

# **TROY SCHOOL DISTRICT No. 287**

**Troy, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2016**

# **TROY SCHOOL DISTRICT No. 287**

**Troy, Idaho**

**Audited Financial Statements  
For the Year Ended June 30, 2016**



**TROY SCHOOL DISTRICT No. 287**  
**Troy, Idaho**

---

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>Independent Auditor’s Report</b> .....	<b>1-3</b>
<b>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 <i>Government Auditing Standards</i></b> .....	<b>4-5</b>
Management’s Discussion and Analysis .....	<b>6-11</b>
<b>FINANCIAL STATEMENTS:</b>	
Statement of Net Position .....	<b>12</b>
Statement of Activities .....	<b>13</b>
Balance Sheet – Governmental Funds.....	<b>14</b>
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	<b>15</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	<b>16</b>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	<b>17</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	<b>18</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	<b>19</b>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund.....	<b>20</b>
Statement of Net Position – Internal Service Funds .....	<b>21</b>
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	<b>22</b>
Statement of Cash Flows – Internal Service Funds .....	<b>23</b>

---

	<u>PAGE</u>
Statement of Fiduciary Net Position – Fiduciary Funds and Component Unit .....	24
Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position – Fiduciary Funds and Component Unit .....	25
Notes to the Financial Statements .....	26-43
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Net pension Liability related Schedules.....	44
 <b>COMBINING AND NON-MAJOR FUND FINANCIAL STATEMENTS:</b>	
 <b>GENERAL FUND</b>	
Schedule of Expenditures by Function – Budget and Actual.....	45-50
 <b>SPECIAL REVENUE FUNDS</b>	
Description of Funds.....	51-52
Combining Balance Sheet – All Special Revenue Funds .....	53-54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Funds.....	55-56
 <b>CAPITAL PROJECTS FUNDS:</b>	
Combining Balance Sheet – All Capital Project Funds.....	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Capital Project Funds .....	58
 <b>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES .....</b>	 <b>59</b>

---

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Troy School District No. 287  
Troy, Idaho 83871

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Troy School District No. 287, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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.

### **Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Aggregate discretely presented component unit	Qualified
General Fund	Unmodified
Child Nutrition	Unmodified
Debt Service	Unmodified
Capital Projects	Unmodified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Qualified Opinion on Governmental Activities and Aggregate Discretely Presented Component Unit***

The financial statements of Edward Ramsdale Scholarship Fund, Inc. have not been audited, and we were not engaged to audit the Edward Ramsdale Scholarship Fund, Inc. financial statements as part of our audit of the Troy School District No. 287's basic financial statements. Edward Ramsdale Scholarship Fund, Inc.'s financial activities are included in the District's basic financial statements as a discretely presented component unit and represent all of the assets, liabilities, net position, and revenues and expenditures, respectively, of the District's aggregate discretely presented component units.

Troy School District No. 287 believes the cost of adopting GASB 45 cannot be justified at the present time. The District believes the future cost of the implicit rate subsidy built into the current health care premiums is not material to the financial statements. The amount by which this GAAP departure would affect the liabilities and net position of the Statement of Net Position is not determinable.

### ***Qualified Opinions***

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on Governmental Activities and Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and aggregate discretely presented component unit of Troy School District No. 287, as of June 30, 2016, and the changes in financial position thereof for the year then ended in accordance 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 Troy School District No. 287 as of June 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, Debt Service Fund and Capital Projects Funds 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 management's discussion and analysis on pages 6-11 and the net pension liability related schedules on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Troy School District No. 287's basic financial statements. The introductory section, combining and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2016 on our consideration of the Troy School District No. 287's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and 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 Troy School District No. 287's internal control over financial reporting and compliance.

*Hayden Ross, PLLC*

Moscow, Idaho  
August 22, 2016

**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***

To the Board of Trustees  
Troy School District No. 287  
Troy, Idaho 83871

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Troy School District No. 287, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Troy School District No. 287's basic financial statements, and have issued our report thereon dated August 22, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Troy School District No. 287 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 Troy School District No. 287 internal control. Accordingly, we do not express an opinion on the effectiveness of the Troy School District No. 287's internal control.

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

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



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Troy School District No. 287's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Hayden Ross, PLLC*

Moscow, Idaho  
August 22, 2016

# TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2016

As management of the Troy School District No. 287 (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2016.

### Financial Highlights

During the 2015-2016 fiscal year, the District was able to operate a budget which maintained a carryover in the fund balance. Some of the items the District provided were the following:

- Maintained programs except for some Extra-Curricular programs
- Reduction in personnel positions in the District across the board
- No salary increases

At the end of the 2014-2015 fiscal year, the District would anticipate a decline in enrollment. With the anticipated decline in enrollment, the District implemented the following:

- Reduced Administration .2 FTE
- Reduced Certificated Staff .81 FTE

During the 2015-2016 fiscal year, the District did have a decline in enrollment. The District dropped from 20.34 Support Units to 18.86 Support Units with Protected Units of 19.21.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components:

- 1) Government-wide Financial Statements
- 2) Fund Financial Statements, and
- 3) Notes to the Financial Statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statement.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statements present an aggregate view of the District's finances. They contain useful long-term information for the just completed fiscal year.

The statement of net position presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference

between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In the statements, the District's activities are all classified as government activities.

Governmental activities include all regular and special education, all educational support activities, administration, transportation, and food services. Most of these activities are supported by property taxes and formula aid from the State of Idaho.

The government-wide financial statements can be found on pages 12 through 13 of this report.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund statements generally report operations in more detail than the government-wide statements.

Some funds are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. repaying long-term debt.) The District has three types of funds: Governmental, Proprietary and Fiduciary.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 14 through 20 of this report.

**Proprietary Funds.** Proprietary funds are used to record transactions for the medical risk pool. Proprietary funds use the accrual basis of accounting, as business-type activities, and are considered with the governmental activities in the district-wide statements.

The basic fiduciary fund financial statement can be found on pages 21 through 23 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the district's own programs.

The basic fiduciary fund financial statement can be found on pages 24 through 25 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 26 through 43 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

Combining and nonmajor fund statements and schedules can be found on pages 45 through 61 of this report.

**Government-Wide Financial Analysis  
Statement of Net Position**

<b>Assets</b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>	<b><u>Change</u></b>
Current Assets	2,774,207	2,470,617	303,590
Noncurrent Assets	<u>5,042,608</u>	<u>5,236,849</u>	<u>(194,241)</u>
<b>Total Assets</b>	<b><u>7,816,815</u></b>	<b><u>7,707,466</u></b>	<b><u>\$109,349</u></b>
<b>Deferred Outflows of Resources</b>	<b><u>553,576</u></b>	<b><u>258,622</u></b>	<b><u>294,954</u></b>
<b>Liabilities</b>			
Current Liabilities	535,003	583,121	(48,118)
Noncurrent Liabilities	<u>1,698,653</u>	<u>1,475,979</u>	<u>222,674</u>
<b>Total Liabilities</b>	<b><u>2,233,656</u></b>	<b><u>2,059,100</u></b>	<b><u>174,556</u></b>
<b>Deferred Inflows of Resources</b>	<b><u>1,740,839</u></b>	<b><u>1,939,411</u></b>	<b><u>(198,572)</u></b>
<b>Net Position</b>			
Net Investment in Capital Assets	4,080,210	4,077,718	2,492
Restricted	466,506	435,166	31,340
Unrestricted	<u>(150,820)</u>	<u>(545,307)</u>	<u>394,487</u>
<b>Total Net Position</b>	<b><u>\$4,395,896</u></b>	<b><u>\$3,967,577</u></b>	<b><u>\$428,319</u></b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,395,896 at the close of the most recent fiscal year.

The largest portion of the District’s net position (92.82%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District’s net position (10.61%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (-3.43%) may be used to meet the District’s ongoing obligations to students, employees, and creditors.

The unrestricted net position amount is typically earmarked for the following purposes: To meet cash flow needs throughout the year and to provide a General Fund contingency. With the implementation of GASB 68 (see note 6), the District is reporting a deficit in unrestricted net position.

**Government-Wide Financial Analysis**  
**Changes in Net Position**

<b>Revenues</b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>	<b><u>Change</u></b>
Program Revenues:			
Charges for Services	30,551	31,461	(910)
Operating Grants and contributions	297,645	370,483	(72,838)
General revenues:			
Property Taxes	1,240,034	1,262,454	(22,420)
Federal and State Revenues	1,931,217	2,024,745	(93,528)
Local Revenues	<u>72,049</u>	<u>59,771</u>	<u>12,278</u>
<b>Total Revenues</b>	<b><u>3,571,496</u></b>	<b><u>3,748,914</u></b>	<b><u>(177,418)</u></b>
<b>Expenses</b>			
Program Expenses:			
Instruction	1,570,621	1,681,901	(111,280)
Support Services			
Pupil Support	233,193	258,296	(25,103)
Staff Support	98,780	69,642	29,138
General Administration	198,831	193,808	5,023
School Administration	222,859	268,309	(45,450)
Business Administration	62,933	-	62,933
Maintenance/Custodial	187,319	311,929	(124,610)
Transportation	105,551	128,713	(23,162)
Other services	16,075	11,266	4,809

Child Nutrition	94,390	100,204	(5,814)
Capital Outlay	97,633	7,965	89,668
Debt Service	43,258	54,449	(11,191)
Depreciation, unallocated	<u>211,734</u>	<u>175,388</u>	<u>36,346</u>
<b>Total Expenses</b>	<u>3,143,177</u>	<u>3,261,870</u>	<u>(118,693)</u>
<b>Change in Net Position</b>	428,319	487,044	(58,725)
<b>Net Position – Beginning</b>	3,967,577	4,698,268	(730,691)
<b>Prior Period Adjustment</b>	<u>-</u>	<u>(1,217,735)</u>	<u>1,217,735</u>
<b>Net Position – Ending</b>	<u>\$4,395,896</u>	<u>\$3,967,577</u>	<u>\$428,319</u>

### District Funds

Most of the District’s basic services and operations are included in the governmental funds which focus on how money flows into and out of those funds and the balances remaining at year-end are available for use in future periods. The general fund is the chief operating fund of the District. At the end of the current fiscal year the total balance of \$709,501 was unassigned. The unassigned fund balance increased by \$301,334 during the current fiscal year.

