

SALMON SCHOOL DISTRICT NO. 291

FINANCIAL STATEMENTS

Year Ended June 30, 2016

SALMON SCHOOL DISTRICT NO. 291

Table of Contents

	<u>PAGE (S)</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-3
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities.....	5
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	6-8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	9-11
Statement of Fiduciary Net Position.....	12
Statement of Changes in Fiduciary Net Position.....	13
Notes to Financial Statements.....	14-26
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General and Major Special Revenue Funds.....	27-29
Schedule of Employer’s Share of Net Pension Liability.....	30
Schedule of Employer Contributions.....	31
<u>SUPPLEMENTARY INFORMATION</u>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	32-39
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	40-47
Combining Statement of Changes in Fiduciary Net Position.....	48
Schedule of Expenditures of Federal Awards.....	49

SALMON SCHOOL DISTRICT NO. 291

Table of Contents

	<u>PAGE (S)</u>
<u>OTHER REPORTS AND SCHEDULES</u>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> ...	50-51
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	52-53
Schedule of Findings and Questioned Costs.....	54
Summary Schedule of Prior Audit Findings.....	55

FINANCIAL SECTION

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Independent Auditor's Report

Board of Trustees
Salmon School District No. 291

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Salmon School District No. 291 (the School) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

Management believes the costs of implementing GASB 45 (having actuarial calculations performed for other post-employment benefits) cannot be justified at this time. Accounting principles generally accepted in the United States of America require that a liability be recorded for other post-employment benefits, which would decrease net position, increase liabilities, and increase expenses in the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses in the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the School, as of June 30, 2016, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the School as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs, P.C.

Payette, Idaho
October 24, 2016

BASIC FINANCIAL STATEMENTS

SALMON SCHOOL DISTRICT NO. 291

Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$2,218,200
Receivables:	
Local Sources	179,795
State Sources	105,423
Federal Sources	171,172
Total Current Assets	<u>2,674,590</u>
Noncurrent Assets	
Nondepreciable Capital Assets	893,023
Depreciable Net Capital Assets	3,080,879
Total Noncurrent Assets	<u>3,973,902</u>
Total Assets	<u>6,648,492</u>
Deferred Outflows of Resources	
Pension Sources	969,665
Total Deferred Outflows of Resources	<u>969,665</u>
Total Assets and Deferred Outflows of Resources	<u>\$7,618,157</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$40,830
Salaries & Benefits Payable	517,530
Unspent Grant Allocation	102,888
Total Current Liabilities	<u>661,248</u>
Noncurrent Liabilities	
Net Pension Liability	1,504,832
Total Noncurrent Liabilities	<u>1,504,832</u>
Total Liabilities	<u>2,166,080</u>
Deferred Inflows of Resources	
Pension Sources	970,638
Total Deferred Inflows of Resources	<u>970,638</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,136,718</u>
Net Position	
Net Investment in Capital Assets	3,973,902
Restricted:	
Special Programs	1,227,517
Capital Projects	339,586
Unrestricted	(1,059,566)
Total Net Position	<u>4,481,439</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$7,618,157</u>

