

TROY SCHOOL DISTRICT No. 287

Troy, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2017**

TROY SCHOOL DISTRICT No. 287

Troy, Idaho

**Audited Financial Statements
For the Year Ended June 30, 2017**



TROY SCHOOL DISTRICT No. 287
Troy, Idaho

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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, 2017, 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
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, 2017, 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, 2017, 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 7-12 and the net pension liability related schedules on page 45 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 September 8, 2017 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
September 8, 2017

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, 2017, 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 September 8, 2017.

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
September 8, 2017

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

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, 2017.

Financial Highlights

During the 2016-2017 fiscal year, the District was able to operate a budget which maintained the recommended carryover in the fund balance. Some of the items the District provided were the following:

- Maintained programs
- Increased salaries 2% on the District's base salary.
- Repaired drainage problem on Troy Elementary School playground.
- Repaired and replaced bricks at District Office Building
- Purchased a new bus
- Purchased new desks and chair for the Elementary School.
- Purchased new stools for the students at the High School.
- Paid the deductible for the insurance to replace the elementary school roof.
- Replaced the crow's nest on the football field.
- Replaced carpet in three rooms at the High School.
- Replaced the tile in the Jr-Sr High School Commons area.

At the end of the 2016-2017 fiscal year, the District would anticipate a decline in Support Units due to the decline in enrollment the previous school year. With the anticipated decline in Support Units, the District implemented the following:

- Reduced Administration .25 FTE
- Transitioned the current 1.0 FTE Secondary Principal to a .2 FTE Superintendent and a .8 FTE Secondary Principal position

During the 2016-2017 fiscal year, the District did have a decline in Support Units. The District dropped from 19.21 Protected Support Units to 17.59 Support Units.

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 13 through 14 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 15 through 21 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 proprietary fund financial statement can be found on pages 22 through 24 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 25 through 26 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 27 through 44 of this report.

Required Supplementary Information. The net pension liability schedules provide additional information required by GASB 68.

Required supplementary information can be found on page 45 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 46 through 59 of this report.

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

	<u>2016-2017</u>	<u>2015-2016</u>	<u>Change</u>
Assets			
Current Assets	3,046,881	2,774,207	272,674
Noncurrent Assets	<u>4,967,449</u>	<u>5,042,608</u>	<u>(75,159)</u>
Total Assets	<u>8,014,330</u>	<u>7,816,815</u>	<u>197,515</u>
Deferred Outflows of Resources	<u>801,212</u>	<u>553,576</u>	<u>247,636</u>
Liabilities			
Current Liabilities	516,178	535,003	(18,825)
Noncurrent Liabilities	<u>1,832,943</u>	<u>1,698,653</u>	<u>134,290</u>
Total Liabilities	<u>2,349,121</u>	<u>2,233,656</u>	<u>115,465</u>
Deferred Inflows of Resources	<u>1,548,603</u>	<u>1,740,839</u>	<u>(192,236)</u>
Net Position			
Net Investment in Capital Assets	4,152,720	4,080,210	72,510
Restricted	729,472	466,506	262,966
Unrestricted	<u>35,626</u>	<u>(150,820)</u>	<u>186,446</u>
Total Net Position	<u>\$ 4,917,818</u>	<u>\$ 4,395,896</u>	<u>\$ 521,922</u>

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 \$4,917,818 at the close of the most recent fiscal year.

The largest portion of the District's net position (84.44%) 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 (14.83%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (0.73%) 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 increase in local revenue and operating grants and contributions, the District is reporting an increase in unrestricted net position.

Government-Wide Financial Analysis
Changes in Net Position

	<u>2016-2017</u>	<u>2015-2016</u>	<u>Change</u>
Revenues			
Program Revenues:			
Charges for Services	31,745	30,551	1,194
Operating Grants and Contributions	335,942	297,645	38,297
General revenues:			
Property Taxes	1,196,398	1,240,034	(43,636)
Federal and State Revenues	1,940,868	1,931,217	9,651
Local Revenues	<u>243,076</u>	<u>72,049</u>	<u>171,027</u>
Total Revenues	<u>3,748,029</u>	<u>3,571,496</u>	<u>176,533</u>
Expenses			
Program Expenses:			
Instruction	1,611,344	1,570,621	40,723
Support Services			
Pupil Support	257,126	233,193	23,933
Staff Support	66,731	98,780	(32,049)
General Administration	203,374	198,831	4,543
School Administration	223,828	222,859	969
Business Administration	84,730	62,933	21,797
Maintenance/Custodial	314,971	187,319	127,652
Transportation	119,998	105,551	14,447
Other services	-	16,075	(16,075)
Child Nutrition	101,513	94,390	7,123
Capital Outlay	55,372	97,633	(42,261)
Debt Service	29,605	43,258	(13,653)
Depreciation, unallocated	<u>157,515</u>	<u>211,734</u>	<u>(54,219)</u>
Total Expenses	<u>3,226,107</u>	<u>3,143,177</u>	<u>82,930</u>
Change in Net Position	521,922	428,319	93,603
Net Position – Beginning	<u>4,395,896</u>	<u>3,967,577</u>	<u>428,319</u>
Net Position – Ending	<u>\$ 4,917,818</u>	<u>4,395,896</u>	<u>\$ 521,922</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 in the General Fund was \$747,673 of which \$741,553 was unassigned. Fund balance increased by \$38,172 during the current fiscal year.

Expenditures for general District purposes totaled \$2,767,066, an increase of 6.1% from the prior year of \$2,606,901.

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 \$284,039.

The Bus Replacement Fund is the District fund used to buy new buses. At the end of the current fiscal year the fund balance was \$1,051.

**Governmental Activities
Capital Assets Net of Accumulated Depreciation**

	<u>2016-2017</u>	<u>2015-2016</u>	<u>Change</u>
Land	52,001	52,001	-
Sites	129,043	132,311	(3,268)
Buildings	4,570,962	4,710,507	(139,545)
Equipment	49,202	59,269	(10,067)
Transportation	<u>166,241</u>	<u>88,520</u>	<u>77,721</u>
Total Net Capital Assets	<u>\$ 4,967,449</u>	<u>\$ 5,042,608</u>	<u>\$ (75,159)</u>

Long-term Debt. The debt service fund has a total fund balance of \$274,667, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance decreased by \$1,914 during the current year primarily from a decrease in the property tax revenue allocated to this fund.