Expenditures for general District purposes totaled \$2,606,901, a decrease of 11.06% from the prior year of \$2,931,110.

### Capital Asset and Debt Administration

Capital Assets. The School Maintenance and Repair Fund is the District fund used to pay for capital construction, building repair and remodeling, and furniture, fixtures, and equipment. At the end of the current fiscal year the fund balance was \$46,048, an increase of 358.28%.

<b>Governmental Activities</b>			
<b>Capital Assets Net of Accumulated Depreciation</b>			
	<u>2015-2016</u>	<u>2014-2015</u>	<u>Change</u>
Land	52,001	52,001	-
Sites	132,311	148,950	(16,639)
Buildings	4,710,507	4,855,346	(144,839)
Equipment	59,269	42,839	16,430
Transportation	<u>88,520</u>	<u>137,713</u>	<u>(49,193)</u>
<b>Total Net Assets</b>	<u>\$5,042,608</u>	<u>\$5,236,849</u>	<u>\$(194,241)</u>

Long-term Debt. The debt service fund has a total fund balance of \$276,581, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance decreased by \$13,461 during the current year primarily from a decrease in the property tax revenue.

At year end the District had \$945,000 in general obligation bonds outstanding. The District retired \$193,000 of outstanding bonds during the fiscal year. The debt of the District is secured by an annual tax levy authorization by the patrons of the District in a prior year.

## **Requests for Information**

This financial report is designed to provide a general overview of the Troy School District No. 287's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Christy Castro, Superintendent, Troy School District No. 287, PO Box 280, Troy, Idaho 83871.

## **FINANCIAL STATEMENTS**





**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**STATEMENT OF NET POSITION**

June 30, 2016

**ASSETS**

## Current Assets

Cash	291,679
Investments	669,708
Taxes receivable	79,713
Unbilled taxes receivable	1,161,195
Other receivables:	
Due from other governmental units	523,150
Other receivables	48,762
Total current assets	<u>2,774,207</u>

## Noncurrent Assets

Non-depreciated capital assets	52,001
Depreciated capital assets	7,641,837
Less: accumulated depreciation	<u>(2,651,230)</u>
Total noncurrent assets	<u>5,042,608</u>

Total Assets 7,816,815

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items 553,576

**LIABILITIES**

## Current Liabilities

Accounts payable and other current liabilities	390,003
Current portion of long-term debt	<u>145,000</u>
Total current liabilities	<u>535,003</u>

## Noncurrent Liabilities

Noncurrent portion of long-term debt	800,000
Net pension liability	<u>898,653</u>
Total noncurrent liabilities	<u>1,698,653</u>

Total Liabilities 2,233,656

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	1,161,195
Pension related items	<u>579,644</u>

Total Deferred Inflows of Resources 1,740,839**NET POSITION**

Net investment in capital assets	4,080,210
Restricted for:	
Debt service	288,098
Capital projects	46,048
Grant programs	79,245
Medical benefits	53,115
Unrestricted	<u>(150,820)</u>

Total net position \$ 4,395,896

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Governmental</u>
					<u>Activities</u>
<b>FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
Preschool - 12 Instruction	1,570,621	3,285	161,053	-	(1,406,283)
Support Services:					
Pupil Support	233,193	-	18,822	-	(214,371)
Staff Support	98,780	-	-	-	(98,780)
General Administration	198,831	-	-	-	(198,831)
School Administration	222,859	-	-	-	(222,859)
Business Administration	62,933	-	-	-	(62,933)
Maintenance/Custodial	187,319	-	-	-	(187,319)
Transportation	105,551	-	73,075	-	(32,476)
Other services	16,075	-	-	-	(16,075)
Child Nutrition	94,390	27,266	44,695	-	(22,429)
Capital Outlay	97,633	-	-	-	(97,633)
Debt Services	43,258	-	-	-	(43,258)
Depreciation, unallocated	211,734	-	-	-	(211,734)
Total School District	<u>\$ 3,143,177</u>	<u>\$ 30,551</u>	<u>\$ 297,645</u>	<u>\$ -</u>	<u>(2,814,981)</u>

**General Revenues**

Taxes:

Property taxes levied for general purposes	1,020,201
Property taxes levied for liability insurance	53
Property taxes levied for debt service	219,780
Federal and State aid not restricted to specific purposes	1,931,217
Other	68,600
Interest and investment earnings	3,449

Total General Revenues 3,243,300

Change in Net Position 428,319

**Net position - beginning** 3,967,577

**Net position - ending** \$ 4,395,896

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2016

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF</b>					
Assets:					
Cash	291,679	-	-	-	291,679
Investments	416,340	200,799	-	-	617,139
Due from other funds	-	-	51,002	105,587	156,589
Taxes receivable	65,317	14,396	-	-	79,713
Unbilled taxes receivable	995,000	166,195	-	-	1,161,195
Other assets:					
Due from other governmental units	403,030	72,803	-	47,317	523,150
Other receivables	48,639	100	-	-	48,739
Total assets	<u>2,220,005</u>	<u>454,293</u>	<u>51,002</u>	<u>152,904</u>	<u>2,878,204</u>
Deferred outflows of resources	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
	<u>\$ 2,220,005</u>	<u>\$ 454,293</u>	<u>\$ 51,002</u>	<u>\$ 152,904</u>	<u>\$ 2,878,204</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Due to other funds	118,763	-	-	38,349	157,112
Accounts payable	31,691	-	4,034	19,088	54,813
Salaries and benefits payable	312,797	-	920	16,222	329,939
Total liabilities	<u>463,251</u>	<u>-</u>	<u>4,954</u>	<u>73,659</u>	<u>541,864</u>
Deferred inflows of resources:					
Deferred revenue	52,253	11,517	-	-	63,770
Unavailable property tax revenue	995,000	166,195	-	-	1,161,195
Total deferred inflows of resources	<u>1,047,253</u>	<u>177,712</u>	<u>-</u>	<u>-</u>	<u>1,224,965</u>
Fund balance:					
Restricted	-	276,581	46,048	79,245	401,874
Unassigned	709,501	-	-	-	709,501
Total fund balance	<u>709,501</u>	<u>276,581</u>	<u>46,048</u>	<u>79,245</u>	<u>1,111,375</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
	<u>\$ 2,220,005</u>	<u>\$ 454,293</u>	<u>\$ 51,002</u>	<u>\$ 152,904</u>	<u>\$ 2,878,204</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

---

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**June 30, 2016**

Total Fund Balances - Governmental Funds	1,111,375
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 as assets in government funds.	
Cost of capital assets	7,693,838
Accumulated depreciation	(2,651,230)
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	
	63,770
Certain pension related items are recorded as a deferred outflow or inflow of resources and recognized in future periods for governmental activities (see note 6):	
Deferred outflow of resources	553,576
Deferred inflow of resources	(579,644)
In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the criteria.	
	12,147
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.	
	(17,398)
Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	
	53,115
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:	
General obligation bonds	(945,000)
Net pension liability	(898,653)
Total Net Position - Governmental Activities	<u>\$ 4,395,896</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
For the Year Ended June 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local	1,079,053	220,431	-	37,122	1,336,606
State	2,004,980	-	-	71,534	2,076,514
Federal	(688)	-	-	146,465	145,777
Total revenues	<u>3,083,345</u>	<u>220,431</u>	<u>-</u>	<u>255,121</u>	<u>3,558,897</u>
<b>EXPENDITURES</b>					
Instruction	1,471,201	-	-	143,013	1,614,214
Support	1,132,764	-	99,500	18,822	1,251,086
Non-instruction	2,936	-	-	96,479	99,415
Debt service	-	233,892	-	-	233,892
Capital objects	-	-	-	21,725	21,725
Total expenditures	<u>2,606,901</u>	<u>233,892</u>	<u>99,500</u>	<u>280,039</u>	<u>3,220,332</u>
Excess (deficiency) of revenue over expenditures	<u>476,444</u>	<u>(13,461)</u>	<u>(99,500)</u>	<u>(24,918)</u>	<u>338,565</u>
Other financing sources (uses):					
Transfer in	-	-	135,500	38,908	174,408
Transfer out	(175,110)	-	-	(13,298)	(188,408)
Total other financing sources (uses)	<u>(175,110)</u>	<u>-</u>	<u>135,500</u>	<u>25,610</u>	<u>(14,000)</u>
Net change in fund balance	301,334	(13,461)	36,000	692	324,565
Fund balance-Beginning of year	<u>408,167</u>	<u>290,042</u>	<u>10,048</u>	<u>78,553</u>	<u>786,810</u>
Fund balance-End of year	<u>\$ 709,501</u>	<u>\$ 276,581</u>	<u>\$ 46,048</u>	<u>\$ 79,245</u>	<u>\$ 1,111,375</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016**

