

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

FINANCIAL STATEMENTS

Year Ended June 30, 2015

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

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FINANCIAL SECTION



Independent Auditor's Report

Board of Trustees
Soda Springs Joint School District No. 150

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Soda Springs Joint School District No. 150 (the School) as of and for the year ended June 30, 2015, 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 has not performed the actuarial calculations for other post-employment benefits for the governmental activities and, accordingly, has not considered the School's other post-employment benefit liability. Accounting principles generally accepted in the United States of America require that a liability 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, 2015, 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, 2015, 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 omitted 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 missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. Our opinion on the basic financial statements is not affected by this missing 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, and schedule of expenditures of federal awards (as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 August 27, 2015, 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, P.C.

Payette, Idaho
August 27, 2015

BASIC FINANCIAL STATEMENTS

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$1,290,698
Receivables:	
Local Sources	599,738
State Sources	134,923
Federal Sources	136,672
Total Current Assets	<u>2,162,031</u>
Noncurrent Assets	
Nondepreciable Capital Assets	481,785
Depreciable Net Capital Assets	4,208,097
Total Noncurrent Assets	<u>4,689,882</u>
Total Assets	<u>6,851,913</u>
 Deferred Outflows of Resources	
Pension Sources	444,972
Total Deferred Outflows of Resources	<u>444,972</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$7,296,885</u></u>
 Liabilities	
Current Liabilities	
Accounts Payable	\$0
Salaries & Benefits Payable	605,458
Unspent Grant Allocation	102,215
Total Current Liabilities	<u>707,673</u>
Noncurrent Liabilities	
Net Pension Liability	895,644
Total Noncurrent Liabilities	<u>895,644</u>
Total Liabilities	<u>1,603,317</u>
 Deferred Inflows of Resources	
Pension Sources	1,232,961
Total Deferred Inflows of Resources	<u>1,232,961</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,836,278</u>
 Net Position	
Net Investment in Capital Assets	4,689,882
Restricted:	
Special Programs	15,213
Capital Projects	1,023,536
Unrestricted	(1,268,024)
Total Net Position	<u>4,460,607</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u><u>\$7,296,885</u></u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Activities Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes in Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$1,434,281		\$105,597		(\$1,328,684)
Secondary School	1,742,786		13,213		(1,729,573)
Special Education	427,279		213,498		(213,781)
Special Education Preschool	85,976		7,249		(78,727)
Gifted & Talented	1,008				(1,008)
Interscholastic	143,513				(143,513)
Support Service Programs					
Attendance - Guidance - Health	222,656		315		(222,341)
Special Education Support Services	66,358				(66,358)
Instructional Improvement	135,043		48,075		(86,968)
Educational Media	124,854				(124,854)
Board of Education	25,905				(25,905)
District Administration	176,077				(176,077)
School Administration	396,035				(396,035)
Business Operations	79,410				(79,410)
Buildings - Care	528,543	\$71,600			(456,943)
Maintenance - Non-Student Occupied	12,836				(12,836)
Maintenance - Student Occupied	446,933				(446,933)
Maintenance - Grounds	195				(195)
Pupil-To-School Transportation	327,073				(327,073)
Pupil-Activity Transportation	21,016				(21,016)
General Transportation	4,662				(4,662)
Non-Instructional Programs					
Child Nutrition	278,115	77,530	175,293		(25,292)
Capital Assets - Student Occupied	4,207				(4,207)
Capital Assets - Non-Student Occupied	0				0
Total	<u>\$6,684,761</u>	<u>\$149,130</u>	<u>\$563,240</u>	<u>\$0</u>	<u>(5,972,391)</u>
General Revenues					
Local Taxes					1,475,097
Other Local Revenues					365,336
State Revenues					4,507,300
Federal Revenues					45,283
Total					<u>6,393,016</u>
Change in Net Position					420,625
Net Position - Beginning - As Previously Stated					5,994,405
Restatement - See Note G					<u>(1,954,423)</u>
Net Position - Beginning - As Restated					<u>4,039,982</u>
Net Position - Ending					<u>\$4,460,607</u>

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Balance Sheet - Governmental Funds