At year end the District had \$800,000 in general obligation bonds outstanding. The District retired \$145,000 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 Brad Malm, 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, 2017

ASSETS

Current assets	
Cash	377,773
Investments	901,776
Taxes receivable	86,762
Unbilled taxes receivable	1,161,708
Other receivables:	
Due from other governmental units	498,585
Other receivables	14,157
Prepaid expense	6,120
Total current assets	<u>3,046,881</u>

Noncurrent assets	
Non-depreciated capital assets	52,001
Depreciated capital assets	7,586,880
Less: accumulated depreciation	<u>(2,671,432)</u>
Total noncurrent assets	<u>4,967,449</u>

Total assets 8,014,330

DEFERRED OUTFLOWS OF RESOURCES

Pension related items 801,212

LIABILITIES

Current liabilities	
Accounts payable and other current liabilities	366,178
Current portion of long-term debt	<u>150,000</u>
Total current liabilities	<u>516,178</u>

Noncurrent liabilities	
Noncurrent portion of long-term debt	650,000
Net pension liability	<u>1,182,943</u>
Total noncurrent liabilities	<u>1,832,943</u>

Total liabilities 2,349,121

DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	1,161,708
Pension related items	<u>386,895</u>

Total deferred inflows of resources 1,548,603

NET POSITION

Net investment in capital assets	4,152,720
Restricted for:	
Debt service	286,834
Capital projects	285,090
Grant programs	95,333
Medical benefits	62,215
Unrestricted	<u>35,626</u>

Total net position \$ 4,917,818

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	<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>
FUNCTIONS/PROGRAMS					
Governmental activities:					
Preschool - 12 Instruction	1,611,344	3,570	213,182	-	(1,394,592)
Support Services:					
Pupil Support	257,126	-	14,091	-	(243,035)
Staff Support	66,731	-	-	-	(66,731)
General Administration	203,374	-	-	-	(203,374)
School Administration	223,828	-	-	-	(223,828)
Business Administration	84,730	-	-	-	(84,730)
Maintenance/Custodial	314,971	-	-	-	(314,971)
Transportation	119,998	-	71,617	-	(48,381)
Child Nutrition	101,513	28,175	37,052	-	(36,286)
Capital Outlay	55,372	-	-	-	(55,372)
Debt Services	29,605	-	-	-	(29,605)
Depreciation, unallocated	157,515	-	-	-	(157,515)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total School District	<u>\$ 3,226,107</u>	<u>\$ 31,745</u>	<u>\$ 335,942</u>	<u>\$ -</u>	<u>(2,858,420)</u>

General Revenues

Taxes:	
Property taxes levied for general purposes	1,022,977
Property taxes levied for liability insurance	35
Property taxes levied for debt service	173,386
Federal and State aid not restricted to specific purposes	1,940,868
Other	22,868
Compensation for loss of fixed assets	211,757
Interest and investment earnings	8,451
	<u> </u>
Total General Revenues	<u>3,380,342</u>
Change in Net Position	521,922
Net position - beginning	<u>4,395,896</u>
Net position - ending	<u>\$ 4,917,818</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF					
Assets:					
Cash	377,773	-	-	-	377,773
Investments	624,792	214,820	-	-	839,612
Due from other funds	-	-	285,847	105,197	391,044
Taxes receivable	70,723	16,039	-	-	86,762
Unbilled taxes receivable	995,000	166,708	-	-	1,161,708
Other assets:					
Due from other governmental units	407,967	55,802	-	34,816	498,585
Other receivables	13,933	173	-	-	14,106
Prepaid expense	6,120	-	-	-	6,120
Total assets	<u>2,496,308</u>	<u>453,542</u>	<u>285,847</u>	<u>140,013</u>	<u>3,375,710</u>
Deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,496,308</u>	<u>\$ 453,542</u>	<u>\$ 285,847</u>	<u>\$ 140,013</u>	<u>\$ 3,375,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Due to other funds	376,912	-	-	14,132	391,044
Accounts payable	2,195	-	10	3,270	5,475
Salaries and benefits payable	317,949	-	747	27,278	345,974
Total liabilities	<u>697,056</u>	<u>-</u>	<u>757</u>	<u>44,680</u>	<u>742,493</u>
Deferred inflows of resources:					
Deferred revenue	56,579	12,831	-	-	69,410
Unavailable property tax revenue	995,000	166,708	-	-	1,161,708
Total deferred inflows of resources	<u>1,051,579</u>	<u>179,539</u>	<u>-</u>	<u>-</u>	<u>1,231,118</u>
Fund balance:					
Nonspendable	6,120	-	-	-	6,120
Restricted	-	274,003	285,090	95,333	654,426
Unassigned	741,553	-	-	-	741,553
Total fund balance	<u>747,673</u>	<u>274,003</u>	<u>285,090</u>	<u>95,333</u>	<u>1,402,099</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,496,308</u>	<u>\$ 453,542</u>	<u>\$ 285,847</u>	<u>\$ 140,013</u>	<u>\$ 3,375,710</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2017

Total Fund Balances - Governmental Funds 1,402,099

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	7,638,881	
Accumulated depreciation	<u>(2,671,432)</u>	
		4,967,449

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. 69,410

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	801,212
Deferred inflow of resources	(386,895)

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. (14,729)

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. 62,215

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	(800,000)	
Net pension liability	<u>(1,182,943)</u>	
		<u>(1,982,943)</u>