SALMON SCHOOL DISTRICT NO. 291

Statement of Activities Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue And Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Governmental Activities</u>
Governmental Activities					
Instructional Programs					
Elementary School	\$1,215,068		\$218,051	(\$997,017)	
Secondary School	1,738,318	\$4,500	326,991	(1,406,827)	
Alternative School	54,145			(54,145)	
Vocational-Technical	0			0	
Special Education	681,828		165,072	(516,756)	
Special Education Preschool	74,038		7,792	(66,246)	
Interscholastic	181,511			(181,511)	
School Activity	99,184			(99,184)	
Support Service Programs					
Attendance - Guidance - Health	119,275		21,973	(97,302)	
Special Education Support Services	46,838			(46,838)	
Instruction Improvement	94,998		31,994	(63,004)	
Educational Media	163,696		17,618	(146,078)	
Instruction-Related Technology	28,000			(28,000)	
Board of Education	68,664			(68,664)	
District Administration	297,198		6,207	(290,991)	
School Administration	231,151		15,904	(215,247)	
Business Operation	77,240			(77,240)	
Administrative Technology Service	0			0	
Buildings - Care	263,959		120,702	(143,257)	
Maintenance - Non-Student Occupied	10,350			(10,350)	
Maintenance - Student Occupied	246,917		136,796	(110,121)	
Maintenance - Grounds	18,929			(18,929)	
Security	2,612			(2,612)	
Pupil-To-School Transportation	322,263		144,843	(177,420)	
Pupil-Activity Transportation	49,880			(49,880)	
General Transportation	5,581			(5,581)	
Non-Instructional Programs					
Child Nutrition	220,729	50,848	169,881	0	
Community Services	0			0	
Capital Assets - Student Occupied	85,661			(85,661)	
Capital Assets - Non-Student Occupied	0			0	
Debt Service - Principal	0			0	
Debt Service - Interest	0			0	
Total	\$6,398,033	\$55,348	\$1,383,824	\$0	(4,958,861)
General Revenues					
Local Taxes				400,791	
Other Local Revenues				617,429	
State Revenues				4,263,668	
Federal Revenues				0	
Total				5,281,888	
Change in Net Position					
				323,027	
Net Position - Beginning					
				4,158,412	
Net Position - Ending					
				\$4,481,439	

SALMON SCHOOL DISTRICT NO. 291

Balance Sheet - Governmental Funds

June 30, 2016

	General Fund	Forest Reserve Fund	Child Nutrition Fund
Assets			
Cash & Investments	\$631,617	\$1,158,354	\$23,226
Receivables:			
Local Sources	153,373		
State Sources	70,116		
Federal Sources			
Due From Other Funds	60,987		
Total Assets	<u>\$916,093</u>	<u>\$1,158,354</u>	<u>\$23,226</u>
Liabilities			
Accounts Payable	\$19,216	\$2,068	\$260
Due To Other Funds			
Salaries & Benefits Payable	450,638		9,524
Unspent Grant Allocation			
Total Liabilities	<u>469,854</u>	<u>2,068</u>	<u>9,784</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues	37,158		
Total Deferred Inflows of Resources	<u>37,158</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted:			
Special Programs		1,156,286	13,442
Capital Projects			
Unassigned	409,081		
Total Fund Balances	<u>409,081</u>	<u>1,156,286</u>	<u>13,442</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$916,093</u>	<u>\$1,158,354</u>	<u>\$23,226</u>

SALMON SCHOOL DISTRICT NO. 291

Balance Sheet - Governmental Funds

June 30, 2016

	Plant Facilities Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash & Investments	\$74,700	\$330,303	\$2,218,200
Receivables:			
Local Sources		26,422	179,795
State Sources		35,307	105,423
Federal Sources		171,172	171,172
Due From Other Funds		0	60,987
Total Assets	<u>\$74,700</u>	<u>\$563,204</u>	<u>\$2,735,577</u>
Liabilities			
Accounts Payable		\$19,286	\$40,830
Due To Other Funds		60,987	60,987
Salaries & Benefits Payable		57,368	517,530
Unspent Grant Allocation		102,888	102,888
Total Liabilities	<u>\$0</u>	<u>240,529</u>	<u>722,235</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues		0	37,158
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>37,158</u>
Fund Balances			
Restricted:			
Special Programs		57,789	1,227,517
Capital Projects	74,700	264,886	339,586
Unassigned		0	409,081
Total Fund Balances	<u>74,700</u>	<u>322,675</u>	<u>1,976,184</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$74,700</u>	<u>\$563,204</u>	<u>\$2,735,577</u>

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities**Total Governmental Fund Balances** \$1,976,184

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 3,973,902

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds. 37,158

Net pension liability and related pension source deferred outflow and deferred inflow of resources, are not due and payable in the current period and therefore are not reported in the funds. (1,505,805)