June 30, 2015

	General Fund	Forest Reserve Fund	Child Nutrition Fund	Plant Facilities Fund
Assets				
Cash & Investments	\$434,544	\$453,839	\$14,486	\$291,709
Receivables:				
Local Sources	402,657			197,081
State Sources	134,923			
Federal Sources				
Due From Other Funds	34,457			
Total Assets	<u>\$1,006,581</u>	<u>\$453,839</u>	<u>\$14,486</u>	<u>\$488,790</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable	\$590,972		\$14,486	
Unspent Grant Allocation				
Total Liabilities	<u>590,972</u>	<u>\$0</u>	<u>14,486</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues	19,951			10,096
Total Deferred Inflows of Resources	<u>19,951</u>	<u>0</u>	<u>0</u>	<u>10,096</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects		453,839		478,694
Unassigned	395,658			
Total Fund Balances	<u>395,658</u>	<u>453,839</u>	<u>0</u>	<u>478,694</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$1,006,581</u>	<u>\$453,839</u>	<u>\$14,486</u>	<u>\$488,790</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

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Balance Sheet - Governmental Funds

June 30, 2015

	Bus Depreciation Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash & Investments	\$80,907	\$15,213	\$1,290,698
Receivables:			
Local Sources		0	599,738
State Sources		0	134,923
Federal Sources		136,672	136,672
Due From Other Funds		0	34,457
Total Assets	<u>\$80,907</u>	<u>\$151,885</u>	<u>\$2,196,488</u>
Liabilities			
Accounts Payable		\$0	\$0
Due To Other Funds		34,457	34,457
Salaries & Benefits Payable		0	605,458
Unspent Grant Allocation		102,215	102,215
Total Liabilities	<u>\$0</u>	<u>136,672</u>	<u>742,130</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues		0	30,047
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>30,047</u>
Fund Balances			
Restricted:			
Special Programs		15,213	15,213
Capital Projects	80,907	0	1,013,440
Unassigned		0	395,658
Total Fund Balances	<u>80,907</u>	<u>15,213</u>	<u>1,424,311</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$80,907</u>	<u>\$151,885</u>	<u>\$2,196,488</u>

Balance Sheet - Governmental Funds

June 30, 2015

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

Total Governmental Fund Balances	\$1,424,311
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,689,882
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Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	30,047
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Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds.	(1,683,633)
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Net Position of Governmental Activities	<u><u>\$4,460,607</u></u>
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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2015

	General Fund	Forest Reserve Fund	Child Nutrition Fund	Plant Facilities Fund
Revenues				
Local Taxes	\$964,795			\$490,112
Other Local Revenue	166,036		\$77,543	97
State Revenue	4,466,410			36,612
Federal Revenue		\$45,283	175,293	
Total Revenues	<u>5,597,241</u>	<u>45,283</u>	<u>252,836</u>	<u>526,821</u>
Expenditures				
Instructional Programs				
Elementary School	1,305,550			23,134
Secondary School	1,675,522			54,051
Special Education	213,781			
Special Education Preschool	78,727			
Gifted & Talented	1,008			
Interscholastic	143,513			
Support Service Programs				
Attendance - Guidance - Health	222,341			
Special Education Support Services	66,358			
Instructional Improvement	33,695			33,751
Educational Media	124,854			
Board of Education	25,905			
District Administration	170,332			5,745
School Administration	396,035			
Business Operations	77,548			1,862
Buildings - Care	528,543			
Maintenance - Non-Student Occupied				12,836
Maintenance - Student Occupied	94,257			252,765
Maintenance - Grounds	195			
Pupil-To-School Transportation	263,956			24,091
Pupil-Activity Transportation	21,016			
General Transportation	4,662			
Non-Instructional Programs				
Child Nutrition			278,115	
Capital Assets - Student Occupied				13,356
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>5,447,798</u>	<u>0</u>	<u>278,115</u>	<u>421,591</u>
Excess (Deficiency) of Revenues				
Over Expenditures	149,443	45,283	(25,279)	105,230
Other Financing Sources (Uses)				
Transfers In			25,279	
Transfers Out	(64,305)			(41,881)
Total Other Financing Sources (Uses)	<u>(64,305)</u>	<u>0</u>	<u>25,279</u>	<u>(41,881)</u>
Net Change in Fund Balances	<u>85,138</u>	<u>45,283</u>	<u>0</u>	<u>63,349</u>
Fund Balances - Beginning	<u>310,520</u>	<u>408,556</u>	<u>0</u>	<u>415,345</u>
Fund Balances - Ending	<u><u>\$395,658</u></u>	<u><u>\$453,839</u></u>	<u><u>\$0</u></u>	<u><u>\$478,694</u></u>