Net change in fund balances - total governmental funds		324,565
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital outlays	23,592	
Depreciation expense	<u>(211,734)</u>	(188,142)
<p>Some property taxes will not be collected for several months after the District's fiscal year ends and they are not considered as "available" revenues in the governmental funds. Instead they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.</p>		
		2,164
Net pension liability adjustments:		
Fiscal year 2015 employer PERSI contributions recognized as pension expense in the current year	(214,423)	
Fiscal year 2016 employer PERSI contributions deferred to subsequent year.	190,119	
Pension related amortization expense	<u>102,895</u>	78,591
<p>In the statement of activities, operating expenses are incurred when an exchange transaction takes place. However, in the government funds the expense did not meet the criteria.</p>		
		12,147
<p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the government fund financial statements, an interest expenditure is reported when paid.</p>		
		(2,366)
<p>Internal service funds are used by the District to charge the cost of medical benefits to the individual funds. The net income of the internal service fund is reported with governmental activities.</p>		
		8,360
<p>Repayment of the principal on general bonded indebtedness is an expenditure in the governmental funds, but they reduce long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		<u>193,000</u>
Total change in net position of governmental activities		<u>\$ 428,319</u>

**TROY SCHOOL DISTRICT NO. 287**  
Troy, Idaho

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
<b>REVENUES</b>					
Local:					
Taxes	5,000	998,000	1,018,090	1,013,090	20,090
Earnings on investments	1,000	1,000	2,621	1,621	1,621
Contributions/donations	500	-	376	(124)	376
Other	6,600	600	57,966	51,366	57,366
<b>Total local</b>	<b>13,100</b>	<b>999,600</b>	<b>1,079,053</b>	<b>1,065,953</b>	<b>79,453</b>
State:					
Base support program	1,514,313	1,622,598	1,586,751	72,438	(35,847)
Transportation support	78,000	83,000	73,075	(4,925)	(9,925)
Exceptional child support	-	4,877	5,371	5,371	494
Benefit apportionment	199,611	222,232	214,028	14,417	(8,204)
Other state support	47,594	42,718	70,311	22,717	27,593
Revenue in lieu/ag equip. taxes	23,602	23,602	21,162	(2,440)	(2,440)
Other state revenue	51,352	23,190	34,282	(17,070)	11,092
<b>Total state</b>	<b>1,914,472</b>	<b>2,022,217</b>	<b>2,004,980</b>	<b>90,508</b>	<b>(17,237)</b>
Federal:					
Unrestricted	10,000	25,000	(688)	(10,688)	(25,688)
<b>Total revenues</b>	<b>1,937,572</b>	<b>3,046,817</b>	<b>3,083,345</b>	<b>1,145,773</b>	<b>36,528</b>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	768,218	1,269,769	1,040,645	(272,427)	229,124
Benefits	286,697	390,363	345,005	(58,308)	45,358
Purchased services	13,200	53,500	32,318	(19,118)	21,182
Supplies-materials	-	44,105	46,433	(46,433)	(2,328)
Capital objects	-	-	6,000	(6,000)	(6,000)
Insurance	5,950	13,037	800	5,150	12,237
<b>Total instruction</b>	<b>1,074,065</b>	<b>1,770,774</b>	<b>1,471,201</b>	<b>(397,136)</b>	<b>299,573</b>
Support:					
Salaries	595,894	645,818	606,760	(10,866)	39,058
Benefits	189,533	195,492	199,353	(9,820)	(3,861)
Purchased services	221,571	345,525	228,951	(7,380)	116,574
Supplies-materials	45,625	75,439	44,588	1,037	30,851
Capital objects	-	35,050	23,089	(23,089)	11,961
Insurance	38,171	40,311	30,023	8,148	10,288
<b>Total support</b>	<b>1,090,794</b>	<b>1,337,635</b>	<b>1,132,764</b>	<b>(41,970)</b>	<b>204,871</b>
Non-instruction:					
Benefits	2,790	4,000	2,936	(146)	1,064
Contingency					
	-	72,000	-	-	72,000
<b>Total expenditures</b>	<b>2,167,649</b>	<b>3,184,409</b>	<b>2,606,901</b>	<b>(439,252)</b>	<b>577,508</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(230,077)</b>	<b>(137,592)</b>	<b>476,444</b>	<b>706,521</b>	<b>614,036</b>
Other financing sources (uses):					
Transfers in	25,000	-	-	(25,000)	-
Transfers out:					
Special revenue fund	-	(31,500)	(39,610)	(39,610)	(8,110)
Capital projects fund	(97,500)	(135,500)	(135,500)	(38,000)	-
<b>Total other financing sources (uses)</b>	<b>(72,500)</b>	<b>(167,000)</b>	<b>(175,110)</b>	<b>(102,610)</b>	<b>(8,110)</b>
<b>Net change in fund balance</b>	<b>\$ (302,577)</b>	<b>\$ (304,592)</b>	<b>301,334</b>	<b>\$ 603,911</b>	<b>\$ 605,926</b>
Fund balance-Beginning of year			408,167		
Fund balance-End of year			<u>\$ 709,501</u>		

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>					
Local:					
Taxes	225,088	224,615	219,780	(5,308)	(4,835)
Earnings on investments	225	225	651	426	426
Total revenues	<u>225,313</u>	<u>224,840</u>	<u>220,431</u>	<u>(4,882)</u>	<u>(4,409)</u>
<b>EXPENDITURES</b>					
Purchased services	2,000	2,000	500	1,500	1,500
Debt service principal	193,000	193,000	193,000	-	-
Debt service interest	40,394	42,944	40,392	2	2,552
Total expenditures	<u>235,394</u>	<u>237,944</u>	<u>233,892</u>	<u>1,502</u>	<u>4,052</u>
Net change in fund balance	<u>\$ (10,081)</u>	<u>\$ (13,104)</u>	(13,461)	<u>\$ (3,380)</u>	<u>\$ (357)</u>
Fund balance-Beginning of year			<u>290,042</u>		
Fund balance-End of year			<u>\$ 276,581</u>		



**TROY SCHOOL DISTRICT NO. 287**  
Troy, Idaho

**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>	
				<u>Original to Actual</u>	<u>Amended to Actual</u>
<b>REVENUES</b>	-	-	-	-	-
<b>EXPENDITURES</b>					
Support:					
Salaries	40,000	45,000	51,852	(11,852)	(6,852)
Benefits	19,911	20,112	20,121	(210)	(9)
Purchased services	28,300	24,855	18,320	9,980	6,535
Supplies-materials	4,000	4,000	9,207	(5,207)	(5,207)
Insurance	2,335	2,833	-	2,335	2,833
Total support	<u>94,546</u>	<u>96,800</u>	<u>99,500</u>	<u>(4,954)</u>	<u>(2,700)</u>
Capital objects	<u>2,954</u>	<u>2,700</u>	<u>-</u>	<u>2,954</u>	<u>2,700</u>
Total expenditures	<u>97,500</u>	<u>99,500</u>	<u>99,500</u>	<u>(2,000)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(97,500)	(99,500)	(99,500)	(2,000)	-
Other financing sources (uses):					
Transfer in	<u>97,500</u>	<u>135,500</u>	<u>135,500</u>	<u>38,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 36,000</u>	<u>36,000</u>	<u>\$ 36,000</u>	<u>\$ -</u>
Fund balance-Beginning of year			<u>10,048</u>		
Fund balance-End of year			<u>\$ 46,048</u>		

**TROY SCHOOL DISTRICT NO. 287**  
Troy, Idaho

---

**INTERNAL SERVICE FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2016

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

Assets:

Investments	52,569	
Due from other funds	523	
Other receivable	23	
Total assets	<u>53,115</u>	

Deferred outflows of resources	<u>-</u>	
--------------------------------	----------	--

Total assets and deferred outflows of resources 53,115

**LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

Liabilities	-	
-------------	---	--

Deferred inflows of resources	<u>-</u>	
-------------------------------	----------	--

Total liabilities and deferred inflows of resources -

**NET POSITION**

Restricted	<u>53,115</u>	
------------	---------------	--

Total net position \$ 53,115

**TROY SCHOOL DISTRICT NO. 287**  
**Troy, Idaho**

---

**INTERNAL SERVICE FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2016**

**REVENUE**

Local:

Other local	10,258	
Earnings on investments	177	<u>10,435</u>

Total revenue		10,435
---------------	--	--------

**EXPENDITURES**

Benefits	13,702	
Purchased services	2,373	<u>16,075</u>

Total expenditures		<u>16,075</u>
--------------------	--	---------------

Excess (deficiency) of revenues over expenditures		(5,640)
--	--	---------

Other financing sources		
Transfer in		<u>14,000</u>

Net change in fund balance		8,360
----------------------------	--	-------

Net Position-Beginning of year		<u>44,755</u>
--------------------------------	--	---------------