Total Net Position - Governmental Activities \$ 4,917,818

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Local	1,035,505	174,696	300	41,745	1,252,246
State	1,995,204	-	-	97,604	2,092,808
Federal	16,981	-	-	156,721	173,702
Total revenues	<u>3,047,690</u>	<u>174,696</u>	<u>300</u>	<u>296,070</u>	<u>3,518,756</u>
EXPENDITURES					
Instruction	1,532,753	-	-	188,642	1,721,395
Support	1,231,211	-	80,908	14,091	1,326,210
Non-instruction	3,102	-	-	102,290	105,392
Debt service	-	177,274	-	-	177,274
Capital objects	-	-	81,606	12,912	94,518
Total expenditures	<u>2,767,066</u>	<u>177,274</u>	<u>162,514</u>	<u>317,935</u>	<u>3,424,789</u>
Excess (deficiency) of revenue over expenditures	<u>280,624</u>	<u>(2,578)</u>	<u>(162,214)</u>	<u>(21,865)</u>	<u>93,967</u>
Other financing sources (uses):					
Compensation for loss of fixed asset	-	-	211,757	-	211,757
Transfer in	-	-	189,499	38,953	228,452
Transfer out	<u>(242,452)</u>	-	-	<u>(1,000)</u>	<u>(243,452)</u>
Total other financing sources (uses)	<u>(242,452)</u>	-	<u>401,256</u>	<u>37,953</u>	<u>196,757</u>
Net change in fund balance	38,172	(2,578)	239,042	16,088	290,724
Fund balance-Beginning of year	<u>709,501</u>	<u>276,581</u>	<u>46,048</u>	<u>79,245</u>	<u>1,111,375</u>
Fund balance-End of year	<u>\$ 747,673</u>	<u>\$ 274,003</u>	<u>\$ 285,090</u>	<u>\$ 95,333</u>	<u>\$ 1,402,099</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, 2017**

Net change in fund balances - total governmental funds 290,724

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

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.

Capital outlays	82,356	
Depreciation expense	<u>(157,515)</u>	(75,159)

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. 5,640

Net pension liability adjustments:

Fiscal year 2016 employer PERSI contributions recognized as pension expense in the current year	(190,119)	
Fiscal year 2017 employer PERSI contributions deferred to subsequent year.	199,153	
Pension related amortization expense	<u>147,061</u>	156,095

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. 2,669

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. 9,100

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. 145,000

Total change in net position of governmental activities \$ 521,922

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, 2017

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Local:					
Taxes	1,001,000	1,001,000	1,017,372	16,372	16,372
Earnings on investments	1,500	1,500	6,704	5,204	5,204
Contributions/donations	300	300	471	171	171
Other	13,200	13,200	10,958	(2,242)	(2,242)
Total local	1,016,000	1,016,000	1,035,505	19,505	19,505
State:					
Base support program	1,558,868	1,558,868	1,557,307	(1,561)	(1,561)
Transportation support	60,000	60,000	71,617	11,617	11,617
Exceptional child support	4,500	4,500	5,942	1,442	1,442
Benefit apportionment	210,413	210,413	209,678	(735)	(735)
Other state support	89,791	89,791	94,664	4,873	4,873
Revenue in lieu/ag equip. taxes	23,602	23,602	21,625	(1,977)	(1,977)
Other state revenue	15,695	15,695	34,371	18,676	18,676
Total state	1,962,869	1,962,869	1,995,204	32,335	32,335
Federal:					
Unrestricted	-	-	16,981	16,981	16,981
Total revenues	2,978,869	2,978,869	3,047,690	68,821	68,821
EXPENDITURES					
Instruction:					
Salaries	1,181,656	1,181,656	1,062,597	119,059	119,059
Benefits	420,453	420,453	383,036	37,417	37,417
Purchased services	71,000	71,000	45,354	25,646	25,646
Supplies-materials	37,100	37,100	38,142	(1,042)	(1,042)
Capital objects	-	-	2,774	(2,774)	(2,774)
Insurance	11,005	11,005	850	10,155	10,155
Total instruction	1,721,214	1,721,214	1,532,753	188,461	188,461
Support:					
Salaries	658,694	658,694	653,464	5,230	5,230
Benefits	217,617	217,617	212,844	4,773	4,773
Purchased services	283,000	283,000	257,131	25,869	25,869
Supplies-materials	69,950	69,950	62,143	7,807	7,807
Capital objects	24,250	24,250	15,606	8,644	8,644
Insurance	41,884	41,884	30,023	11,861	11,861
Total support	1,295,395	1,295,395	1,231,211	64,184	64,184
Non-instruction:					
Benefits	3,000	3,000	3,102	(102)	(102)
Contingency	20,000	20,000	-	20,000	20,000
Total expenditures	3,039,609	3,039,609	2,767,066	272,543	272,543
Excess (deficiency) of revenues over (under) expenditures	(60,740)	(60,740)	280,624	341,364	341,364
Other financing sources (uses):					
Transfers out:					
Special revenue fund	(42,500)	(42,500)	(52,953)	(10,453)	(10,453)
Capital projects fund	(129,000)	(129,000)	(189,499)	(60,499)	(60,499)
Total other financing sources (uses)	(171,500)	(171,500)	(242,452)	(70,952)	(70,952)
Net change in fund balance	\$ (232,240)	\$ (232,240)	38,172	\$ 270,412	\$ 270,412
Fund balance-Beginning of year			709,501		
Fund balance-End of year			\$ 747,673		

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, 2017**

	<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>
REVENUES					
Local:					
Taxes	176,400	176,400	173,386	(3,014)	(3,014)
Earnings on investments	200	200	1,310	1,110	1,110
Total revenues	<u>176,600</u>	<u>176,600</u>	<u>174,696</u>	<u>(1,904)</u>	<u>(1,904)</u>
EXPENDITURES					
Purchased services	1,000	1,000	500	500	500
Debt service principal	150,000	150,000	145,000	5,000	5,000
Debt service interest	29,238	29,238	31,774	(2,536)	(2,536)
Total expenditures	<u>180,238</u>	<u>180,238</u>	<u>177,274</u>	<u>2,964</u>	<u>2,964</u>
Net change in fund balance	<u>\$ (3,638)</u>	<u>\$ (3,638)</u>	(2,578)	<u>\$ 1,060</u>	<u>\$ 1,060</u>
Fund balance-Beginning of year			<u>276,581</u>		
Fund balance-End of year			<u>\$ 274,003</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, 2017**

