

Child Nutrition Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$0	\$0	\$0	\$0
Other Local Revenue	66,500	68,150	67,928	(222)
State Revenue	0	0	0	0
Federal Revenue	378,000	430,970	470,007	39,037
Total Revenues	<u>444,500</u>	<u>499,120</u>	<u>537,935</u>	<u>38,815</u>
Expenditures				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
Vocational - Technical	0	0	0	0
Special Education	0	0	0	0
Interscholastic	0	0	0	0
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Board of Education	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Administrative Technology	0	0	0	0
Buildings - Care	0	0	0	0
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	0	0	0	0
Maintenance - Grounds	0	0	0	0
Security	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
Other Support Services	0	0	0	0
Non-Instructional Programs				
Child Nutrition	488,933	495,430	544,302	(48,872)
Community Services	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>488,933</u>	<u>495,430</u>	<u>544,302</u>	<u>(48,872) *</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(44,433)	3,690	(6,367)	(10,057)
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(44,433)	3,690	(6,367)	(10,057)
Fund Balances - Beginning	44,433	21,698	21,698	0
Fund Balances - Ending	<u>\$0</u>	<u>\$25,388</u>	<u>\$15,331</u>	<u>(\$10,057)</u>

*Total expenditures (over) under appropriations are: (\$48,872)

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's portion of the net pension liability	0.1316722%	0.1326745%	0.1373295%	0.1382738%
School's proportionate share of the net pension liability	\$2,069,661	\$2,689,516	\$1,808,406	\$1,017,912
School's covered payroll	\$4,359,620	\$4,088,489	\$3,880,323	\$3,846,561
School's proportional share of the net pension liability as a percentage of its covered payroll	47.47%	65.78%	46.60%	26.46%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%	94.95%

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

Data reported is measured as of June 30.

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

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	\$493,509	\$462,817	\$439,253	\$435,431
Contributions in relation to the statutorily required contribution	\$493,509	\$462,817	\$439,253	\$435,431
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$4,359,620	\$4,088,489	\$3,880,323	\$3,846,561
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

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

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

SUPPLEMENTARY INFORMATION

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	School Improvement	Go On Grant	Prevention Programs	Leadership Premiums
Assets				
Cash & Investments	\$13,860			\$24,888
Receivables:				
Local Sources			\$980	
State Sources				
Federal Sources				
Due From Other Funds				
Inventory				
Total Assets	\$13,860	\$0	\$980	\$24,888
Liabilities				
Accounts Payable				
Due To Other Funds			\$500	
Salaries & Benefits Payable	\$3,617			\$3,241
Unspent Grant Allocation				
Total Liabilities	3,617	\$0	500	3,241
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	10,243		480	21,647
Capital Projects				
Nonspendable				
Committed				
Unassigned				
Total Fund Balances	10,243	0	480	21,647
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$13,860	\$0	\$980	\$24,888