Net Position-End of year		<u><u>\$ 53,115</u></u>
--------------------------	--	-------------------------

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

---

**INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2016**

**Cash Flows From Operating Activities**

Cash received from local governments	10,258
Cash payments for insurance related expenses	<u>(16,075)</u>

Net cash used in operating activities (5,817)

**Cash Flows From Noncapital Financing Activities**

Cash received from other funds	<u>15,036</u>
--------------------------------	---------------

Net cash provided by noncapital financing activities 15,036

**Cash Flows From Investing Activities**

Purchase of investments	(9,380)
Earnings on investments	<u>161</u>

Net cash used in investing activities (9,219)

**Net change in cash** -

**Cash-beginning of year** -

**Cash-end of year** \$ -

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2016**

	Private Purpose Trusts			Component Unit - Edward Ramsdale Scholarship
	Ed Ramsdale Scholarship Trust	Scholarship Trust	Agency Funds	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash	-	-	97,369	47,531
Investments	38,675	134,109	29,944	739,387
Other receivable	17	-	-	1,480
Total assets	38,692	134,109	127,313	788,398
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	38,692	134,109	127,313	788,398
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Liabilities:				
Due to student groups	-	-	127,313	-
Scholarship awards payable	38,692	-	-	27,647
Total liabilities	38,692	-	127,313	27,647
Deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	38,692	-	127,313	27,647
<b>NET POSITION</b>				
Restricted	-	-	-	760,751
Restricted for scholarships	-	134,109	-	-
Total net position	\$ -	\$ 134,109	\$ -	\$ 760,751

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended June 30, 2016**

	<b>Ed Ramsdale Scholarship Trust</b>	<b>Scholarship Trust</b>	<b>Component Unit - Edward Ramsdale Scholarship Fund, Inc.</b>
<b>REVENUES</b>			
Net investment income	120	8,013	9,446
Restricted donations	18,000	-	-
Total revenues	18,120	8,013	9,446
<b>EXPENDITURES</b>			
Administrative expenses	-	-	4,784
Scholarship awards	20,497	4,000	30,186
Total expenditures	20,497	4,000	34,970
<b>Change in Net Position</b>	(2,377)	4,013	(25,524)
<b>Net Position - Beginning</b>	41,069	130,096	786,275
<b>Net Position - Ending</b>	\$ 38,692	\$ 134,109	\$ 760,751

# TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

---

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### NOTE 1 Summary of Accounting Policies

The financial statements of the Troy School District No. 287 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**Reporting Entity** - The Troy School District No. 287 is the basic level of government, which has financial accountability, and control over all activities related to the public school education within the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. The unaudited statements of the Ed Ramsdale Scholarship Fund, Inc., a component unit, is presented on the Statement of Net Position and Statement of Revenues, Expenditures and Changes in Net Position. The fiscal year end of the Ed Ramsdale Scholarship Fund, Inc., differs from Troy School District No. 287, so reports are presented for the year ended December 31, 2016.

**Basis of Presentation, Fund Accounting** - District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Only governmental-type activities are shown.

The statement of activities presents a comparison between direct expenses and program revenues for each different function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses – expenses of the District related to the administration and support of the District's programs, such as personnel and accounting – are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state foundation aid, are presented as general revenues.

## **NOTE 1      Summary of Accounting Policies (Continued)**

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

- General Fund. This is the District's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund.
- Debt Service Fund. This fund is used to account for the financial resources that are legally restricted for the retirement of District general obligation bonds.
- Capital Projects Fund. This fund is used to account for financial resources that are legally restricted for the acquisition, construction, or major repair of school property.

The District reports the following fund types:

- Internal service fund. The District has an internal service fund which is used to account for a medical risk pool.
- Agency funds. These funds account for assets held by the District as an agent for various student groups and clubs.
- Private-purpose trust fund. These funds report a trust arrangement under which contributions to endowments are maintained to support programs identified specifically by the donors.
- Component unit. The District reports the net position and changes in net position of one component unit, the Ed Ramsdale Scholarship Fund, Inc. These statements are presented to meet the requirement of GASB Statement 39 because the economic resources received by the Fund are held for the direct benefit of the District and its students.

The unaudited statements of the Ed Ramsdale Scholarship Fund, Inc. are fiduciary in nature and are not included in the activity of the government-wide financial statements.

**Basis of Accounting** - The district-wide and fiduciary fund (excepting agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and donations. On an accrual



## **NOTE 1      Summary of Accounting Policies (Continued)**

basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. State support for grant revenues are susceptible to accrual.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by cost-reimbursement grants and general revenues. When program expenses are incurred, the related revenue of cost-reimbursement grants is recognized.

**Restricted Resources** - The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Budgets** - Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for general, special revenue, and capital projects funds.

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least 14 days prior to the public hearing the District publishes a proposed budget for public review.
2. A public hearing is set to obtain taxpayers comments.
3. The final budget is adopted by resolution of the Board at the regular June meeting of the Board of Trustees.
4. Prior to July 15, the final budget is filed with the State Department of Education.

The budget is a plan of spending under which expenditures may not exceed the budget at the fund level.

Management may amend the budget without seeking the approval of the trustees for revisions which do not increase the total budget.

**Cash and Investments** - The District's cash includes amounts in demand deposits and savings accounts in local depositories. Investments are deposited in the Idaho State Treasurer's Local

## **NOTE 1      Summary of Accounting Policies (Continued)**

Government Investment Pool, which allow school districts within the State of Idaho to pool their funds for investment purposes.

Interest income is defined as non-operating revenue.

Deposits in State Treasurer's local government investment pool are stated at cost, which approximates market. All funds are invested in accordance with Section 67-1210 and 67-1210A of the Idaho Code. The primary objectives of the investment pool, in order of priority, are safety, liquidity and yield.

**Inventory** - The District does not follow the practice of capitalizing expendable supplies at year-end in the General Fund. All supplies are recorded as expenditures in the period in which they were purchased.

**General Fixed Assets** - Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

The Board has set a capitalization threshold of \$5,000. All purchases and improvements to facilities, which are not considered repairs, are capitalized and depreciated using the straight-line method in the government-wide statements and proprietary funds. Lives for buildings and improvements range from 15–30 years. Lives for equipment range from 3–10 years. Vehicles and school buses have estimated lives of 10-20 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**Accumulated Unpaid Vacation and Sick Pay** - Under the terms of the "Troy School District Personnel Manual" District employees are granted vacation and sick leave in varying amounts. In the event an employee leaves the District, unused vacation credits are compensated at the employee's current rate of pay, ranging from 0 - 15 days. Employees are not paid for unused sick leave upon termination of employment with the District.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for non-vesting an accumulating right to receive sick pay benefits.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been

## **NOTE 1      Summary of Accounting Policies (Continued)**

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.

**Long Term Obligations** - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Compensation** - The Sick Leave Bank represents a type of long-term payroll protection insurance for absences beyond the employee's accumulated sick leave. Participation is optional for all employees eligible for the Idaho Public Employees Retirement System, with all new participants contributing one sick leave day per year.

The Bank is administered by an in-District five-member committee as provided in the Teacher Negotiated Agreement. At June 30, 2016 there were 257.38 days of sick leave in the bank.

**Encumbrances** - The District does not utilize an encumbrance system.

**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.

**Fund Balance, GASB 54** - The *nonspendable* fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers (grants), or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, *assigned* fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amount not contained in the other classifications.

## **NOTE 1      Summary of Accounting Policies (Continued)**

**Deferred Revenue** - Deferred revenue in the General and Debt Service Funds represent property taxes recorded but not estimated to be collected within 60 days of the end of the accounting period.

**Unavailable Property Tax Revenue** - Unavailable property tax revenue in the General Fund and Debt Service Fund represent the property taxes levied for 2016 that are measurable but unavailable to the District, and therefore recorded as a deferred inflow of resources in both the governmental fund and the government-wide financial statements.

**Subsequent Events** - Management has evaluated subsequent events through the date of the audit report. This is the date the financial statements were available to be issued. Management has concluded that no material subsequent events have occurred.

## **NOTE 2      Property Tax**

The District's property tax is levied each October on the value listed as of the prior January 1 for all real property located in the District. A revaluation of all property is required to be completed no less than every five years. The market value for the list of January 1, 2015 upon which the 2015 levy was based was \$134,284,057.

The District's actual levy was 15.896% per \$100 for the payment of principal and interest on long-term debt. The combined tax rate to finance educational services other than the payment of principal and interest on long-term debt for the year ended June 30, 2016 was 74.097% per \$100, which means that the District was required to pass an override levy in the amount of 74.097% per \$100. The total tax levy for the year ended June 30, 2016 was \$1,211,719 with total tax collections being \$1,165,815.

Taxes are due in two equal installments on December 20th and June 20th following the levy date. Current tax collections for the year ended June 30, 2016 were 96.21% of the tax levy. Property taxes levied for 2015 are recorded as receivables to the extent of taxes not estimated to be collected within 60 days of the end of the accounting period.