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)	
				Original to Actual	Amended to Actual
REVENUES					
Other local	-	-	300	300	300
EXPENDITURES					
Support:					
Salaries	36,100	36,100	34,462	1,638	1,638
Benefits	19,731	19,731	11,892	7,839	7,839
Purchased services	28,082	28,082	16,023	12,059	12,059
Supplies-materials	5,000	5,000	6,533	(1,533)	(1,533)
Capital objects	2,700	2,700	11,998	(9,298)	(9,298)
Insurance	3,387	3,387	-	3,387	3,387
Total support	95,000	95,000	80,908	14,092	14,092
Capital objects	80,048	80,048	81,606	(1,558)	(1,558)
Total expenditures	175,048	175,048	162,514	12,534	12,534
Excess (deficiency) of revenues over expenditures	(175,048)	(175,048)	(162,214)	12,834	12,834
Other financing sources (uses):					
Compensation for loss of fixed asset	-	-	211,757	211,757	211,757
Transfer in	129,000	129,000	189,499	60,499	60,499
Total other financing sources (uses)	129,000	129,000	401,256	272,256	272,256
Net change in fund balance	<u>\$ (46,048)</u>	<u>\$ (46,048)</u>	239,042	<u>\$ 285,090</u>	<u>\$ 285,090</u>
Fund balance-Beginning of year			46,048		
Fund balance-End of year			<u>\$ 285,090</u>		

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION
June 30, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets:

Investments	62,164	
Other receivable	51	
Total assets	<u>62,215</u>	

Deferred outflows of resources	<u>-</u>	
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Total assets and deferred outflows of resources 62,215

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Liabilities	-	
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Deferred inflows of resources	<u>-</u>	
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Total liabilities and deferred inflows of resources -

NET POSITION

Restricted	<u>62,215</u>	
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Total net position \$ 62,215

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, 2017

REVENUE

Local:

Other local	11,439	
Earnings on investments	437	<u> </u>

Total revenue		11,876
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EXPENDITURES

Benefits	15,796	
Purchased services	1,980	<u> </u>

Total expenditures		<u>17,776</u>
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Excess (deficiency) of revenues over expenditures		(5,900)
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Other financing sources		
Transfer in		<u>15,000</u>

Net change in fund balance		9,100
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Net Position-Beginning of year		<u>53,115</u>
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Net Position-End of year		<u><u>\$ 62,215</u></u>
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TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

Cash Flows From Operating Activities		
Cash received from local governments	11,439	
Cash payments for insurance related expenses	<u>(17,776)</u>	
Net cash used in operating activities		(6,337)
Cash Flows From Noncapital Financing Activities		
Cash received from other funds	<u>15,523</u>	
Net cash provided by noncapital financing activities		15,523
Cash Flows From Investing Activities		
Purchase of investments	(9,595)	
Earnings on investments	<u>409</u>	
Net cash used in investing activities		<u>(9,186)</u>
Net change in cash		-
Cash-beginning of year		<u>-</u>
Cash-end of year		<u><u>\$ -</u></u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017**

	<u>Private Purpose Trusts</u>			<u>Component Unit - Edward Ramsdale Scholarship</u>
	<u>Ed Ramsdale Scholarship Trust</u>	<u>Scholarship Trust</u>	<u>Agency Funds</u>	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash	-	3,810	97,871	66,232
Investments	53,813	144,395	30,151	768,789
Other receivable	43	90	-	748
Total assets	<u>53,856</u>	<u>148,295</u>	<u>128,022</u>	<u>835,769</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 53,856</u>	<u>\$ 148,295</u>	<u>\$ 128,022</u>	<u>\$ 835,769</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Due to student groups	-	-	128,022	-
Scholarship awards payable	-	-	-	31,757
Total liabilities	<u>-</u>	<u>-</u>	<u>128,022</u>	<u>31,757</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>	<u>128,022</u>	<u>31,757</u>
NET POSITION				
Restricted	-	-	-	804,012
Restricted for scholarships	53,856	148,295	-	-
Total net position	<u>\$ 53,856</u>	<u>\$ 148,295</u>	<u>\$ -</u>	<u>\$ 804,012</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**FIDUCIARY FUNDS AND COMPONENT UNIT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2017**

	Ed Ramsdale Scholarship Trust	Scholarship Trust	Component Unit - Edward Ramsdale Scholarship Fund, Inc.
ADDITIONS			
Net investment income	284	13,896	76,433
Restricted donations	40,003	4,840	-
Total revenues	<u>40,287</u>	<u>18,736</u>	<u>76,433</u>
DEDUCTIONS			
Administrative expenses	-	-	3,324
Scholarship awards	25,122	4,550	29,848
Total expenditures	<u>25,122</u>	<u>4,550</u>	<u>33,172</u>
Change in Net Position	15,165	14,186	43,261
Net Position - Beginning	<u>38,691</u>	<u>134,109</u>	<u>760,751</u>
Net Position - Ending	<u>\$ 53,856</u>	<u>\$ 148,295</u>	<u>\$ 804,012</u>

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, 2017 there were 260.25 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 2017 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, 2016 upon which the 2016 levy was based was \$140,545,783.

The District's actual levy was 11.82% 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 70.80% per \$100, which means that the District was required to pass an override levy in the amount of 70.80% per \$100. The total tax levy for the year ended June 30, 2017 was \$1,163,540 with total tax collections being \$1,107,730.

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, 2017 were 95.21% of the tax levy. Property taxes levied for 2016 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 2017 property tax levy as an asset. This levy is an enforceable legal claim created during the fiscal year. The total property taxes levy for 2017 of \$1,161,708 is recorded as uncollected but are not considered available at June 30, 2017. 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, 2017	70,723	16,039	86,762
Less: Taxes estimated to be collected by the County Treasurer by August 31, 2017	<u>14,144</u>	<u>3,208</u>	<u>17,352</u>
Deferred revenue	<u>\$ 56,579</u>	<u>\$ 12,831</u>	<u>\$ 69,410</u>

NOTE 3 Deposits and Investments

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash		
Checking and Saving Accounts	<u>\$ 479,454</u>	<u>\$ 535,876</u>

Deposits were with Umpqua Bank of which \$250,000 of the accounts were covered by Federal Deposit Insurance. The remaining balance of \$285,876 is in excess of the FDIC insured limit and is uncollateralized and unsecured.