Net Position of Governmental Activities \$4,481,439

SALMON SCHOOL DISTRICT NO. 291

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2016

	<u>General Fund</u>	<u>Forest Reserve Fund</u>	<u>Child Nutrition Fund</u>
Revenues			
Local Taxes	\$412,433		
Other Local Revenue	428,113		\$50,848
State Revenue	4,263,668		
Federal Revenue		\$403,098	163,607
Total Revenues	<u>5,104,214</u>	<u>403,098</u>	<u>214,455</u>
Expenditures			
Instructional Programs			
Elementary School	929,229		
Secondary School	1,242,392		
Alternative School	54,145		
Vocational-Technical			
Special Education	336,317		
Special Education Preschool	66,277		
Interscholastic	181,511		
School Activity	99,184		
Support Service Programs			
Attendance - Guidance - Health	97,769		
Special Education Support Services	24,175		
Instruction Improvement	17,959		
Educational Media	146,078		
Instruction-Related Technology	28,000		
Board of Education	68,664		
District Administration	239,538		
School Administration	212,780		
Business Operation	77,240		
Administrative Technology Service			
Buildings - Care	158,705	105,254	
Maintenance - Non-Student Occupied	9,350		
Maintenance - Student Occupied	121,676	166,983	
Maintenance - Grounds	18,929		
Security	2,612		
Pupil-To-School Transportation	267,725		
Pupil-Activity Transportation	49,880		
General Transportation	5,581		
Non-Instructional Programs			
Child Nutrition			220,729
Community Services			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	<u>4,455,716</u>	<u>272,237</u>	<u>220,729</u>
Excess (Deficiency) of Revenues Over Expenditures	648,498	130,861	(6,274)
Other Financing Sources (Uses)			
Transfers In	16,904	457,110	29,256
Transfers Out	(642,570)		
Total Other Financing Sources (Uses)	<u>(625,666)</u>	<u>457,110</u>	<u>29,256</u>
Net Change in Fund Balances	22,832	587,971	22,982
Fund Balances - Beginning	386,249	568,315	(9,540)
Fund Balances - Ending	<u>\$409,081</u>	<u>\$1,156,286</u>	<u>\$13,442</u>

SALMON SCHOOL DISTRICT NO. 291

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2016

	Plant Facilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Local Taxes		\$0	\$412,433
Other Local Revenue		193,816	672,777
State Revenue		221,346	4,485,014
Federal Revenue		595,773	1,162,478
Total Revenues	<u>\$0</u>	<u>1,010,935</u>	<u>6,732,702</u>
Expenditures			
Instructional Programs			
Elementary School		225,168	1,154,397
Secondary School		409,129	1,651,521
Alternative School		0	54,145
Vocational-Technical		0	0
Special Education		345,511	681,828
Special Education Preschool		7,761	74,038
Interscholastic		0	181,511
School Activity		0	99,184
Support Service Programs			
Attendance - Guidance - Health		21,506	119,275
Special Education Support Services		22,663	46,838
Instruction Improvement		77,039	94,998
Educational Media		17,618	163,696
Instruction-Related Technology		0	28,000
Board of Education		0	68,664
District Administration		57,660	297,198
School Administration		18,371	231,151
Business Operation		0	77,240
Administrative Technology Service		0	0
Buildings - Care		0	263,959
Maintenance - Non-Student Occupied		1,000	10,350
Maintenance - Student Occupied		3,051	291,710
Maintenance - Grounds		0	18,929
Security		0	2,612
Pupil-To-School Transportation		78,929	346,654
Pupil-Activity Transportation		0	49,880
General Transportation		0	5,581
Non-Instructional Programs			
Child Nutrition		0	220,729
Community Services		0	0
Capital Assets - Student Occupied		0	0
Capital Assets - Non-Student Occupied		0	0
Debt Service - Principal		0	0
Debt Service - Interest		0	0
Total Expenditures	<u>0</u>	<u>1,285,406</u>	<u>6,234,088</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(274,471)	498,614
Other Financing Sources (Uses)			
Transfers In		195,589	698,859
Transfers Out		(56,289)	(698,859)
Total Other Financing Sources (Uses)	<u>0</u>	<u>139,300</u>	<u>0</u>
Net Change in Fund Balances	0	(135,171)	498,614
Fund Balances - Beginning	74,700	457,846	1,477,570
Fund Balances - Ending	<u>\$74,700</u>	<u>\$322,675</u>	<u>\$1,976,184</u>