In accordance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District has recognized the 2016 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The 2016 property tax levy funds are considered unavailable as of June 30, 2016. The total property taxes levy for 2016 of \$1,161,195 is recorded as uncollected but are not considered available at June 30, 2016. The entire receivable is considered a deferred inflow of resources.

**NOTE 2 Property Tax (Continued)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Total taxes receivable at June 30, 2016	65,317	14,396	79,713
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2016	<u>13,064</u>	<u>2,879</u>	<u>15,943</u>
Deferred revenue	<u>\$52,253</u>	<u>\$11,517</u>	<u>\$63,770</u>

**NOTE 3 Deposits and Investments**

	<u>Carrying Amount</u>	<u>Bank Balance</u>
<b><u>Cash</u></b>		
Checking and Saving Accounts	<u>\$389,048</u>	<u>\$456,788</u>

Deposits were with Umpqua Bank of which \$250,000 of the accounts were covered by Federal Deposit Insurance. The remaining balance of \$206,788 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

**Investments**

Detail of investments at June 30, 2016 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Internal Service</u>	<u>Fiduciary</u>	<u>Total</u>
Northwestern Mutual	-	-	-	-	134,109	134,109
Investment in State Treasurer's Pool	Variable	<u>416,340</u>	<u>200,799</u>	<u>52,569</u>	<u>68,619</u>	<u>738,327</u>
Total		<u>\$416,340</u>	<u>\$200,799</u>	<u>\$52,569</u>	<u>\$202,728</u>	<u>\$872,436</u>

**Investment Maturities**

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Market</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$738,327</u>	<u>\$738,327</u>	<u>\$738,327</u>	<u>\$ -</u>

The State Treasurer's Local Government Investment Pool is managed by the State of Idaho Treasurer's office. All funds are invested in accordance with Section 67-1210 and 67-1210A of Idaho Code. Authorized investments include bonds, treasury bills, interest-bearing notes, and other obligations of the U.S. Government, general obligation or revenue bonds of the State of Idaho or other local governments within the state of Idaho, bonds, debentures, or other similar obligations issued by the farm credit system or by public corporations of the state of Idaho, repurchase agreements covered by any legal investment for the state of Idaho, tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts of the state of Idaho, revenue bonds of institutions of higher education of the state of Idaho, and time deposits and savings accounts in amounts not to exceed applicable insurance limits. The primary objectives of the investment pool, in order of priority, are safety, liquidity, and yield.

### **NOTE 3      Deposits and Investments (Continued)**

The State Treasurer's investment policy and the Local Government Investment Pool financial statements which can be obtained by writing P.O. Box 83720, Boise, ID 83720-0091.

*Custodial credit risk* for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

*Credit risk* is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Moody's or Standard & Poor's. The investments of the District at year-end are not required to be rated. The District does not have a policy regarding credit risk.

*Interest rate risk* is the risk that changes in market interest rates will adversely impact the fair value of an investment. Investments that are fixed for longer periods are likely to experience greater variability in their fair values due to future changes in interest rate. At year-end, the District is not subject to interest rate risk as all investments are held in the State Treasurer's Local Government Investment Pool, which has a maturity of 91 days. The District does not have a policy regarding interest rate risk.

*Concentration of credit risk* is the risk that concentration of investments with one issuer represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total investments of the entity are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The District has no policy limiting the amount it may invest in any one issuer.

The District acts as a trustee for the Scholarship Trust Fund. This fund is composed of investments in mutual funds with Northwestern Mutual Investment Services, LLC. The stock is registered and held in the Trust's name. The market price as of June 30, 2016 was \$134,109.

### **NOTE 4      Changes in Fixed Assets**

A summary of changes in general fixed assets is as follows:

**NOTE 4 Changes in Fixed Assets (Continued)**

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Capital assets not being depreciated</b>				
Land	52,001	-	-	52,001
<b>Capital assets being depreciated</b>				
Land Improvements	207,331	-	-	207,331
Buildings	6,809,703	-	(6,099)	6,803,604
Equipment	177,162	23,592	-	200,754
Transportation	430,148	-	-	430,148
Total depreciated assets	<u>7,624,344</u>	<u>23,592</u>	<u>(6,099)</u>	<u>7,641,837</u>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(58,381)	(16,639)	-	(75,020)
Buildings	(1,954,357)	(138,740)	-	(2,093,097)
Equipment	(134,323)	(7,162)	-	(141,485)
Transportation	(292,435)	(49,193)	-	(341,628)
Total accumulated depreciation	<u>(2,439,496)</u>	<u>(211,734)</u>	<u>-</u>	<u>(2,651,230)</u>
Governmental Activities Assets (Net)	<u>\$ 5,236,849</u>	<u>\$(188,142)</u>	<u>\$ (6,099)</u>	<u>\$ 5,042,608</u>

**NOTE 5 Long-term Debt**

The following is a summary of bond transactions of the District for the year ended June 30, 2016.

Bonds payable @ July 1, 2015	1,138,000
Debt acquired	-
Debt retired	<u>(193,000)</u>
Bonds payable @ June 30, 2016	<u>\$945,000</u>

Bonds payable at June 30, 2016 consisted of the following issue:

**General Obligation Bonds**

Series 2011 – Refunding Bonds

Original issue of \$1,235,000 due

August 1, 2021. Interest ranges

from 3.5% to 3.75%

\$ 945,000

## NOTE 5 Long-term Debt (Continued).

The annual requirements to amortize bond debt outstanding as of June 30, 2016 including interest is as follows:

	<u>Series 2011 – Refunding</u>		
<u>Date of Redemption</u>	<u>Bond Principal</u>	<u>Interest Requirement</u>	<u>Total Requirement</u>
8/1/2016	145,000	17,156	162,156
2/1/2017	-	14,619	14,619
8/1/2017	150,000	14,619	164,619
2/1/2018	-	11,994	11,994
8/1/2018	155,000	11,994	166,994
2/1/2019	-	9,281	9,281
8/1/2019	160,000	9,281	169,281
2/1/2020	-	6,281	6,281
8/1/2020	165,000	6,281	171,281
2/1/2021	-	3,188	3,188
8/1/2021	<u>170,000</u>	<u>3,188</u>	<u>173,188</u>
Total	<u>\$945,000</u>	<u>\$107,882</u>	<u>\$1,052,882</u>

During the year ended June 30, 2016, the following changes occurred in Liabilities:

The District's Legal Debt Margin is calculated at 5% of the fair market value of property located within the District. At June 30, 2016 the Legal Debt Margin was:

Market Value at January 1, 2015	134,284,057
Percentage allowed	<u>5%</u>
Debt Limitation	6,714,203
Less: Bonded debt at June 30, 2016	<u>945,000</u>
Legal Debt Margin	<u>\$5,769,203</u>

## NOTE 6 Pension Plan

In accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, which became effective for the year ended June 30, 2015, the financial reporting and note disclosures are based off the most recent audited financial statements of PERSI, which was completed for the period ended June 30, 2015. All amounts are as of June 30, 2015 unless otherwise noted.

### *Plan Description*

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various



## **NOTE 6 Pension Plan (Continued)**

participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial

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

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

### *Pension Benefits*

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

Amounts in parenthesis represent police/firefighters.

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

### *Member and Employer Contributions*

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

The contribution rates for employees are set by statute at 60% (72%) of the employer rate. As of June 30, 2016 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 District's employer

## NOTE 6 Pension Plan (Continued)

contributions required and paid were \$193,199, \$216,379, and \$221,199 for the three years ended June 30, 2016, 2015, and 2014, respectively.

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2015. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the District's proportion was 0.0682433 percent.

The District's pension expense (revenue) is calculated and made available as part of PERSI's annual audit. PERSI's audit for the year ended June 30, 2016 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2015 was calculated at \$179,078.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	-	107,729
Changes in assumptions or other inputs	32,728	-
Net difference between projected and actual earning on pension plan investments	330,729	471,915
Employer contributions subsequent to the measurement date	<u>190,119</u>	<u>-</u>
Total	<u>\$553,576</u>	<u>\$579,644</u>

\$499,116 reported as deferred outflow of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

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:

## NOTE 6 Pension Plan (Continued)

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2016	(92,183)
2017	(92,183)
2018	(92,183)
2019	66,909
2020	(6,547)

### *Actuarial Assumptions*

The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	4.5 – 10.00%
Salary Inflation	3.75%
Investment rate of return	7.10% net of investment expenses
Cost-of-living adjustments	1.0%

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

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

An experienced 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 2015 for the period from July 1, 2009 through June 30, 2013. The net pension liability as of June 30, 2015 is based on the results on the results of an actuarial valuation date of June 30, 2015.