Investments

Detail of investments at June 30, 2017 are as follows:

	<u>Rate</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Internal Service</u>	<u>Fiduciary</u>	<u>Agency</u>	<u>Total</u>
Northwestern Mutual	-	-	-	-	144,395	-	144,395
Investment in State Treasurer's Pool	Variable	<u>624,792</u>	<u>214,820</u>	<u>62,164</u>	<u>53,813</u>	<u>30,151</u>	<u>985,740</u>
Total		<u>\$ 624,792</u>	<u>\$ 214,820</u>	<u>\$ 62,164</u>	<u>\$ 198,208</u>	<u>\$ 30,151</u>	<u>\$ 1,130,135</u>

Investment Maturities

<u>External Investment Pool</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Less than 1 Year</u>	<u>1-8 Years</u>
State Investment Pool	<u>\$ 985,740</u>	<u>\$ 985,740</u>	<u>\$ 985,740</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,

NOTE 3 Deposits and Investments (Continued)

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.

Participants have overnight availability to their funds, up to \$10 million. Withdrawals of \$10 million or more require three business days' notification.

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, 2017 was \$144,395.

NOTE 4 Changes in Fixed Assets

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Capital assets not being depreciated				
Land	52,001	-	-	52,001
Capital assets being depreciated				
Land Improvements	207,331	-	-	207,331
Buildings	6,803,604	-	-	6,803,604
Equipment	200,754	-	(90,950)	109,804
Transportation	430,148	82,356	(46,363)	466,141
Total depreciated assets	<u>7,641,837</u>	<u>82,356</u>	<u>(137,313)</u>	<u>7,586,880</u>
Less: Accumulated Depreciation				
Land Improvements	(75,020)	(3,268)	-	(78,288)
Buildings	(2,093,097)	(139,545)	-	(2,232,642)
Equipment	(141,485)	(10,067)	90,950	(60,602)
Transportation	(341,628)	(4,635)	46,363	(299,900)
Total accumulated depreciation	<u>(2,651,230)</u>	<u>(157,515)</u>	<u>137,313</u>	<u>(2,671,432)</u>
Governmental Activities Assets (Net)	<u>\$ 5,042,608</u>	<u>\$ (75,159)</u>	<u>\$ -</u>	<u>\$ 4,967,449</u>

NOTE 5 Long-term Debt

The following is a summary of bond transactions of the District for the year ended June 30, 2017.

Bonds payable @ July 1, 2016	945,000
Debt acquired	-
Debt retired	<u>(145,000)</u>
Bonds payable @ June 30, 2017	<u>\$ 800,000</u>

Bonds payable at June 30, 2017 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%

\$ 800,000

NOTE 5 Long-term Debt (Continued)

The annual requirements to amortize bond debt outstanding as of June 30, 2017 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>
8/1/2017	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>\$ 800,000</u>	<u>\$ 76,107</u>	<u>\$ 876,107</u>

During the year ended June 30, 2017, 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, 2017 the Legal Debt Margin was:

Market Value at January 1, 2016	140,545,783
Percentage allowed	<u>5%</u>
Debt Limitation	<u>7,027,289</u>
Less: Bonded debt at June 30, 2017	<u>800,000</u>
Legal Debt Margin	<u>\$ 6,227,289</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, 2016. All amounts are as of June 30, 2016 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 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

NOTE 6 Pension Plan (Continued)

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

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

Pension Benefits

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

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, 2017 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 contributions required and paid were \$199,153, \$193,199, and \$216,379 for the three years ended June 30, 2017, 2016, and 2015, respectively.

NOTE 6 Pension Plan (Continued)

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

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability as of June 30, 2016. The net pension liability was measured as of July 1, 2016, 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, 2016, the District's proportion was 0.0583549 percent. The change in proportionate share from the prior year has been deemed immaterial.

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, 2017 has not been completed at the time of issuance. The pension expense (revenue) for the year ending June 30, 2016 was calculated at \$207,678.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	117,872
Changes in assumptions or other inputs	26,296	-
Net difference between projected and actual earning on pension plan investments	575,763	269,023
Employer contributions subsequent to the measurement date	<u>199,153</u>	<u>-</u>
Total	<u>\$801,212</u>	<u>\$386,895</u>

\$199,153 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, 2018.

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:

<u>For the Year Ending June 30:</u>	<u>Amount to be Recognized</u>
2018	1,202
2019	1,202
2020	137,241
2021	75,518

NOTE 6 Pension Plan (Continued)

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, including inflation	3.75%
Investment rate of return	7.10% net of investment expenses

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2016.

NOTE 6 Pension Plan (Continued)

<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%	6.35%
Developed Foreign Equities *Arithmetic return	MSCI ACWI ex USA	15.00%	7.30%
Assumed Inflation Mean			3.25%
Assumed Inflation Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.08%
Portfolio Standard Deviation			12.59%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			.40%
Long-Term Expected Rate of Return, Net Investment Expenses			7.10%

Discount Rate

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

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

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

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
Employer's proportionate share of the net pension liability (asset)	\$2,320,515	\$1,182,943	\$236,927

Pension plan fiduciary net position

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

NOTE 6 Pension Plan (Continued)

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.

Payables to the pension plan

At June 30, 2016, 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 \$62,215 at June 30, 2017.

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 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.

NOTE 7 Self-Insured Medical Benefit Plan (Continued)

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, 2017:

<u>Fund</u>	<u>Excess</u>
Substance Abuse – State	61
Local Education	4,000
State Professional Technical	3,001
School Plant Facility – Bus Replacement	1,558

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	242,452	-
Child Nutrition	-	37,063
Driver’s Education	-	890
Title I-A, ESEA – Improve Basic Programs	-	1,000
Title II-A, ESEA – Improving Teacher Quality	1,000	-
School Plant Facility – Bus Replacement	-	36,309
School Plant Facility – School Maintenance and Repair	-	153,190
Internal Service	-	15,000
Total	<u>\$ 243,452</u>	<u>\$ 243,452</u>

The composition of interfund receivables and payables as of June 30, 2017 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	-	376,912
Special Revenue Funds:		
Child Nutrition	9,147	-
Driver Education	695	-
Federal Forest	2,695	-
Title I-A, ESEA – Improve Basic Programs	-	3,035
IDEA Part B School Age	-	3,239
State Professional Technical	-	4,844
Public School Technology Grant	31,233	-
Miscellaneous State Grants	11,235	-
Perkins III – Professional Technical Act	-	3,014
Title VI-B, ESEA – Rural Education		
Achievement Program	22	-
Local Education	3,137	-
Garden Grant	47,033	-
Capital Projects Funds	285,847	-
Total	<u>\$ 391,044</u>	<u>\$ 391,044</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

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

PERSI - Base Plan

As of June 30,

	<u>2016</u>	<u>2015</u>
Employer's portion of the net pension liability	0.0583549%	0.0682433%
Employer's proportionate share of the net pension liability	1,182,943	898,653
Employer's covered employee payroll	1,706,703	1,911,475
Employer's proportional share of the net pension liability as a percentage of its covered employee payroll	69.31%	47.01%
Plan fiduciary net position as a percentage of the total	87.26%	91.38%

Schedule of the District's Contributions*

PERSI - Base Plan

As of June 30,

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	193,199	216,379
Contributions in relation to the statutorily required contribution	(193,199)	(216,379)
Contribution (deficiency) excess	-	-
Employer's covered employee payroll	1,706,703	1,911,475
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, the District will present information for those use for which information is available.