SALMON SCHOOL DISTRICT NO. 291
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2016

Page 3 of 3

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

Net Change in Fund Balances - Total Governmental Funds \$498,614

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

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the excess of capital outlays over (under) depreciation expense in the current period. (16,477)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. (11,642)

Changes in net pension liability and related pension source deferred outflow and deferred inflow of resources do not provide or require current financial resources and therefore are not reflected in the funds. (147,468)

Change in Net Position of Governmental Activities \$323,027

SALMON SCHOOL DISTRICT NO. 291

Statement of Fiduciary Net Position

June 30, 2016

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds - Student Activity</u>	<u>Total</u>
Assets			
Cash & Investments	\$8,225	\$212,760	\$220,985
Total Assets	<u>\$8,225</u>	<u>\$212,760</u>	<u>\$220,985</u>
Liabilities			
Due to Student Groups		\$212,760	\$212,760
Total Liabilities	<u>\$0</u>	<u>212,760</u>	<u>212,760</u>
Net Position			
Restricted:			
Trust Activities	8,225		8,225
Total Net Position	<u>8,225</u>	<u>0</u>	<u>8,225</u>
Total Liabilities and Net Position	<u>\$8,225</u>	<u>\$212,760</u>	<u>\$220,985</u>

SALMON SCHOOL DISTRICT NO. 291
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2016

	<u>Private Purpose Trust Funds</u>
Additions	
Contributions	\$7,200
Investment Income (Loss)	
Total Additions	<u>7,200</u>
Deductions	
Trust Expenses	<u>2,500</u>
Total Deductions	<u>2,500</u>
Change in Net Position	4,700
Net Position - Beginning	<u>3,525</u>
Net Position - Ending	<u><u>\$8,225</u></u>

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Salmon School District No. 291 (the School) provides public school educational services as authorized by Section 33 of Idaho Code. The School's boundaries for taxing and school enrollment purposes are located within Lemhi County.

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

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

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

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

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

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

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

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

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

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

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

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

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

Cash - Deposits	\$1,622,890
Investments - Local Government Investment Pool	816,295
Total	<u><u>\$2,439,185</u></u>

Deposits – At year end, the carrying amounts of the School's deposits were \$1,622,890 and the bank balances were \$1,793,143. Of the bank balances, \$606,877 was insured, and the remainder was uninsured and uncollateralized.

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Local Sources			
Local Taxes	\$151,630		\$151,630
Other Local Sources	1,743	\$26,422	28,165
Total	<u>\$153,373</u>	<u>\$26,422</u>	<u>\$179,795</u>
State Sources			
Foundation Program	\$70,116		\$70,116
Special Programs		\$35,307	35,307
Total	<u>\$70,116</u>	<u>\$35,307</u>	<u>\$105,423</u>
Federal Sources			
Special Programs		\$171,172	\$171,172
Total		<u>\$171,172</u>	<u>\$171,172</u>

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

D. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$893,023			\$893,023
Total	<u>893,023</u>	<u>\$0</u>	<u>\$0</u>	<u>893,023</u>
Depreciable Capital Assets				
Buildings	7,233,402			7,233,402
Equipment	339,207			339,207
Transportation	1,126,262	123,722		1,249,984
Subtotal	<u>8,698,871</u>	<u>123,722</u>	<u>0</u>	<u>8,822,593</u>
Accumulated Depreciation				
Buildings	4,429,049	71,893		4,500,942
Equipment	263,354	13,768		277,122
Transportation	909,112	54,538		963,650
Subtotal	<u>5,601,515</u>	<u>140,199</u>	<u>0</u>	<u>5,741,714</u>
Total	<u>3,097,356</u>	<u>(16,477)</u>	<u>0</u>	<u>3,080,879</u>
 Net Capital Assets	 <u>\$3,990,379</u>	 <u>(\$16,477)</u>	 <u>\$0</u>	 <u>\$3,973,902</u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$85,661
Pupil-To-School Transportation	54,538
Total	<u>\$140,199</u>

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

E. PENSION PLAN

Plan Description

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

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

Employee membership data related to the PERSI Base Plan, as of June 30, 2015 was as follows:

Active participants	67,008
Terminated and vested	42,657
Retirees and beneficiaries	11,859
Total	<u><u>121,524</u></u>

Pension Benefits

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 8.36% for police and firefighters. The School's contributions were \$361,041 for the year ended June 30, 2016.