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

## NOTE 6 Pension Plan (Continued)

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.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Russell 3000	55.00%	6.9%
Developed Foreign Equities	MSCI ACWI ex USA	15.00%	7.55%
 <b><u>Actuarial Assumptions</u></b>			
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			.40%
<b>Long-Term Expected Rate of Return, Net Investment Expenses</b>			<b>7.10%</b>

### *Discount Rate*

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

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-

## NOTE 6 Pension Plan (Continued)

percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease <u>(6.10%)</u></b>	<b>Current Discount Rate <u>(7.10%)</u></b>	<b>1% Increase <u>(8.10%)</u></b>
Employer's proportionate share of the net pension liability (asset)	\$2,188,793	\$898,653	\$(173,927)

### *Pension plan fiduciary net position*

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

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

### *Payables to the pension plan*

At June 30, 2015, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

## NOTE 7 Self-Insured Medical Benefit Plan

The escalating cost in health insurance programs have made it necessary for Troy School District No. 287 to look at alternative ways to provide the best medical coverage for its employees. As a result, the Board of Trustees in cooperation with the Troy Education Association has created a Self-Insured Employee Medical Benefit Pool. The purpose of the pool

is to create a partial self-fund health insurance plan for its employees, and to help fund future increases in the cost of medical insurance through the savings projected in administering the plan.

The District shall create an account and shall transfer any savings of premiums into the account to pay for the higher deductible required of employees through this plan. The purpose of this account is solely for budgeting and management of the Self-Insured Employee Medical Pool.

The savings in insurance costs, along with interest earned on investments, increased the Self-Insured Medical Benefit Pool balance to \$53,115 at June 30, 2016.

Administration – The Troy School District No. 287 Board of Trustees will administer the Self-Insured Medical Benefit Pool. The business manager will provide the board with financial statements upon which the board will make decisions regarding the stability of the fund, authorize transfers into the General M & O Fund to help fund employee medical benefit

## **NOTE 7 Self-Insured Medical Benefit Plan (Continued)**

expense, or transfers from the General M & O Fund to the pool if necessary, and set an annual budget. Operating transfers of funds out of the Pool will only be made at the direction of the Board of Trustees.

District Liability – When achieved, 100% of the liability of self-insuring the employees and dependents of Troy School District No. 287 shall be retained in the Self-Insurance Medical Benefit Pool. Liability is calculated by the number of employee paid family deductible and the district paid family deductible.

Eligibility – All employees of the Troy School District No. 287 enrolled in the school district medical insurance plan and their enrolled dependents are eligible for benefits under the Self-Insured Medical Benefit Pool.

Retirees – Retirees who are enrolled in the school district group medical insurance plan and their dependents are eligible for benefits under the Self-Insured Medical Benefit Pool, with no additional cost in premium to the retiree.

Over age 65 and disabled retirees who are enrolled in a supplemental plan are not eligible.

COBRA – COBRA participants are not eligible for benefits under the Self-Insured Medical Benefit Pool.

Dissolution – If the Self-Insured Medical Pool is dissolved at some point in time, the fund balance will revert back into the General M & O Fund through an operating transfer of funds.

## **NOTE 8 Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 government expects such amounts, if any, to be immaterial.

## **NOTE 9 Excess of Actual Expenditures Over Budget in Nonmajor Funds**

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2016:

<u>Fund</u>	<u>Excess</u>
Substance Abuse – State	259

These over-expenditures arose due to an increase in Local, State and Federal funding. To meet the student's education needs, the Board of Trustees approved the additional expenditures when additional funding became available. Idaho Code Section 33-701 allows the District to make budget adjustments to reflect the availability of funds and the requirements of the school district.

**NOTE 10 Interfund Receivables, Payables and Transfers**

Generally accepted accounting principles require disclosure of certain information concerning non-major funds including:

**Interfund Transfers** - Transfers to support the operations of other funds are recorded as “Transfers” and are classified with “Other financing sources or uses.” Idaho Code and State Department of Education Regulations mandate transfers into the Capital Projects Fund to cover the depreciation reimbursement. Total operating transfers are as follows:

	<u>Out</u>	<u>In</u>
General	175,110	-
Child Nutrition	-	25,332
Driver’s Education	-	278
Title I-A, ESEA – Improve Basic Programs	-	13,298
Title II-A, ESEA – Improving Teacher Quality	13,298	-
School Plant Facility – Bus Replacement	-	36,000
School Plant Facility – School Maintenance and Repair	-	99,500
Internal Service	-	14,000
Total	<u>\$188,408</u>	<u>\$188,408</u>

The composition of interfund receivables and payables as of June 30, 2016 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	118,763
Special Revenue		
Child Nutrition	6,793	-
Driver Education	-	2,125
Federal Forest	27,752	-
Title I-A, ESEA – Improve Basic Programs	-	4,663
IDEA Part B School Age	-	15,024
State Professional Technical	-	5,341
Title II-A, ESEA – Improve Teacher Quality	-	252
Public School Technology Grant	14,831	-

**NOTE 10 Interfund Receivables, Payables and Transfers (Continued)**

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Miscellaneous		
State Grants	8,235	-
Perkins III – Professional Technical Act	-	10,944
Title VI-B, ESEA – Rural Education Achievement Program	51	-
Local Education	4,884	
Garden Grant	43,041	-
Capital Projects Funds	51,002	-
Internal Service Fund	<u>523</u>	<u>-</u>
Total	<u>\$157,112</u>	<u>\$157,112</u>

**NOTE 11 Risk Management**

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



## REQUIRED SUPPLEMENTARY INFORMATION



## TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

---

### REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

#### Schedule of the District's Share of Net Pension Liability \*

PERSI - Base Plan

As of June 30,

	<u>2015</u>	<u>2014</u>
Employer's portion of the net pension liability	0.0682433%	0.0721285%
Employer's proportionate share of the net pension liability	\$898,653	\$530,979
Employer's covered employee payroll	\$1,911,475	\$1,954,059
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	47.01%	27.17%
Plan fiduciary net position as a percentage of the total	91.38%	94.95%

#### Schedule of the District's Share of Contributions \*

PERSI - Base Plan

As of June 30,

	<u>2015</u>	<u>2014</u>
Statutorily required contribution	\$216,379	\$221,199
Contributions in relation to the statutorily required contribution	(\$216,379)	(\$221,199)
Contribution (deficiency) excess	\$-	\$-
Employer's covered employee payroll	\$1,911,475	\$1,954,059
Contributions as a percentage of covered employee payroll	11.32%	11.32%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, Troy School District No. 287 will present information for those use for which information is available.

Data is reported is measured as of June 30, 2015.

#### Notes to the Required Supplementary Information

As of June 30, 2016

Change of Assumptions. Amounts reported as of June 30, 2014 reflect an adjustment of the investment rate of return to 7.10 percent, net of pension plan investment expense.

**COMBINING AND NONMAJOR FUND  
FINANCIAL STATEMENTS**



**TROY SCHOOL DISTRICT NO. 287**  
**Troy, Idaho**

---

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION:</b>			
Elementary School Program			
Salaries	409,384	479,929	70,545
Benefits	137,157	140,336	3,179
Purchased services	4,787	11,000	6,213
Supplies-materials	24,899	18,514	(6,385)
Insurance	-	4,500	4,500
Total elementary school program	<u>576,227</u>	<u>654,279</u>	<u>78,052</u>
Secondary School Program			
Salaries	411,183	505,099	93,916
Benefits	136,584	159,644	23,060
Purchased services	9,569	24,000	14,431
Supplies-materials	13,324	21,091	7,767
Capital objects	6,000	-	(6,000)
Insurance	-	5,402	5,402
Total secondary school program	<u>576,660</u>	<u>715,236</u>	<u>138,576</u>
Vocational-Technical Program			
Salaries	79,488	106,778	27,290
Benefits	31,115	37,334	6,219
Purchased services	2,035	800	(1,235)
Supplies-materials	3,423	4,400	977
Insurance	-	625	625
Total vocational-technical program	<u>116,061</u>	<u>149,937</u>	<u>33,876</u>
Special Education Program			
Salaries	67,580	102,463	34,883
Benefits	29,998	42,964	12,966
Purchased services	4,456	1,000	(3,456)
Supplies-materials	4,206	100	(4,106)
Insurance	-	450	450
Total special education program	<u>106,240</u>	<u>146,977</u>	<u>40,737</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>INSTRUCTION:</b>			
Special Education Preschool Program			
Salaries	-	500	500
Benefits	-	115	115
Purchased services	-	1,200	1,200
Insurance	-	60	60
Total special education preschool program	<u>-</u>	<u>1,875</u>	<u>1,875</u>
 Interscholastic Program			
Salaries	64,797	75,000	10,203
Benefits	8,885	9,970	1,085
Purchased services	5,504	15,500	9,996
Insurance	-	1,200	1,200
Total interscholastic program	<u>79,186</u>	<u>101,670</u>	<u>22,484</u>
 School Activity Program			
Salaries	8,213	-	(8,213)
Benefits	1,266	-	(1,266)
Purchased services	5,967	-	(5,967)
Supplies-materials	581	-	(581)
Insurance	800	800	-
Total school activity program	<u>16,827</u>	<u>800</u>	<u>(16,027)</u>
 <b>TOTAL INSTRUCTION</b>			
Salaries	1,040,645	1,269,769	229,124
Benefits	345,005	390,363	45,358
Purchased services	32,318	53,500	21,182
Supplies-materials	46,433	44,105	(2,328)
Capital objects	6,000	-	(6,000)
Insurance	800	13,037	12,237
Total Instruction	<u>\$ 1,471,201</u>	<u>\$ 1,770,774</u>	<u>\$ 299,573</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT:</b>			
Attendance-Guidance-Health Program			
Salaries	43,529	57,892	14,363
Benefits	15,693	19,162	3,469
Purchased services	2,159	4,525	2,366
Supplies-materials	294	1,820	1,526
Capital objects	-	1,200	1,200
Insurance	-	295	295
Total attendance-guidance-health program	<u>61,675</u>	<u>84,894</u>	<u>23,219</u>
Special Education Support Services Program			
Salaries	117,204	122,199	4,995
Benefits	40,638	43,134	2,496
Purchased services	17,735	28,500	10,765
Supplies-materials	-	500	500
Insurance	-	750	750
Total special education support services program	<u>175,577</u>	<u>195,083</u>	<u>19,506</u>
Instruction Improvement Program			
Purchased services	<u>2,801</u>	<u>11,900</u>	<u>9,099</u>
Educational Media Program			
Salaries	16,871	-	(16,871)
Benefits	9,645	-	(9,645)
Purchased services	-	2,400	2,400
Supplies-materials	2,679	6,000	3,321
Capital objects	-	150	150
Total educational media program	<u>29,195</u>	<u>8,550</u>	<u>(20,645)</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued):</b>			
Instruction-Related Technology Program			
Purchased services	41,992	34,500	(7,492)
Supplies-materials	815	4,700	3,885
Capital objects	23,089	28,200	5,111
Total instruction-related technology program	<u>65,896</u>	<u>67,400</u>	<u>1,504</u>
Board of Education Program			
Benefits	25	-	(25)
Purchased services	4,294	11,050	6,756
Supplies-materials	76	125	49
Insurance	5,500	5,525	25
Total board of education program	<u>9,895</u>	<u>16,700</u>	<u>6,805</u>
District Administration Program			
Salaries	125,218	136,721	11,503
Benefits	42,886	29,346	(13,540)
Purchased services	23,525	36,750	13,225
Supplies-materials	1,685	3,000	1,315
Capital objects	-	2,200	2,200
Insurance	106	854	748
Total district administration program	<u>193,420</u>	<u>208,871</u>	<u>15,451</u>
School Administration Program			
Salaries	178,215	179,240	1,025
Benefits	51,521	51,458	(63)
Purchased services	4,921	8,600	3,679
Insurance	-	1,010	1,010
Total school administration program	<u>234,657</u>	<u>240,308</u>	<u>5,651</u>