Data is reported is measured as of June 30, 2016.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

As of June 30, 2016 and 2015

Change of Assumptions. Amounts reported as of June 30, 2016 reflect an adjustment of the salary increase from 4.25-10.00 percent to 3.75 percent.

**COMBINING AND NON-MAJOR 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, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Elementary School Program			
Salaries	427,644	462,858	35,214
Benefits	175,106	185,133	10,027
Purchased services	8,941	16,000	7,059
Supplies-materials	16,919	13,000	(3,919)
Insurance	-	3,500	3,500
Total elementary school program	<u>628,610</u>	<u>680,491</u>	<u>51,881</u>
Secondary School Program			
Salaries	415,722	457,196	41,474
Benefits	135,868	139,547	3,679
Purchased services	10,384	21,000	10,616
Supplies-materials	17,140	16,000	(1,140)
Capital objects	2,774	-	(2,774)
Insurance	-	3,800	3,800
Total secondary school program	<u>581,888</u>	<u>637,543</u>	<u>55,655</u>
Vocational-Technical Program			
Salaries	84,509	84,509	-
Benefits	31,823	32,245	422
Purchased services	2,493	8,800	6,307
Supplies-materials	2,175	3,000	825
Insurance	-	805	805
Total vocational-technical program	<u>121,000</u>	<u>129,359</u>	<u>8,359</u>
Special Education Program			
Salaries	57,104	95,055	37,951
Benefits	28,330	51,530	23,200
Purchased services	130	1,000	870
Supplies-materials	577	4,500	3,923
Insurance	-	1,000	1,000
Total special education program	<u>86,141</u>	<u>153,085</u>	<u>66,944</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, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
INSTRUCTION:			
Special Education Preschool Program			
Purchased services	1,125	1,200	75
Total special education preschool program	<u>1,125</u>	<u>1,200</u>	<u>75</u>
Interscholastic Program			
Salaries	64,145	68,000	3,855
Benefits	9,216	9,170	(46)
Purchased services	13,849	9,000	(4,849)
Insurance	-	1,100	1,100
Total interscholastic program	<u>87,210</u>	<u>87,270</u>	<u>60</u>
School Activity Program			
Salaries	13,473	14,038	565
Benefits	2,693	2,828	135
Purchased services	8,432	14,000	5,568
Supplies-materials	1,331	600	(731)
Insurance	850	800	(50)
Total school activity program	<u>26,779</u>	<u>32,266</u>	<u>5,487</u>
TOTAL INSTRUCTION			
Salaries	1,062,597	1,181,656	119,059
Benefits	383,036	420,453	37,417
Purchased services	45,354	71,000	25,646
Supplies-materials	38,142	37,100	(1,042)
Capital objects	2,774	-	(2,774)
Insurance	850	11,005	10,155
Total Instruction	<u>\$ 1,532,753</u>	<u>\$ 1,721,214</u>	<u>\$ 188,461</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, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT:			
Attendance-Guidance-Health Program			
Salaries	47,345	51,078	3,733
Benefits	18,433	17,718	(715)
Purchased services	2,205	2,600	395
Supplies-materials	136	1,100	964
Capital objects	-	300	300
Insurance	-	471	471
Total attendance-guidance-health program	<u>68,119</u>	<u>73,267</u>	<u>5,148</u>
Special Education Support Services Program			
Salaries	120,282	116,910	(3,372)
Benefits	37,604	38,239	635
Purchased services	20,220	20,500	280
Supplies-materials	1,473	200	(1,273)
Insurance	-	768	768
Total special education support services program	<u>179,579</u>	<u>176,617</u>	<u>(2,962)</u>
Instruction Improvement Program			
Purchased services	<u>11,626</u>	<u>11,300</u>	<u>(326)</u>
Educational Media Program			
Salaries	19,209	17,998	(1,211)
Benefits	8,981	11,179	2,198
Purchased services	39	2,000	1,961
Supplies-materials	4,210	4,000	(210)
Capital objects	-	150	150
Insurance	-	132	132
Total educational media program	<u>32,439</u>	<u>35,459</u>	<u>3,020</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, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
Instruction-Related Technology Program			
Purchased services	22,013	24,000	1,987
Supplies-materials	2,261	5,000	2,739
Capital objects	13,700	15,000	1,300
Total instruction-related technology program	<u>37,974</u>	<u>44,000</u>	<u>6,026</u>
 Board of Education Program			
Benefits	24	-	(24)
Purchased services	6,091	10,600	4,509
Supplies-materials	180	125	(55)
Insurance	5,500	5,530	30
Total board of education program	<u>11,795</u>	<u>16,255</u>	<u>4,460</u>
 District Administration Program			
Salaries	126,871	127,052	181
Benefits	45,800	44,619	(1,181)
Purchased services	26,462	34,750	8,288
Supplies-materials	2,954	2,100	(854)
Capital objects	793	1,000	207
Insurance	106	1,006	900
Total district administration program	<u>202,986</u>	<u>210,527</u>	<u>7,541</u>
 School Administration Program			
Salaries	181,141	181,024	(117)
Benefits	54,966	52,124	(2,842)
Purchased services	5,124	9,850	4,726
Insurance	-	1,400	1,400
Total school administration program	<u>241,231</u>	<u>244,398</u>	<u>3,167</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, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
SUPPORT (Continued):			
Administrative Technology Service			
Salaries	48,857	47,280	(1,577)
Benefits	17,765	17,134	(631)
Purchased services	332	600	268
Insurance	-	320	320
Total administrative technology service	<u>66,954</u>	<u>65,334</u>	<u>(1,620)</u>
 Buildings-Care Program (Custodial)			
Salaries	27,466	37,448	9,982
Benefits	9,700	15,129	5,429
Purchased services	117,179	115,600	(1,579)
Supplies-materials	17,251	19,100	1,849
Capital objects	-	600	600
Insurance	20,117	23,242	3,125
Total buildings-care program (custodial)	<u>191,713</u>	<u>211,119</u>	<u>19,406</u>
 Maintenance - Non-Student Occupied			
Salaries	8,273	8,066	(207)
Benefits	4,124	3,531	(593)
Purchased services	8,204	18,000	9,796
Supplies-materials	1,367	3,500	2,133
Capital objects	-	6,000	6,000
Insurance	-	115	115
Total maintenance - non-student occupied	<u>21,968</u>	<u>39,212</u>	<u>17,244</u>
 Maintenance - Grounds			
Salaries	10,532	8,066	(2,466)
Benefits	4,378	3,530	(848)
Purchased services	17,237	10,000	(7,237)
Supplies-materials	6,976	8,000	1,024
Capital objects	1,113	1,200	87
Insurance	-	115	115
Total maintenance - grounds	<u>40,236</u>	<u>30,911</u>	<u>(9,325)</u>
 Pupil-To-School Transportation Program			
Salaries	47,322	48,772	1,450
Benefits	8,325	12,714	4,389
Purchased services	20,046	22,400	2,354
Supplies-materials	24,464	24,725	261
Insurance	3,300	6,885	3,585
Total pupil-to-school transportation program	<u>103,457</u>	<u>115,496</u>	<u>12,039</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, 2017**