See Accompanying Notes

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Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2015

	Bus Depreciation Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Local Taxes		\$0	\$1,454,907
Other Local Revenue		0	243,676
State Revenue		34,934	4,537,956
Federal Revenue		357,294	577,870
Total Revenues	\$0	392,228	6,814,409
Expenditures			
Instructional Programs			
Elementary School		105,597	1,434,281
Secondary School		13,213	1,742,786
Special Education		213,498	427,279
Special Education Preschool		7,249	85,976
Gifted & Talented		0	1,008
Interscholastic		0	143,513
Support Service Programs			
Attendance - Guidance - Health		315	222,656
Special Education Support Services		0	66,358
Instructional Improvement		67,597	135,043
Educational Media		0	124,854
Board of Education		0	25,905
District Administration		0	176,077
School Administration		0	396,035
Business Operations		0	79,410
Buildings - Care		0	528,543
Maintenance - Non-Student Occupied		0	12,836
Maintenance - Student Occupied		0	347,022
Maintenance - Grounds		0	195
Pupil-To-School Transportation		0	288,047
Pupil-Activity Transportation		0	21,016
General Transportation		0	4,662
Non-Instructional Programs			
Child Nutrition		0	278,115
Capital Assets - Student Occupied		0	13,356
Capital Assets - Non-Student Occupied		0	0
Total Expenditures	0	407,469	6,554,973
Excess (Deficiency) of Revenues Over Expenditures	0	(15,241)	259,436
Other Financing Sources (Uses)			
Transfers In	80,907	0	106,186
Transfers Out		0	(106,186)
Total Other Financing Sources (Uses)	80,907	0	0
Net Change in Fund Balances	80,907	(15,241)	259,436
Fund Balances - Beginning	0	30,454	1,164,875
Fund Balances - Ending	\$80,907	\$15,213	\$1,424,311

See Accompanying Notes

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2015

**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 **\$259,436**

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. (129,788)

Revenues in the statement of activities that do not provide current
financial resources are deferred in the funds. 20,187

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. 270,790

Change in Net Position of Governmental Activities \$420,625

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Statement of Fiduciary Net Position

June 30, 2015

	Agency Funds - Student Activity
Assets	
Cash & Investments	\$186,905
Total Assets	<u>\$186,905</u>
Liabilities	
Due to Student Groups	\$186,905
Total Liabilities	<u>186,905</u>
Net Position	
Total Net Position	<u>0</u>
Total Liabilities and Net Position	<u>\$186,905</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. 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. Major governmental funds of the School include:

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

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

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

Fiduciary funds of the School include:

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

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

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

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

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

Cash and Investments – Nearly all the cash and investment balances of the School's funds are pooled for investment purposes. The individual funds' portions of the pooled cash and investments are reported in each fund as cash and investments. Interest earned on pooled cash and investments is allocated to the various funds in proportion to each fund's respective investment balance. Investments include monies invested in the local government investment pool and are stated at fair value using either quoted market prices or best available estimate. The reported value of the local government investment pool is materially the same as the fair value of its shares.

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

Inventories – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

Capital Assets and Depreciation – Significant capital asset acquisitions with an original cost of \$5,000 or more are recorded at cost if purchased or fair value if contributed. Minor 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.

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 (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 Inflows of Resources – The School's governmental fund financial statements may report a separate section for deferred inflows of resources which reflects an increase in resources that applies to a future period. This situation occurs in instances where certain grant revenues or property tax revenues are not collected within thirty days after the end of the School's fiscal year (thus not meeting the criteria for revenue recognition under the modified accrual basis of accounting). When such grant revenues or property tax revenues are later collected, they are recognized in the governmental fund financial statements by increasing revenue and decreasing the related deferred inflow of resources account.

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

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

subject to constraints on their use 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.

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.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

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:

Cash - Deposits	\$1,358,544
Investments - Local Government Investment Pool	119,059
Total	<u><u>\$1,477,603</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$1,358,544 and the bank balances were \$1,517,875. Of the bank balances, \$500,000 was insured, and the balance was uninsured and uncollateralized.