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued):</b>			
Administrative Technology Service			
Salaries	46,284	42,630	(3,654)
Benefits	16,516	16,092	(424)
Purchased services	133	600	467
Insurance	-	235	235
Total administrative technology service	<u>62,933</u>	<u>59,557</u>	<u>(3,376)</u>
 Buildings-Care Program (Custodial)			
Salaries	19,009	44,198	25,189
Benefits	8,688	18,409	9,721
Purchased services	104,804	132,350	27,546
Supplies-materials	13,203	19,000	5,797
Capital objects	-	900	900
Insurance	20,117	22,627	2,510
Total buildings-care program (custodial)	<u>165,821</u>	<u>237,484</u>	<u>71,663</u>
 Maintenance - Non-Student Occupied			
Salaries	1,186	5,500	4,314
Benefits	489	2,834	2,345
Purchased services	1,644	18,000	16,356
Supplies-materials	4,379	2,500	(1,879)
Capital objects	-	1,200	1,200
Insurance	-	115	115
Total maintenance - non-student occupied	<u>7,698</u>	<u>30,149</u>	<u>22,451</u>
 Maintenance - Grounds			
Salaries	2,880	5,500	2,620
Benefits	759	2,834	2,075
Purchased services	7,174	12,000	4,826
Supplies-materials	4,131	6,000	1,869
Capital objects	-	1,200	1,200
Insurance	-	115	115
Total maintenance - grounds	<u>14,944</u>	<u>27,649</u>	<u>12,705</u>
 Pupil-To-School Transportation Program			
Salaries	43,636	51,938	8,302
Benefits	9,965	12,223	2,258
Purchased services	17,469	44,110	26,641
Supplies-materials	16,634	30,205	13,571
Insurance	3,300	7,785	4,485
Total pupil-to-school transportation program	<u>91,004</u>	<u>146,261</u>	<u>55,257</u>



**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**GENERAL FUND  
SCHEDULE OF EXPENDITURES BY FUNCTION - BUDGET AND ACTUAL (Continued)  
For the Year Ended June 30, 2016**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>SUPPORT (Continued):</b>			
Pupil-Activity Transportation Program			
Salaries	12,728	-	(12,728)
Benefits	2,528	-	(2,528)
Supplies-materials	221	-	(221)
Total pupil-activity transportation program	<u>15,477</u>	<u>-</u>	<u>(15,477)</u>
 General Transportation Program			
Purchased services	300	240	(60)
Supplies-materials	471	1,589	1,118
Insurance	1,000	1,000	-
Total general transportation program	<u>1,771</u>	<u>2,829</u>	<u>1,058</u>
 <b>TOTAL SUPPORT</b>			
Salaries	606,760	645,818	39,058
Benefits	199,353	195,492	(3,861)
Purchased services	228,951	345,525	116,574
Supplies-materials	44,588	75,439	30,851
Capital objects	23,089	35,050	11,961
Insurance	30,023	40,311	10,288
Total Support	<u><u>1,132,764</u></u>	<u><u>1,337,635</u></u>	<u><u>204,871</u></u>
 <b>NON-INSTRUCTION:</b>			
Child Nutrition:			
Benefits	2,936	4,000	1,064
Total Non-Instruction	<u><u>\$ 2,936</u></u>	<u><u>\$ 4,000</u></u>	<u><u>\$ 1,064</u></u>

## TROY SCHOOL DISTRICT No. 287

Troy, Idaho

---

### SPECIAL REVENUE FUNDS

**Child Nutrition Fund** - To account for costs of operating the school lunch program at the District. Financing is provided by State and Federal assistance and by sale of lunches. Reporting is done as a special revenue fund rather than as an enterprise fund due to the large amount of State and Federal assistance received by the program.

**Drivers Education Fund** - To account for costs of providing a driver education program. Financing for the program is provided through the Idaho State Department of Education.

**Federal Forest Fund** - To account for unrestricted Federal revenue received from the U.S. Department of Agriculture. This Fund has been used for special capital outlay projects.

**Title I-A, ESEA – Improving Basic Programs Fund** - To account for restricted Federal revenue to be spent on programs to provide special instruction to disadvantaged students.

**IDEA Part B – School Age Fund** - To account for restricted Federal revenue to be spent on programs to provide for special testing, physical therapy, teacher aides, equipment and materials, etc. in special education.

**IDEA Part B – Preschool Fund** - To account for restricted Federal revenue to be spent on programs to provide for preschool handicapped (3-5 years old) in the same manner provided for school age children in the Title VI-B program.

**State Professional Technical Fund** - To account for restricted State revenue to be spent on equipment and materials for vocational programs.

**Title II-A, ESEA – Improving Teacher Quality Fund** - To account for restricted Federal revenue to be spent on in-service training of math and/or science teachers.

**Public School Technology Fund** - To account for restricted State revenue to be spent on the technology program.

**Miscellaneous State Grants Fund** - To account for State revenue to provide student reading improvement and teacher training and staff development.

**Perkins III – Professional Technical Act Fund** - To account for restricted Federal revenue to be spent on equipment for the vocational program.

**Title VI-B, ESEA – Rural Education Achievement Programs Fund** - To account for Federal revenue to provide specialized instruction for handicapped students.

**Local Education Fund** - To account for local revenues from the Coeur d'Alene Tribe and Nez Perce Tribe to provide educational opportunities for all students.

**Garden Grant Fund** - To account for Federal revenue to be used for a garden to provide the opportunity for educating kindergarten, first grade, and third grade students about good nutrition, promoting exercise, science and agricultural education.

**Substance Abuse – State Fund** - To account for State revenue to be spent on the substance abuse program.

**TROY SCHOOL DISTRICT NO. 287**  
Troy, Idaho

**ALL SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2016

	Child Nutrition	Driver Education	Federal Forest	Title I-A, ESEA - Improve Basic Programs	IDEA Part B School Age	IDEA Part B Preschool	State Professional Technical	Title II-A, ESEA - Improving Teacher Quality
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Assets:								
Due from other funds	6,793	-	27,752	-	-	-	-	-
Other receivables:								
State reimbursement	-	2,125	-	-	-	-	5,377	-
Federal reimbursement	1,978	-	-	10,846	15,795	-	-	252
Total assets	8,771	2,125	27,752	10,846	15,795	-	5,377	252
Deferred outflows of resources	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>8,771</b>	<b>2,125</b>	<b>27,752</b>	<b>10,846</b>	<b>15,795</b>	<b>-</b>	<b>5,377</b>	<b>252</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
Liabilities:								
Due to other funds	-	2,125	-	4,663	15,024	-	5,341	252
Accounts payable	-	-	15,000	-	-	-	-	-
Salaries and benefits payable	8,771	-	-	6,183	771	-	36	-
Total liabilities	8,771	2,125	15,000	10,846	15,795	-	5,377	252
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance:								
Restricted	-	-	12,752	-	-	-	-	-
Total fund balance	-	-	12,752	-	-	-	-	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 8,771</b>	<b>\$ 2,125</b>	<b>\$ 27,752</b>	<b>\$ 10,846</b>	<b>\$ 15,795</b>	<b>\$ -</b>	<b>\$ 5,377</b>	<b>\$ 252</b>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