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
SUPPORT (Continued):			
Pupil-Activity Transportation Program			
Salaries	16,166	15,000	(1,166)
Benefits	2,744	1,700	(1,044)
Purchased services	-	500	500
Supplies-materials	(363)	400	763
Insurance	-	900	900
Total pupil-activity transportation program	<u>18,547</u>	<u>18,500</u>	<u>(47)</u>
 General Transportation Program			
Purchased services	353	300	(53)
Supplies-materials	1,234	1,700	466
Insurance	1,000	1,000	-
Total general transportation program	<u>2,587</u>	<u>3,000</u>	<u>413</u>
 TOTAL SUPPORT			
Salaries	653,464	658,694	5,230
Benefits	212,844	217,617	4,773
Purchased services	257,131	283,000	25,869
Supplies-materials	62,143	69,950	7,807
Capital objects	15,606	24,250	8,644
Insurance	30,023	41,884	11,861
 Total Support	<u><u>\$ 1,231,211</u></u>	<u><u>\$ 1,295,395</u></u>	<u><u>\$ 64,184</u></u>
 NON-INSTRUCTION:			
Child Nutrition:			
Benefits	<u>3,102</u>	<u>3,000</u>	<u>(102)</u>
 Total Non-Instruction	<u><u>\$ 3,102</u></u>	<u><u>\$ 3,000</u></u>	<u><u>\$ (102)</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, 2017

	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
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Due from other funds	9,147	695	2,695	-	-	-	-	-
Other receivables:								
State reimbursement	-	2,500	-	-	-	-	6,278	-
Federal reimbursement	-	-	-	12,838	10,186	-	-	-
Total assets	9,147	3,195	2,695	12,838	10,186	-	6,278	-
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,147	\$ 3,195	\$ 2,695	\$ 12,838	\$ 10,186	\$ -	\$ 6,278	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Liabilities:								
Due to other funds	-	-	-	3,035	3,239	-	4,844	-
Accounts payable	-	3,195	-	-	75	-	-	-
Salaries and benefits payable	9,147	-	-	9,803	6,872	-	1,434	-
Total liabilities	9,147	3,195	-	12,838	10,186	-	6,278	-
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance:								
Restricted	-	-	2,695	-	-	-	-	-
Total fund balance	-	-	2,695	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 9,147	\$ 3,195	\$ 2,695	\$ 12,838	\$ 10,186	\$ -	\$ 6,278	\$ -

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

**ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 2017**

	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
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
Assets:								
Due from other funds	31,233	11,235	-	22	3,137	47,033	-	105,197
Other receivables:								
State reimbursement	-	-	-	-	-	-	-	8,778
Federal reimbursement	-	-	3,014	-	-	-	-	26,038
Total assets	<u>31,233</u>	<u>11,235</u>	<u>3,014</u>	<u>22</u>	<u>3,137</u>	<u>47,033</u>	<u>-</u>	<u>140,013</u>
Deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 31,233</u>	<u>\$ 11,235</u>	<u>\$ 3,014</u>	<u>\$ 22</u>	<u>\$ 3,137</u>	<u>\$ 47,033</u>	<u>\$ -</u>	<u>\$ 140,013</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
Liabilities:								
Due to other funds	-	-	3,014	-	-	-	-	14,132
Accounts payable	-	-	-	-	-	-	-	3,270
Salaries and benefits payable	-	-	-	22	-	-	-	27,278
Total liabilities	<u>-</u>	<u>-</u>	<u>3,014</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,680</u>
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance:								
Restricted	31,233	11,235	-	-	3,137	47,033	-	95,333
Total fund balance	<u>31,233</u>	<u>11,235</u>	<u>-</u>	<u>-</u>	<u>3,137</u>	<u>47,033</u>	<u>-</u>	<u>95,333</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 31,233</u>	<u>\$ 11,235</u>	<u>\$ 3,014</u>	<u>\$ 22</u>	<u>\$ 3,137</u>	<u>\$ 47,033</u>	<u>\$ -</u>	<u>\$ 140,013</u>