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

At June 30, 2016, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the School's proportion was .1142762 percent.

For the year ended June 30, 2016, the School recognized pension expense (revenue) of \$114,931. At June 30, 2016, the School 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		\$180,397
Changes in assumptions or other inputs	\$54,804	
Net difference between projected and actual earnings on pension plan investments	553,820	790,241
Employer contributions subsequent to the measurement date	361,041	
Total	<u>\$969,665</u>	<u>\$970,638</u>

\$361,041 reported as deferred outflows of resources related to pensions resulting from School contributions made subsequent to the measurement date will be recognized as an addition to the plan pension expense or reduction of the plan pension revenue in the year ending June 30, 2017.

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 years.

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

Year Ended	
6/30/17	(\$154,364)
6/30/18	(154,364)
6/30/19	(154,364)
6/30/20	112,041
6/30/21	(10,963)
Total	<u>(\$362,014)</u>

Actuarial Assumptions

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The total pension liability as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

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

*Arithmetic Return

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

Discount Rate

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

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

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School's proportionate share of the net pension liability (asset)	\$3,665,223	\$1,504,832	(\$291,247)

Pension plan fiduciary net position

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

F. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	
	<u>Governmental</u>	<u>Total</u>
General	\$60,987	\$60,987
Total	<u>\$60,987</u>	<u>\$60,987</u>

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

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$16,904	\$642,570	Support, Depreciation, Benefits, Reimbursements, Indirect Costs
Forest Reserve	457,110		Reimbursements
Child Nutrition	29,256		Benefits
Nonmajor Governmental	195,589	56,289	Support, Depreciation, Indirect Costs
Total	<u>\$698,859</u>	<u>\$698,859</u>	

REQUIRED SUPPLEMENTARY INFORMATION

SALMON SCHOOL DISTRICT NO. 291

**Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2016**

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$417,417	\$417,417	\$412,433	(\$4,984)
Other Local Revenue	62,300	64,744	428,113	363,369
State Revenue	4,224,890	4,253,890	4,263,668	9,778
Federal Revenue	0	5,397	0	(5,397)
Total Revenues	4,704,607	4,741,448	5,104,214	362,766
Expenditures				
Instructional Programs				
Elementary School	994,466	1,001,922	929,229	72,693
Secondary School	1,296,593	1,313,203	1,242,392	70,811
Alternative School	71,725	79,115	54,145	24,970
Vocational-Technical	0	0	0	0
Special Education	351,925	351,925	336,317	15,608
Special Education Preschool	65,386	65,386	66,277	(891)
Interscholastic	185,000	185,000	181,511	3,489
School Activity	88,500	103,988	99,184	4,804
Support Service Programs				
Attendance - Guidance - Health	165,510	165,510	97,769	67,741
Special Education Support Services	20,742	20,742	24,175	(3,433)
Instruction Improvement	15,000	15,000	17,959	(2,959)
Educational Media	155,751	158,293	146,078	12,215
Instruction-Related Technology	0	28,000	28,000	0
Board of Education	56,934	76,501	68,664	7,837
District Administration	295,652	300,182	239,538	60,644
School Administration	206,569	208,069	212,780	(4,711)
Business Operation	77,165	77,165	77,240	(75)
Administrative Technology Service	0	0	0	0
Buildings - Care	163,105	163,105	158,705	4,400
Maintenance - Non-Student Occupied	9,600	9,600	9,350	250
Maintenance - Student Occupied	290,595	290,595	121,676	168,919
Maintenance - Grounds	19,926	19,926	18,929	997
Security	0	3,578	2,612	966
Pupil-To-School Transportation	313,517	313,517	267,725	45,792
Pupil-Activity Transportation	44,780	44,780	49,880	(5,100)
General Transportation	14,278	10,700	5,581	5,119
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Community Services	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	4,902,719	5,005,802	4,455,716	550,086 *
Excess (Deficiency) of Revenues Over Expenditures				
	(198,112)	(264,354)	648,498	912,852
Other Financing Sources (Uses)				
Transfers In	11,168	10,655	16,904	6,249
Transfers Out	(103,056)	(132,550)	(642,570)	(510,020) *
Total Other Financing Sources (Uses)	(91,888)	(121,895)	(625,666)	(503,771)
Net Change in Fund Balances				
	(290,000)	(386,249)	22,832	409,081
Fund Balances - Beginning				
	290,000	386,249	386,249	0
Fund Balances - Ending				
	\$0	\$0	\$409,081	\$409,081