ALL SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
June 30, 2016

	Public School Technology Grant	Misc State Grants	Perkins III - Professional Technical Act	Title VI-B, ESEA - Rural Education Achievement Programs	Local Education	Garden Grant	Substance Abuse - State	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Assets:								
Due from other funds	14,831	8,235	-	51	4,884	43,041	-	105,587
Other receivables:								
State reimbursement	-	-	-	-	-	-	-	7,502
Federal reimbursement	-	-	10,944	-	-	-	-	39,815
Total assets	14,831	8,235	10,944	51	4,884	43,041	-	152,904
Deferred outflows of resources	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 14,831</b>	<b>\$ 8,235</b>	<b>\$ 10,944</b>	<b>\$ 51</b>	<b>\$ 4,884</b>	<b>\$ 43,041</b>	<b>\$ -</b>	<b>\$ 152,904</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
Liabilities:								
Due to other funds	-	-	10,944	-	-	-	-	38,349
Accounts payable	2,341	-	-	-	1,747	-	-	19,088
Salaries and benefits payable	-	-	-	51	-	410	-	16,222
Total liabilities	2,341	-	10,944	51	1,747	410	-	73,659
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance:								
Restricted	12,490	8,235	-	-	3,137	42,631	-	79,245
Total fund balance	12,490	8,235	-	-	3,137	42,631	-	79,245
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 14,831</b>	<b>\$ 8,235</b>	<b>\$ 10,944</b>	<b>\$ 51</b>	<b>\$ 4,884</b>	<b>\$ 43,041</b>	<b>\$ -</b>	<b>\$ 152,904</b>

**TROY SCHOOL DISTRICT NO. 287**  
Troy, Idaho

**ALL SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2016

	Child Nutrition	Driver Education	Federal Forest	Title I-A, ESEA - Improve Basic Programs	IDEA Part B School Age	IDEA Part B Preschool	State Professional Technical	Title II-A, ESEA - Improving Teacher Quality
<b>REVENUES</b>								
Local:								
Lunch sales	27,266	-	-	-	-	-	-	-
Other local	71	3,285	-	-	-	-	-	-
Total local	27,337	3,285	-	-	-	-	-	-
State:								
Other state support	-	-	-	-	-	-	17,925	-
Driver education program	-	2,500	-	-	-	-	-	-
Total state	-	2,500	-	-	-	-	17,925	-
Federal:								
School lunch reimbursement	44,695	-	-	-	-	-	-	-
Restricted	-	-	-	22,339	41,232	964	-	18,331
Unrestricted	-	-	4,537	-	-	-	-	-
Total federal	44,695	-	4,537	22,339	41,232	964	-	18,331
Total revenues	72,032	5,785	4,537	22,339	41,232	964	17,925	18,331
<b>EXPENDITURES</b>								
Instruction:								
Salaries	-	-	-	22,871	18,630	-	950	-
Benefits	-	-	-	9,768	6,115	-	191	-
Purchased services	-	6,063	-	-	1,402	964	5,341	4,401
Supply-materials	-	-	-	998	10	-	11,443	632
Capital objects	-	-	-	-	-	-	-	-
Total instruction	-	6,063	-	33,637	26,157	964	17,925	5,033
Support:								
Salaries	-	-	-	2,000	584	-	-	-
Benefits	-	-	-	-	117	-	-	-
Purchased services	-	-	-	-	14,374	-	-	-
Supply-materials	-	-	-	-	-	-	-	-
Total support	-	-	-	2,000	15,075	-	-	-
Non-instruction:								
Salaries	38,383	-	-	-	-	-	-	-
Benefits	13,740	-	-	-	-	-	-	-
Purchased services	3,335	-	-	-	-	-	-	-
Supply-materials	41,021	-	-	-	-	-	-	-
Total non-instruction	96,479	-	-	-	-	-	-	-
Capital objects	885	-	20,840	-	-	-	-	-
Total expenditures	97,364	6,063	20,840	35,637	41,232	964	17,925	5,033
Excess (deficiency) revenues over expenditures	(25,332)	(278)	(16,303)	(13,298)	-	-	-	13,298
Other financing sources (uses) Transfers in (out)	25,332	278	-	13,298	-	-	-	(13,298)
Net change in fund balance	-	-	(16,303)	-	-	-	-	-
Fund balance - Beginning of year	-	-	29,055	-	-	-	-	-
Fund balance - End of year	\$ -	\$ -	\$ 12,752	\$ -	\$ -	\$ -	\$ -	\$ -

**ALL SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**For the Year Ended June 30, 2016**

	Public School Technology Grant	Misc State Grants	Perkins III - Professional Technical Act	Title VI-B, ESEA - Rural Education Achievement Programs	Local Education	Garden Grant	Substance Abuse - State	Total
<b>REVENUES</b>								
Local:								
Lunch sales	-	-	-	-	-	-	-	27,266
Other local	-	-	-	-	6,500	-	-	9,856
Total local	-	-	-	-	6,500	-	-	37,122
State:								
Other state support	14,921	1,498	-	-	-	28,921	5,769	69,034
Driver education program	-	-	-	-	-	-	-	2,500
Total state	14,921	1,498	-	-	-	28,921	5,769	71,534
Federal:								
School lunch reimbursement	-	-	-	-	-	-	-	44,695
Restricted	-	-	10,944	3,423	-	-	-	97,233
Unrestricted	-	-	-	-	-	-	-	4,537
Total federal	-	-	10,944	3,423	-	-	-	146,465
Total revenues	14,921	1,498	10,944	3,423	6,500	28,921	5,769	255,121
<b>EXPENDITURES</b>								
Instruction:								
Salaries	-	657	506	2,923	-	1,626	-	48,163
Benefits	-	50	41	500	-	202	-	16,867
Purchased services	2,000	-	-	-	-	13,389	5,769	39,329
Supply-materials	8,526	-	10,397	-	1,616	600	-	34,222
Capital objects	4,432	-	-	-	-	-	-	4,432
Total instruction	14,958	707	10,944	3,423	1,616	15,817	5,769	143,013
Support:								
Salaries	-	-	-	-	-	-	-	2,584
Benefits	-	-	-	-	-	-	-	117
Purchased services	-	-	-	-	-	-	-	14,374
Supply-materials	-	-	-	-	1,747	-	-	1,747
Total support	-	-	-	-	1,747	-	-	18,822
Non-instruction:								
Salaries	-	-	-	-	-	-	-	38,383
Benefits	-	-	-	-	-	-	-	13,740
Purchased services	-	-	-	-	-	-	-	3,335
Supply-materials	-	-	-	-	-	-	-	41,021
Total non-instruction	-	-	-	-	-	-	-	96,479
Capital objects	-	-	-	-	-	-	-	21,725
Total expenditures	14,958	707	10,944	3,423	3,363	15,817	5,769	280,039
Excess (deficiency) revenues over expenditures	(37)	791	-	-	3,137	13,104	-	(24,918)
Other financing sources (uses)								
Transfers in (out)	-	-	-	-	-	-	-	25,610
Net change in fund balance	(37)	791	-	-	3,137	13,104	-	692
Fund balance - Beginning of year	12,527	7,444	-	-	-	29,527	-	78,553
Fund balance - End of year	\$ 12,490	\$ 8,235	\$ -	\$ -	\$ 3,137	\$ 42,631	\$ -	\$ 79,245

**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

---

**ALL CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016**

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Due from other funds	46,048	4,954	51,002
Deferred outflows of resources	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 46,048</u>	<u>\$ 4,954</u>	<u>\$ 51,002</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	-	4,034	4,034
Salaries and benefits payable	-	920	920
Total liabilities	-	4,954	4,954
Deferred inflows of resources	-	-	-
Fund balance:			
Restricted	46,048	-	46,048
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 46,048</u>	<u>\$ 4,954</u>	<u>\$ 51,002</u>



**TROY SCHOOL DISTRICT NO. 287**

Troy, Idaho

**ALL CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2016**

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
<b>REVENUES</b>	-	-	-
<b>EXPENDITURES</b>			
Support:			
Salaries	-	51,852	51,852
Benefits	-	20,121	20,121
Purchased services	-	18,320	18,320
Supply-materials	-	9,207	9,207
Total support	-	99,500	99,500
Total expenditures	-	99,500	99,500
Excess (deficiency) of revenues over expenditures	-	(99,500)	(99,500)
Other financing sources (uses):			
Transfer in	36,000	99,500	135,500
Net change in fund balance	36,000	-	36,000
Fund balance-Beginning of year	10,048	-	10,048
Fund balance-End of year	<u>\$ 46,048</u>	<u>\$ -</u>	<u>\$ 46,048</u>

**TROY SCHOOL DISTRICT No. 287**  
**Troy, Idaho**

---

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 2015**

**Finding 2015-001 Review of Journal Entries**

**Condition** Throughout our testing, we found no secondary review of journal entries posted throughout the year. We discussed internal controls with management and inquired as to the controls over journal entries. Based on the responses from management, we determined that no controls over journal entries were in place during the year.

**Status** This finding has been resolved.