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, 2017

	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
REVENUES								
Local:								
Lunch sales	28,175	-	-	-	-	-	-	-
Other local	-	3,570	-	-	-	-	-	-
Total local	28,175	3,570	-	-	-	-	-	-
State:								
Other state support	-	-	-	-	-	-	20,926	-
Driver education program	-	2,625	-	-	-	-	-	-
Total state	-	2,625	-	-	-	-	20,926	-
Federal:								
School lunch reimbursement	37,052	-	-	-	-	-	-	-
Restricted	-	-	855	33,426	54,801	986	-	18,425
Total federal	37,052	-	855	33,426	54,801	986	-	18,425
Total revenues	65,227	6,195	855	33,426	54,801	986	20,926	18,425
EXPENDITURES								
Instruction:								
Salaries	-	-	-	26,715	28,950	-	5,629	-
Benefits	-	-	-	4,713	12,589	-	1,132	-
Purchased services	-	6,690	-	291	1,948	986	7,330	17,261
Supply-materials	-	395	-	707	-	-	6,199	164
Capital objects	-	-	-	-	-	-	636	-
Total instruction	-	7,085	-	32,426	43,487	986	20,926	17,425
Support:								
Salaries	-	-	-	2,000	236	-	-	-
Benefits	-	-	-	-	48	-	-	-
Purchased services	-	-	-	-	11,030	-	-	-
Total support	-	-	-	2,000	11,314	-	-	-
Non-instruction:								
Salaries	40,551	-	-	-	-	-	-	-
Benefits	13,818	-	-	-	-	-	-	-
Purchased services	4,223	-	-	-	-	-	-	-
Supply-materials	43,206	-	-	-	-	-	-	-
Capital objects	492	-	-	-	-	-	-	-
Total non-instruction	102,290	-	-	-	-	-	-	-
Capital objects	-	-	10,912	-	-	-	-	-
Total expenditures	102,290	7,085	10,912	34,426	54,801	986	20,926	17,425
Excess (deficiency) revenues over expenditures	(37,063)	(890)	(10,057)	(1,000)	-	-	-	1,000
Other financing sources (uses)								
Transfers in (out)	37,063	890	-	1,000	-	-	-	(1,000)
Net change in fund balance	-	-	(10,057)	-	-	-	-	-
Fund balance - Beginning of year	-	-	12,752	-	-	-	-	-
Fund balance - End of year	\$ -	\$ -	\$ 2,695	\$ -	\$ -	\$ -	\$ -	\$ -

TROY SCHOOL DISTRICT NO. 287
Troy, Idaho

ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
For the Year Ended June 30, 2017

	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
REVENUES								
Local:								
Lunch sales	-	-	-	-	-	-	-	28,175
Other local	-	-	-	-	10,000	-	-	13,570
Total local	-	-	-	-	10,000	-	-	41,745
State:								
Other state support	35,520	3,456	-	-	-	29,798	5,279	94,979
Driver education program	-	-	-	-	-	-	-	2,625
Total state	35,520	3,456	-	-	-	29,798	5,279	97,604
Federal:								
School lunch reimbursement	-	-	-	-	-	-	-	37,052
Restricted	-	-	3,014	8,162	-	-	-	119,669
Total federal	-	-	3,014	8,162	-	-	-	156,721
Total revenues	35,520	3,456	3,014	8,162	10,000	29,798	5,279	296,070
EXPENDITURES								
Instruction:								
Salaries	-	424	-	6,396	-	4,668	-	72,782
Benefits	-	32	-	989	-	931	-	20,386
Purchased services	-	-	-	-	5,000	19,297	5,279	64,082
Supply-materials	5,073	-	3,014	-	3,000	500	-	19,052
Capital objects	11,704	-	-	-	-	-	-	12,340
Total instruction	16,777	456	3,014	7,385	8,000	25,396	5,279	188,642
Support:								
Salaries	-	-	-	706	-	-	-	2,942
Benefits	-	-	-	71	-	-	-	119
Purchased services	-	-	-	-	-	-	-	11,030
Total support	-	-	-	777	-	-	-	14,091
Non-instruction:								
Salaries	-	-	-	-	-	-	-	40,551
Benefits	-	-	-	-	-	-	-	13,818
Purchased services	-	-	-	-	-	-	-	4,223
Supply-materials	-	-	-	-	-	-	-	43,206
Capital objects	-	-	-	-	-	-	-	492
Total non-instruction	-	-	-	-	-	-	-	102,290
Capital objects	-	-	-	-	2,000	-	-	12,912
Total expenditures	16,777	456	3,014	8,162	10,000	25,396	5,279	317,935
Excess (deficiency) revenues over expenditures	18,743	3,000	-	-	-	4,402	-	(21,865)
Other financing sources (uses) Transfers in (out)	-	-	-	-	-	-	-	37,953
Net change in fund balance	18,743	3,000	-	-	-	4,402	-	16,088
Fund balance - Beginning of year	12,490	8,235	-	-	3,137	42,631	-	79,245
Fund balance - End of year	<u>\$ 31,233</u>	<u>\$ 11,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,137</u>	<u>\$ 47,033</u>	<u>\$ -</u>	<u>\$ 95,333</u>

TROY SCHOOL DISTRICT NO. 287

Troy, Idaho

ALL CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

June 30, 2017

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Due from other funds	1,051	284,796	285,847
Deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,051</u>	<u>\$ 284,796</u>	<u>\$ 285,847</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	10	10
Salaries and benefits payable	-	747	747
Total liabilities	-	757	757
Deferred inflows of resources	-	-	-
Fund balance:			
Restricted	1,051	284,039	285,090
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,051</u>	<u>\$ 284,796</u>	<u>\$ 285,847</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, 2017**

	<u>Bus Replacement</u>	<u>School Maintenance and Repair</u>	<u>Total</u>
REVENUES			
Other local	300	-	300
EXPENDITURES			
Support:			
Salaries	-	34,462	34,462
Benefits	-	11,892	11,892
Purchased services	-	16,023	16,023
Supply-materials	-	6,533	6,533
Capital objects	-	11,998	11,998
Total support	-	80,908	80,908
Capital objects	81,606	-	81,606
Total expenditures	81,606	80,908	162,514
Excess (deficiency) of revenues over expenditures	(81,306)	(80,908)	(162,214)
Other financing sources (uses):			
Compensation for loss of fixed asset	-	211,757	211,757
Transfer in	36,309	153,190	189,499
Total other financing sources(uses):	36,309	364,947	401,256
Net change in fund balance	(44,997)	284,039	239,042
Fund balance-Beginning of year	46,048	-	46,048
Fund balance-End of year	<u>\$ 1,051</u>	<u>\$ 284,039</u>	<u>\$ 285,090</u>