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Local School Facilities	Driver Education	Professional Technical	Limited English Proficiency
Assets				
Cash & Investments	\$300,000	\$3,844		\$5,510
Receivables:				
Local Sources				
State Sources		9,375	\$10,000	
Federal Sources				
Due From Other Funds				
Inventory				
Total Assets	<u>\$300,000</u>	<u>\$13,219</u>	<u>\$10,000</u>	<u>\$5,510</u>
Liabilities				
Accounts Payable			\$2,871	
Due To Other Funds			7,129	
Salaries & Benefits Payable				\$3,548
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>10,000</u>	<u>3,548</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs		13,219		1,962
Capital Projects	300,000			
Nonspendable				
Committed				
Unassigned				
Total Fund Balances	<u>300,000</u>	<u>13,219</u>	<u>0</u>	<u>1,962</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$300,000</u>	<u>\$13,219</u>	<u>\$10,000</u>	<u>\$5,510</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Technology	Substance Abuse	Title I-A School Improvements	Title I-A ESSA IBP
Assets				
Cash & Investments	\$8,659	\$3,067		
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$118,637
Due From Other Funds				
Inventory				
Total Assets	<u>\$8,659</u>	<u>\$3,067</u>	<u>\$0</u>	<u>\$118,637</u>
Liabilities				
Accounts Payable				
Due To Other Funds				\$36,589
Salaries & Benefits Payable				40,707
Unspent Grant Allocation				41,341
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>118,637</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	8,659	3,067		
Capital Projects				
Nonspendable				
Committed				
Unassigned				
Total Fund Balances	<u>8,659</u>	<u>3,067</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$8,659</u>	<u>\$3,067</u>	<u>\$0</u>	<u>\$118,637</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Title I-C ESSA EMC	Title IV-A ESSA SS & AE	Title V-B ESSA REI	Title III ESSA ELA
Assets				
Cash & Investments	\$14,799			
Receivables:				
Local Sources				
State Sources				
Federal Sources	20,889	\$4,201	\$4,738	\$10,857
Due From Other Funds				
Inventory				
Total Assets	<u>\$35,688</u>	<u>\$4,201</u>	<u>\$4,738</u>	<u>\$10,857</u>
Liabilities				
Accounts Payable				
Due To Other Funds		\$2,432	\$1,413	\$3,754
Salaries & Benefits Payable	\$11,818	1,272	3,325	2,365
Unspent Grant Allocation	23,870	497		4,738
Total Liabilities	<u>35,688</u>	<u>4,201</u>	<u>4,738</u>	<u>10,857</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Nonspendable				
Committed				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$35,688</u>	<u>\$4,201</u>	<u>\$4,738</u>	<u>\$10,857</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital Projects</u>
	<u>Title II-A</u>		<u>Bond</u>	<u>Bus</u>
	<u>ESSA</u>		<u>R & I</u>	<u>Depreciation</u>
	<u>SEI</u>	<u>Gear Up</u>	<u>Fund</u>	<u>Fund</u>
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$25,907	\$13,351		
Due From Other Funds				
Inventory				
Total Assets	<u>\$25,907</u>	<u>\$13,351</u>	<u>\$0</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$11,698	\$2,756		
Salaries & Benefits Payable	7,842	4,416		
Unspent Grant Allocation	6,367	6,179		
Total Liabilities	<u>25,907</u>	<u>13,351</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Nonspendable				
Committed				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$25,907</u>	<u>\$13,351</u>	<u>\$0</u>	<u>\$0</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Capital Projects		Total
	Building		
	Maintenance		
	Fund		
Assets			
Cash & Investments			\$374,627
Receivables:			
Local Sources			980
State Sources			19,375
Federal Sources			198,580
Due From Other Funds			0
Inventory			0
Total Assets	\$0		\$593,562
Liabilities			
Accounts Payable			\$2,871
Due To Other Funds			66,271
Salaries & Benefits Payable			82,151
Unspent Grant Allocation			82,992
Total Liabilities	\$0		234,285
Deferred Inflows of Resources			
Unavailable Tax Revenues			0
Total Deferred Inflows of Resources	0		0
Fund Balances			
Restricted:			
Special Programs			59,277
Capital Projects			300,000
Nonspendable			0
Committed			0
Unassigned			0
Total Fund Balances	0		359,277
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$0		\$593,562

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2018

	Special Revenue Funds			
	School Improvement	Go On Grant	Prevention Programs	Leadership Premiums
Revenues				
Local Taxes				
Other Local Revenue	\$350	\$10	\$16,750	
State Revenue				\$72,264
Federal Revenue				
Total Revenues	350	10	16,750	72,264
Expenditures				
Instructional Programs				
Elementary School				41,061
Secondary School		1,129		26,056
Vocational - Technical				5,602
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				7,072
Special Education Support Services				
Instruction Improvement	21,836		16,593	541
Educational Media				
Board of Education				
District Administration				
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	21,836	1,129	16,593	80,332
Excess (Deficiency) of Revenues Over Expenditures	(21,486)	(1,119)	157	(8,068)
Other Financing Sources (Uses)				
Transfers In		3		1,154
Transfers Out		(3)		
Total Other Financing Sources (Uses)	0	0	0	1,154
Net Change in Fund Balances	(21,486)	(1,119)	157	(6,914)
Fund Balances - Beginning	31,729	1,119	323	28,561
Fund Balances - Ending	\$10,243	\$0	\$480	\$21,647