*Total expenditures (over) under appropriations are: \$40,066

SALMON SCHOOL DISTRICT NO. 291

**Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2016**

Forest Reserve Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$0	\$0	\$0	\$0
Other Local Revenue	0	0	0	0
State Revenue	0	0	0	0
Federal Revenue	500,000	442,000	403,098	(38,902)
Total Revenues	500,000	442,000	403,098	(38,902)
Expenditures				
Instructional Programs				
Elementary School	0	0	0	0
Secondary School	0	0	0	0
Alternative School	0	0	0	0
Vocational-Technical	0	0	0	0
Special Education	0	0	0	0
Special Education Preschool	0	0	0	0
Interscholastic	0	0	0	0
School Activity	0	0	0	0
Support Service Programs				
Attendance - Guidance - Health	0	0	0	0
Special Education Support Services	0	0	0	0
Instruction Improvement	0	0	0	0
Educational Media	0	0	0	0
Instruction-Related Technology	0	0	0	0
Board of Education	0	0	0	0
District Administration	0	0	0	0
School Administration	0	0	0	0
Business Operation	0	0	0	0
Administrative Technology Service	0	0	0	0
Buildings - Care	161,000	161,000	105,254	55,746
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	238,000	288,000	166,983	121,017
Maintenance - Grounds	0	0	0	0
Security	0	0	0	0
Pupil-To-School Transportation	50,000	0	0	0
Pupil-Activity Transportation	0	0	0	0
General Transportation	0	0	0	0
Non-Instructional Programs				
Child Nutrition	0	0	0	0
Community Services	0	0	0	0
Capital Assets - Student Occupied	191,000	561,315	0	561,315
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	640,000	1,010,315	272,237	738,078 *
Excess (Deficiency) of Revenues Over Expenditures	(140,000)	(568,315)	130,861	699,176
Other Financing Sources (Uses)				
Transfers In	0	0	457,110	457,110
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	0	0	457,110	457,110
Net Change in Fund Balances	(140,000)	(568,315)	587,971	1,156,286
Fund Balances - Beginning	140,000	568,315	568,315	0
Fund Balances - Ending	\$0	\$0	\$1,156,286	\$1,156,286

*Total expenditures (over) under appropriations are: 738,078

SALMON SCHOOL DISTRICT NO. 291

Budgetary Comparison Schedule -
 General and Major Special Revenue Funds
 Year Ended June 30, 2016

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$46,965	\$46,965	\$50,848	\$3,883
Federal Revenue	163,000	168,828	163,607	(5,221)
Total Revenues	<u>209,965</u>	<u>215,793</u>	<u>214,455</u>	<u>(1,338)</u>
Expenditures				
Child Nutrition	207,212	220,881	220,729	152
Total Expenditures	<u>207,212</u>	<u>220,881</u>	<u>220,729</u>	<u>152</u> *
Excess (Deficiency) of Revenues Over Expenditures	2,753	(5,088)	(6,274)	(1,186)
Other Financing Sources (Uses)				
Transfers In	0	14,628	29,256	14,628
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>14,628</u>	<u>29,256</u>	<u>14,628</u>
Net Change in Fund Balances	2,753	9,540	22,982	13,442
Fund Balances - Beginning	(2,753)	(9,540)	(9,540)	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$13,442</u>	<u>\$13,442</u>
				<u>\$152</u>

*Total expenditures (over) under appropriations are:

SALMON SCHOOL DISTRICT NO. 291
Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	<u>2016</u>	<u>2015</u>
School's portion of the net pension liability	0.1142762%	0.1283378%
School's proportionate share of the net pension liability	\$1,504,832	\$551,189
School's covered-employee payroll	\$3,189,408	\$3,200,848
School's proportional share of the net pension liability as a percentage of its covered-employee payroll	47.18%	17.22%
Plan fiduciary net position as a percentage of the total pension liability	91.38%	94.95%

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

Data reported is measured using the beginning fiscal year measurement date (i.e. July 1).