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, 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. Government accounting standards board statement 40 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. These investments include insured or registered investments or investments for which the securities are held by the School or its agent in the School's name. Collateralized securities in the local government investment pool are held in trust by a safekeeping bank.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	General Fund	Special Revenue Funds	Plant Facilities Fund	Total
Local Sources				
Local Taxes	\$384,422		\$197,081	\$581,503
Other Local Sources	18,235			18,235
Total	<u>\$402,657</u>		<u>\$197,081</u>	<u>\$599,738</u>
State Sources				
Foundation Program	\$125,575			\$125,575
Special Programs	9,348			9,348
Total	<u>\$134,923</u>			<u>\$134,923</u>
Federal Sources				
Special Programs		\$136,672		\$136,672
Total		<u>\$136,672</u>		<u>\$136,672</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

D. CAPITAL ASSETS

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

	Beginning Balance*	Increases	Decreases	Ending Balance
Nondepreciable Capital Assets				
Land	\$481,785			\$481,785
Total	<u>481,785</u>	<u>\$0</u>	<u>\$0</u>	<u>481,785</u>
Depreciable Capital Assets				
Buildings	7,467,936	47,358		7,515,294
Equipment	820,886	14,576		835,462
Transportation	<u>1,538,502</u>			<u>1,538,502</u>
Subtotal	<u>9,827,324</u>	<u>61,934</u>	<u>0</u>	<u>9,889,258</u>
Accumulated Depreciation				
Buildings	3,708,389	118,316		3,826,705
Equipment	619,315	34,380		653,695
Transportation	<u>1,161,735</u>	<u>39,026</u>		<u>1,200,761</u>
Subtotal	<u>5,489,439</u>	<u>191,722</u>	<u>0</u>	<u>5,681,161</u>
Total	<u>4,337,885</u>	<u>(129,788)</u>	<u>0</u>	<u>4,208,097</u>
Net Capital Assets	<u>\$4,819,670</u>	<u>(\$129,788)</u>	<u>\$0</u>	<u>\$4,689,882</u>

*Beginning balance category amounts were reclassified from prior year to better conform to SDE reporting requirements.

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$152,696
Pupil-To-School Transportation	<u>39,026</u>
Total	<u>\$191,722</u>

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Notes to Financial Statements

E. 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.

Employee membership data related to the PERSI Base Plan, as of June 30, 2014 was as follows:

Retirees and beneficiaries currently receiving benefits	40,776
Terminated employees entitled to but not yet receiving benefits	11,504
Active plan members	66,223
Total	118,503

Pension Benefits

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

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

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Notes to Financial Statements

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2014 it was 6.79% (8.36%). The employer contribution rate is set by the Retirement Board and was 11.32% (11.66%) of covered compensation. The School's contributions were \$370,417 for the year ended June 30, 2015.

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

At June 30, 2015, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2014, 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 July 1, 2014, the School's proportion was 0.1216649 percent.

For the year ended June 30, 2015, the School recognized pension expense (revenue) of (\$270,790). At June 30, 2015, 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		\$111,180
Changes in assumptions or other inputs	\$74,555	
Net difference between projected and actual earnings on pension plan investments		1,121,781
Changes in the employer's proportion and differences between employer's contributions and the employer's proportionate contributions		0
Employer contributions subsequent to the measurement date	370,417	
Total	\$444,972	\$1,232,961

\$370,417 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending June 30, 2016.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

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, 2013 the beginning of the measurement period ended June 30, 2014 is 5.6 years.

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	
6/30/16	(\$288,407)
6/30/17	(288,407)
6/30/18	(288,407)
6/30/19	(288,407)
6/30/20	(4,777)
Total	<u>(\$1,158,405)</u>

Actuarial Assumptions

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

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

Inflation	3.25%
Salary increases	4.5 – 10.25%
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

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 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, 2014 is based on the results of an actuarial valuation date of July 1, 2014.

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, 2014.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000 / Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Standard Deviation			13.34%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected Rate of Return, Net of Investment Expenses			7.10%

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Notes to Financial Statements

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School's proportionate share of the net pension liability (asset)	\$3,110,310	\$895,644	(\$945,389)

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.

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Notes to Financial Statements

F. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due To Fund	Due From Fund	
		Nonmajor Governmental	Total
General		\$34,457	\$34,457
Total		<u>\$34,457</u>	<u>\$34,457</u>

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

Interfund transfers during the year consist of the following:

Fund	Transfer In	Transfer Out	Purpose
General		\$64,305	Support, Benefits, Depreciation
Child Nutrition	\$25,279		Support, Benefits
Plant Facilities		41,881	Depreciation
Bus Depreciation Fund	80,907		Depreciation
Total	<u>\$106,186</u>	<u>\$106,186</u>	

G. PRIOR PERIOD ADJUSTMENT

During the year, the School implemented GASB No. 68 *Accounting and Financial Reporting for Pensions*. As required by GASB No. 68, the School's net position was restated by \$1,954,423 to reflect the prior year net pension liability and related deferred outflows from pension contributions made subsequent to the measurement date.