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2018

	Special Revenue Funds			
	Local School Facilities	Driver Education	Professional Technical	Limited English Proficiency
Revenues				
Local Taxes				
Other Local Revenue		\$13,450		
State Revenue		9,375	\$62,307	\$23,983
Federal Revenue				
Total Revenues	<u>\$0</u>	<u>22,825</u>	<u>62,307</u>	<u>23,983</u>
Expenditures				
Instructional Programs				
Elementary School				16,087
Secondary School		15,160	62,307	7,920
Vocational - Technical				
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>0</u>	<u>15,160</u>	<u>62,307</u>	<u>24,007</u>
Excess (Deficiency) of Revenues Over Expenditures	0	7,665	0	(24)
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				(1,142)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,142)</u>
Net Change in Fund Balances	0	7,665	0	(1,166)
Fund Balances - Beginning	300,000	5,554	0	3,128
Fund Balances - Ending	<u>\$300,000</u>	<u>\$13,219</u>	<u>\$0</u>	<u>\$1,962</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2018

	Special Revenue Funds			
	Technology	Substance Abuse	Title I-A School Improvements	Title I-A ESSA IBP
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$142,602	\$16,729		
Federal Revenue				\$245,968
Total Revenues	<u>142,602</u>	<u>16,729</u>	<u>\$0</u>	<u>245,968</u>
Expenditures				
Instructional Programs				
Elementary School				203,549
Secondary School			7,933	18,034
Vocational - Technical				
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				15,669
Educational Media				
Board of Education				
District Administration				27,042
School Administration				
Administrative Technology	148,386			
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security		17,700		
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>148,386</u>	<u>17,700</u>	<u>7,933</u>	<u>264,294</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,784)	(971)	(7,933)	(18,326)
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				(13,681)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,681)</u>
Net Change in Fund Balances	(5,784)	(971)	(7,933)	(32,007)
Fund Balances - Beginning	14,443	4,038	7,933	32,007
Fund Balances - Ending	<u>\$8,659</u>	<u>\$3,067</u>	<u>\$0</u>	<u>\$0</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds			
	Title I-C	Title IV-A	Title V-B	Title III
	ESSA EMC	ESSA SS & AE	ESSA REI	ESSA ELA
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$56,147	\$9,503	\$19,803	\$8,366
Total Revenues	<u>56,147</u>	<u>9,503</u>	<u>19,803</u>	<u>8,366</u>
Expenditures				
Instructional Programs				
Elementary School	43,348	9,027	10,320	18,644
Secondary School	30,809		8,540	
Vocational - Technical				
Special Education				
Interscholastic				
School Activity				
Summer School	7,963			
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>82,120</u>	<u>9,027</u>	<u>18,860</u>	<u>18,644</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,973)	476	943	(10,278)
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(3,810)	(476)	(943)	(257)
Total Other Financing Sources (Uses)	<u>(3,810)</u>	<u>(476)</u>	<u>(943)</u>	<u>(257)</u>
Net Change in Fund Balances	(29,783)	0	0	(10,535)
Fund Balances - Beginning	29,783	0	0	10,535
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital Projects</u>
	<u>Title II-A</u>		<u>Bond</u>	<u>Bus</u>
	<u>ESSA</u>		<u>R & I</u>	<u>Depreciation</u>
	<u>SEI</u>	<u>Gear Up</u>	<u>Fund</u>	<u>Fund</u>
Revenues				
Local Taxes			\$4,243	
Other Local Revenue			3,117	\$11,000
State Revenue				
Federal Revenue	\$46,012	\$30,050		
Total Revenues	<u>46,012</u>	<u>30,050</u>	<u>7,360</u>	<u>11,000</u>
Expenditures				
Instructional Programs				
Elementary School	69,134			
Secondary School		43,254		
Vocational - Technical				
Special Education				
Interscholastic				
School Activity				
Summer School				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Board of Education				
District Administration				
School Administration				
Administrative Technology				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
Other Support Services				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				90,592
Debt Service - Principal			385,000	
Debt Service - Interest			8,951	
Total Expenditures	<u>69,134</u>	<u>43,254</u>	<u>393,951</u>	<u>90,592</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(23,122)	(13,204)	(386,591)	(79,592)
Other Financing Sources (Uses)				
Transfers In				79,592
Transfers Out	(2,494)	(1,725)	(235,343)	
Total Other Financing Sources (Uses)	<u>(2,494)</u>	<u>(1,725)</u>	<u>(235,343)</u>	<u>79,592</u>
Net Change in Fund Balances	(25,616)	(14,929)	(621,934)	0
Fund Balances - Beginning	25,616	14,929	621,934	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