SALMON SCHOOL DISTRICT NO. 291

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$361,041	\$362,336
Contributions in relation to the statutorily required contribution	\$361,041	\$362,336
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
School's covered-employee payroll	\$3,189,408	\$3,200,848
Contributions as a percentage of covered-employee payroll	11.32%	11.32%

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

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

SUPPLEMENTARY INFORMATION

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			
	Ag Science Technology	Life Skills Training	21st Century CLC (Old)	Gear Up
Assets				
Cash & Investments	\$10,527			
Receivables:				
Local Sources				
State Sources		\$6,803		
Federal Sources				\$18,966
Due From Other Funds				
Total Assets	\$10,527	\$6,803	\$0	\$18,966
Liabilities				
Accounts Payable				\$855
Due To Other Funds		\$2,252		6,907
Salaries & Benefits Payable	\$9,162			5,597
Unspent Grant Allocation				5,607
Total Liabilities	9,162	2,252	\$0	18,966
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs	1,365	4,551		
Capital Projects				
Unassigned				
Total Fund Balances	1,365	4,551	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$10,527	\$6,803	\$0	\$18,966

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			
	Driver Education	Governor's Literacy Initiative	Professional Technical	Day Treatment
Assets				
Cash & Investments	\$20,905	\$8,373		
Receivables:				
Local Sources				
State Sources	875		\$7,464	
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$21,780</u>	<u>\$8,373</u>	<u>\$7,464</u>	<u>\$0</u>
Liabilities				
Accounts Payable			\$2,187	
Due To Other Funds			5,277	
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>7,464</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	21,780	8,373		
Capital Projects				
Unassigned				
Total Fund Balances	<u>21,780</u>	<u>8,373</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$21,780</u>	<u>\$8,373</u>	<u>\$7,464</u>	<u>\$0</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			
	Technology	Substance Abuse	Medicaid	Strategic Prevention Framework
Assets				
Cash & Investments	\$7,584	\$555		
Receivables:				
Local Sources			\$20,681	
State Sources				\$20,165
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$7,584</u>	<u>\$555</u>	<u>\$20,681</u>	<u>\$20,165</u>
Liabilities				
Accounts Payable	\$3,314		\$8,456	\$3,798
Due To Other Funds			7,339	15,238
Salaries & Benefits Payable	2,099		4,494	
Unspent Grant Allocation				
Total Liabilities	<u>5,413</u>	<u>\$0</u>	<u>20,289</u>	<u>19,036</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs	2,171	555	392	1,129
Capital Projects				
Unassigned				
Total Fund Balances	<u>2,171</u>	<u>555</u>	<u>392</u>	<u>1,129</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$7,584</u>	<u>\$555</u>	<u>\$20,681</u>	<u>\$20,165</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			
	Title I-A ESEA IBP	Special Educ. IDEA Part B School-Age	Special Educ. IDEA Preschool	Title VI-B ESEA REAP
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$23,839	\$19,498	\$4,405	\$12,589
Due From Other Funds				
Total Assets	<u>\$23,839</u>	<u>\$19,498</u>	<u>\$4,405</u>	<u>\$12,589</u>
Liabilities				
Accounts Payable				
Due To Other Funds			\$834	\$1,677
Salaries & Benefits Payable	\$14,818	\$19,498	1,248	
Unspent Grant Allocation	9,021		2,323	10,912
Total Liabilities	<u>23,839</u>	<u>19,498</u>	<u>4,405</u>	<u>12,589</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$23,839</u>	<u>\$19,498</u>	<u>\$4,405</u>	<u>\$12,589</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Special Revenue Funds			
	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	21st Century CLC	Youth In The Great Outdoors
Assets				
Cash & Investments				\$2,675
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$10,768	\$67,263	\$13,844	
Due From Other Funds				
Total Assets	<u>\$10,768</u>	<u>\$67,263</u>	<u>\$13,844</u>	<u>\$2,675</u>
Liabilities				
Accounts Payable		\$225	\$160	
Due To Other Funds	\$10,768	5,245		
Salaries & Benefits Payable		443	9	
Unspent Grant Allocation		61,350	13,675	
Total Liabilities	<u>10,768</u>	<u>67,263</u>	<u>13,844</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				2,675
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,675</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$10,768</u>	<u>\$67,263</u>	<u>\$13,844</u>	<u>\$2,675</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>	
	<u>Farm To School</u>	<u>Sick Leave Bank</u>	<u>Capital Construction</u>	<u>Multi-Purpose Building Match</u>
Assets				
Cash & Investments		\$14,798	\$173,790	\$12,551
Receivables:				
Local Sources	\$5,741			
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$5,741</u>	<u>\$14,798</u>	<u>\$173,790</u>	<u>\$12,551</u>
Liabilities				
Accounts Payable	\$291			
Due To Other Funds	5,450			
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>5,741</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs		14,798		
Capital Projects			173,790	12,551
Unassigned				
Total Fund Balances	<u>0</u>	<u>14,798</u>	<u>173,790</u>	<u>12,551</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$5,741</u>	<u>\$14,798</u>	<u>\$173,790</u>	<u>\$12,551</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Capital Projects Funds			Debt Service
	Plant Facilities	Bus Depreciation	Lottery	Debt Service
	Co-op			
Assets				
Cash & Investments		\$19,282	\$59,263	
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$0	\$19,282	\$59,263	\$0
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	\$0	\$0	\$0	\$0
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances				
Restricted:				
Special Programs				
Capital Projects		19,282	59,263	
Unassigned				
Total Fund Balances	0	19,282	59,263	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$0	\$19,282	\$59,263	\$0