REQUIRED SUPPLEMENTARY INFORMATION

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150 Page 1 of 3
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2015

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Taxes	\$985,914	\$985,914	\$964,795	(\$21,119)
Other Local Revenue	80,000	80,000	166,036	86,036
State Revenue	4,466,817	4,466,817	4,466,410	(407)
Federal Revenue			0	0
Total Revenues	5,532,731	5,532,731	5,597,241	64,510
Expenditures				
Instructional Programs				
Elementary School	1,357,346	1,357,346	1,305,550	51,796
Secondary School	1,663,445	1,663,445	1,675,522	(12,077)
Special Education	242,548	242,548	213,781	28,767
Special Education Preschool	37,324	37,324	78,727	(41,403)
Gifted & Talented	1,800	1,800	1,008	792
Interscholastic	124,364	124,364	143,513	(19,149)
Support Service Programs				
Attendance - Guidance - Health	192,901	192,901	222,341	(29,440)
Special Education Support Services	66,559	66,559	66,358	201
Instructional Improvement	44,000	44,000	33,695	10,305
Educational Media	125,290	125,290	124,854	436
Board of Education	25,000	25,000	25,905	(905)
District Administration	166,701	166,701	170,332	(3,631)
School Administration	386,964	386,964	396,035	(9,071)
Business Operations	77,877	77,877	77,548	329
Buildings - Care	531,603	531,603	528,543	3,060
Maintenance - Non-Student Occupied			0	0
Maintenance - Student Occupied	79,102	79,102	94,257	(15,155)
Maintenance - Grounds	5,000	5,000	195	4,805
Pupil-To-School Transportation	295,161	295,161	263,956	31,205
Pupil-Activity Transportation	24,551	24,551	21,016	3,535
General Transportation	6,000	6,000	4,662	1,338
Non-Instructional Programs				
Child Nutrition			0	0
Capital Assets - Student Occupied			0	0
Capital Assets - Non-Student Occupied			0	0
Total Expenditures	5,453,536	5,453,536	5,447,798	5,738 *
Excess (Deficiency) of Revenues				
Over Expenditures	79,195	79,195	149,443	70,248
Other Financing Sources (Uses)				
Transfers In			0	0
Transfers Out	(33,055)	(33,055)	(64,305)	(31,250) *
Total Other Financing Sources (Uses)	(33,055)	(33,055)	(64,305)	(31,250)
Net Change in Fund Balances	46,140	46,140	85,138	38,998
Fund Balances - Beginning - As Restated	258,000	258,000	310,520	52,520
Fund Balances - Ending	\$304,140	\$304,140	\$395,658	\$91,518

*Total expenditures (over) under appropriations are: (\$25,512)

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150 Page 2 of 3
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2015

	Budgeted Amounts (GAAP Basis)		Actual	Final Budget Variance Positive (Negative)
Forest Reserve Fund	Original	Final	Amounts	
Revenues				
Local Taxes			\$0	\$0
Other Local Revenue			0	0
State Revenue			0	0
Federal Revenue	\$44,776	\$44,776	45,283	507
Total Revenues	<u>44,776</u>	<u>44,776</u>	<u>45,283</u>	<u>507</u>
Expenditures				
Instructional Programs				
Elementary School			0	0
Secondary School			0	0
Special Education			0	0
Special Education Preschool			0	0
Gifted & Talented			0	0
Interscholastic			0	0
Support Service Programs				
Attendance - Guidance - Health			0	0
Special Education Support Services			0	0
Instructional Improvement			0	0
Educational Media			0	0
Board of Education			0	0
District Administration			0	0
School Administration			0	0
Business Operations			0	0
Buildings - Care			0	0
Maintenance - Non-Student Occupied			0	0
Maintenance - Student Occupied			0	0
Maintenance - Grounds			0	0
Pupil-To-School Transportation			0	0
Pupil-Activity Transportation			0	0
General Transportation			0	0
Non-Instructional Programs				
Child Nutrition			0	0
Capital Assets - Student Occupied			0	0
Capital Assets - Non-Student Occupied			0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
Excess (Deficiency) of Revenues				
Over Expenditures	44,776	44,776	45,283	507
Other Financing Sources (Uses)				
Transfers In			0	0
Transfers Out			0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	44,776	44,776	45,283	507
Fund Balances - Beginning - As Restated	363,779	363,779	408,556	44,777
Fund Balances - Ending	<u>\$408,555</u>	<u>\$408,555</u>	<u>\$453,839</u>	<u>\$45,284</u>