HOMEDALE JOINT SCHOOL DISTRICT NO. 370
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2018

	Capital Projects	
	Building	
	Maintenance	
	Fund	Total
Revenues		
Local Taxes		\$4,243
Other Local Revenue		44,677
State Revenue		327,260
Federal Revenue		415,849
Total Revenues	\$0	792,029
Expenditures		
Instructional Programs		
Elementary School		411,170
Secondary School		221,142
Vocational - Technical		5,602
Special Education		0
Interscholastic		0
School Activity		0
Summer School		7,963
Support Service Programs		
Attendance - Guidance - Health		7,072
Special Education Support Services		0
Instruction Improvement		54,639
Educational Media		0
Board of Education		0
District Administration		27,042
School Administration		0
Administrative Technology		148,386
Buildings - Care		0
Maintenance - Non-Student Occupied		0
Maintenance - Student Occupied	228,515	228,515
Maintenance - Grounds		0
Security		17,700
Pupil-To-School Transportation		0
Pupil-Activity Transportation		0
Other Support Services		0
Non-Instructional Programs		
Child Nutrition		0
Community Services		0
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		90,592
Debt Service - Principal		385,000
Debt Service - Interest		8,951
Total Expenditures	228,515	1,613,774
Excess (Deficiency) of Revenues		
Over Expenditures	(228,515)	(821,745)
Other Financing Sources (Uses)		
Transfers In	228,515	309,264
Transfers Out		(259,874)
Total Other Financing Sources (Uses)	228,515	49,390
Net Change in Fund Balances	0	(772,355)
Fund Balances - Beginning	0	1,131,632
Fund Balances - Ending	\$0	\$359,277

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	201717/201818N109947	\$118,840
National School Lunch Program*	10.555	201717/201818N109947	313,276
Special Milk Program for Children	10.556	201717/201818N109947	1,009
Summer Food Service Program for Children	10.559	201717N109947	3,859
Total Child Nutrition Cluster			436,984
Fresh Fruit & Vegetable Program	10.582	201717/201818L160347	33,023
Total US Dept of Agriculture			470,007
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	S010A16/170012	285,907
Migrant Education - State Grant Program	84.011	S011A16/170012	85,931
Gaining Early Awareness & Readiness for Undergrad. Programs	84.334	P334S110016	44,979
Rural Education	84.358	S358B170012	19,803
English Language Acquisition State Grants	84.365	S365A16/170012	18,901
Supporting Effective Instruction State Grants	84.367	S367A16/170011	71,629
Student Support & Academic Enrichment Program	84.424	S424A170013	9,503
Total US Dept of Education			536,653
Total Expenditures of Federal Awards			\$1,006,660

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*. Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

B. Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$34,512.

OTHER REPORTS AND SCHEDULES

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

Board of Trustees
Homedale Joint School District No. 370

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Homedale Joint School District No. 370 (the School), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 11, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
October 11, 2018

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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

Board of Trustees
Homedale Joint School District No. 370

Report on Compliance for Each Major Federal Program

We have audited Homedale Joint School District No. 370 (the School'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 School's major federal programs for the year ended June 30, 2018. The School'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 the School'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 the School'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 the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School 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 the School is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 in 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.

Quest CPAs PLLC

Payette, Idaho
October 11, 2018

HOMEDALE JOINT SCHOOL DISTRICT NO. 370

Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Major program identification:

a. Child Nutrition Cluster – CFDA #10.553, 10.555, 10.556, 10.559

Dollar threshold used to distinguish between type A and B programs: \$750,000

Auditee qualified as a low-risk auditee? No