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

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150 Page 3 of 3
 Budgetary Comparison Schedule - General and Major Special Revenue Funds
 Year Ended June 30, 2015

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
Child Nutrition Fund	Original	Final		
Revenues				
Other Local Revenue	\$75,495	\$75,495	\$77,543	\$2,048
Federal Revenue	149,766	149,766	175,293	25,527
Total Revenues	<u>225,261</u>	<u>225,261</u>	<u>252,836</u>	<u>27,575</u>
Expenditures				
Non-Instructional Programs				
Child Nutrition	225,261	225,261	278,115	(52,854)
Total Expenditures	<u>225,261</u>	<u>225,261</u>	<u>278,115</u>	<u>(52,854) *</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	0	(25,279)	(25,279)
Other Financing Sources (Uses)				
Transfers In			25,279	25,279
Transfers Out			0	0 *
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>25,279</u>	<u>25,279</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<i>*Total expenditures (over) under appropriations are:</i>				<u><u>(52,854)</u></u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150**Schedule of Employer's Share of Net Pension Liability****PERSI - Base Plan****Last 10 - Fiscal Years***

	2015
School's portion of the net pension liability	0.1216649%
School's proportionate share of the net pension liability	\$895,644
School's covered-employee payroll	\$3,272,235
School's proportional share of the net pension liability as a percentage of its covered-employee payroll	27.37%
Plan fiduciary net position as a percentage of the total pension liability	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 using the beginning fiscal year measurement date (i.e. 2015 data uses a July 1, 2014 measurement date).

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	2015
Statutorily required contribution	\$395,462
Contributions in relation to the statutorily required contribution	\$378,361
Contribution deficiency (excess)	\$17,101
School's covered-employee payroll	\$3,272,235
Contributions as a percentage of covered-employee payroll	11.56%

*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 most recent fiscal year end.

SUPPLEMENTARY INFORMATION

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2015

Page 1 of 2

	Special Revenue Funds			
	Technology	Substance Abuse	Title I-A ESEA IBP	Special Educ. IDEA Part B School-Age
Assets				
Cash & Investments	\$473	\$14,740		
Receivables:				
Local Sources				
State Sources				
Federal Sources			\$36,503	\$84,723
Due From Other Funds				
Total Assets	<u>\$473</u>	<u>\$14,740</u>	<u>\$36,503</u>	<u>\$84,723</u>
Liabilities				
Accounts Payable				
Due To Other Funds			\$6,347	\$13,600
Salaries & Benefits Payable				
Unspent Grant Allocation			30,156	71,123
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>36,503</u>	<u>84,723</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	473	14,740		
Capital Projects				
Unassigned				
Total Fund Balances	<u>473</u>	<u>14,740</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$473</u>	<u>\$14,740</u>	<u>\$36,503</u>	<u>\$84,723</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2015

Page 2 of 2

	Special Revenue Funds			
	Special Educ. IDEA Preschool	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	Total
Assets				
Cash & Investments				\$15,213
Receivables:				
Local Sources				0
State Sources				0
Federal Sources		\$13,213	\$2,233	136,672
Due From Other Funds				0
Total Assets	<u>\$0</u>	<u>\$13,213</u>	<u>\$2,233</u>	<u>\$151,885</u>
Liabilities				
Accounts Payable				\$0
Due To Other Funds		\$13,213	\$1,297	34,457
Salaries & Benefits Payable				0
Unspent Grant Allocation			936	102,215
Total Liabilities	<u>\$0</u>	<u>13,213</u>	<u>2,233</u>	<u>136,672</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				15,213
Capital Projects				0
Unassigned				0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,213</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$13,213</u>	<u>\$2,233</u>	<u>\$151,885</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2015

Page 1 of 2

	Special Revenue Funds			
	Technology	Substance Abuse	Title I-A ESEA IBP	Special Educ. IDEA Part B School-Age
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$27,635	\$7,299		
Federal Revenue			\$102,897	\$213,498
Total Revenues	<u>27,635</u>	<u>7,299</u>	<u>102,897</u>	<u>213,498</u>
Expenditures				
Instructional Programs				
Elementary School		2,700	102,897	
Secondary School				
Special Education				213,498
Special Education Preschool				
Gifted & Talented				
Interscholastic				
Support Service Programs				
Attendance - Guidance - Health		315		
Special Education Support Services				
Instructional Improvement	47,157			
Educational Media				
Board of Education				
District Administration				
School Administration				
Business Operations				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Total Expenditures	<u>47,157</u>	<u>3,015</u>	<u>102,897</u>	<u>213,498</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(19,522)	4,284	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>(19,522)</u>	<u>4,284</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>19,995</u>	<u>10,456</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$473</u>	<u>\$14,740</u>	<u>\$0</u>	<u>\$0</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2015

Page 2 of 2

	Special Revenue Funds			Total
	Special Educ. IDEA Preschool	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	
Revenues				
Local Taxes				\$0
Other Local Revenue				0
State Revenue				34,934
Federal Revenue	\$7,249	\$13,210	\$20,440	357,294
Total Revenues	<u>7,249</u>	<u>13,210</u>	<u>20,440</u>	<u>392,228</u>
Expenditures				
Instructional Programs				
Elementary School				105,597
Secondary School		13,213		13,213
Special Education				213,498
Special Education Preschool	7,249			7,249
Gifted & Talented				0
Interscholastic				0
Support Service Programs				
Attendance - Guidance - Health				315
Special Education Support Services				0
Instructional Improvement			20,440	67,597
Educational Media				0
Board of Education				0
District Administration				0
School Administration				0
Business Operations				0
Buildings - Care				0
Maintenance - Non-Student Occupied				0
Maintenance - Student Occupied				0
Maintenance - Grounds				0
Pupil-To-School Transportation				0
Pupil-Activity Transportation				0
General Transportation				0
Non-Instructional Programs				
Child Nutrition				0
Capital Assets - Student Occupied				0
Capital Assets - Non-Student Occupied				0
Total Expenditures	<u>7,249</u>	<u>13,213</u>	<u>20,440</u>	<u>407,469</u>
Excess (Deficiency) of Revenues				
Over Expenditures	0	(3)	0	(15,241)
Other Financing Sources (Uses)				
Transfers In				0
Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>(3)</u>	<u>0</u>	<u>(15,241)</u>
Fund Balances - Beginning	<u>0</u>	<u>3</u>	<u>0</u>	<u>30,454</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,213</u>

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

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	10.553	69,011
National School Lunch Program	10.555	10.555	102,652
Summer Food Service Program for Children	10.559	10.559	3,630
Total Child Nutrition Cluster			<u>175,293</u>
Total US Dept of Agriculture			<u>175,293</u>
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	84.027	213,498
Special Education - Preschool Grants	84.173	84.173	7,249
Total Special Education Cluster			<u>220,747</u>
Title I Grants to Local Educational Agencies	84.010	84.010	102,897
Career & Technical Education - Basic Grants to States	84.048	84.048	13,213
Improving Teacher Quality State Grants	84.367	84.367	20,440
Total US Dept of Education			<u>357,297</u>
Total Expenditures of Federal Awards			<u><u>\$532,590</u></u>

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the School under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 position, 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 OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

C. Nonmonetary Assistance - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$21,526.

OTHER REPORTS AND SCHEDULES

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

Board of Trustees
Soda Springs Joint School District No. 150

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Soda Springs Joint School District No. 150 (the School), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 2015.

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, P.C.

Payette, Idaho
August 27, 2015

**Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by OMB Circular A-133**

Board of Trustees
Soda Springs Joint School District No. 150

Report on Compliance for Each Major Federal Program

We have audited Soda Springs Joint School District No. 150 (the School's) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Quest CPAs, P.C.

Payette, Idaho
August 27, 2015

SODA SPRINGS JOINT SCHOOL DISTRICT NO. 150

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued:	Unmodified
<i>Internal control over financial reporting:</i>	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

<i>Internal control over major programs:</i>	
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 section 510(a) of Circular A-133?	No
Major program identification:	
a. Child Nutrition Cluster – CFDA #10.553, 10.555, 10.559	
b. Special Education Cluster – CFDA #84.027, 84.173	
Dollar threshold used to distinguish between type A and B programs:	\$300,000
Auditee qualified as a low-risk auditee?	No