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2016

	Total
Assets	
Cash & Investments	\$330,303
Receivables:	
Local Sources	26,422
State Sources	35,307
Federal Sources	171,172
Due From Other Funds	0
Total Assets	\$563,204
 Liabilities	
Accounts Payable	\$19,286
Due To Other Funds	60,987
Salaries & Benefits Payable	57,368
Unspent Grant Allocation	102,888
Total Liabilities	240,529
 Deferred Inflows of Resources	
Unavailable Tax Revenues	0
Total Deferred Inflows of Resources	0
 Fund Balances	
Restricted:	
Special Programs	57,789
Capital Projects	264,886
Unassigned	0
Total Fund Balances	322,675
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$563,204

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			
	<u>Ag Science Technology</u>	<u>Life Skills Training</u>	<u>21st Century CLC (Old)</u>	<u>Gear Up</u>
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$2,500	\$12,957		
Federal Revenue				\$48,084
Total Revenues	<u>2,500</u>	<u>12,957</u>	<u>\$0</u>	<u>48,084</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	60,889	12,547		39,187
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>60,889</u>	<u>12,547</u>	<u>0</u>	<u>39,187</u>
Excess (Deficiency) of Revenues Over Expenditures	(58,389)	410	0	8,897
Other Financing Sources (Uses)				
Transfers In	60,000		37,167	
Transfers Out				
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>0</u>	<u>37,167</u>	<u>0</u>
Net Change in Fund Balances	1,611	410	37,167	8,897
Fund Balances - Beginning	(246)	4,141	(37,167)	(8,897)
Fund Balances - Ending	<u>\$1,365</u>	<u>\$4,551</u>	<u>\$0</u>	<u>\$0</u>

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			
	<u>Driver Education</u>	<u>Governor's Literacy Initiative</u>	<u>Professional Technical</u>	<u>Day Treatment</u>
Revenues				
Local Taxes				
Other Local Revenue	\$4,500			
State Revenue	3,861		\$24,876	
Federal Revenue				
Total Revenues	<u>8,361</u>	<u>\$0</u>	<u>24,876</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School		2,674		
Secondary School	5,395		22,710	
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				3
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>5,395</u>	<u>2,674</u>	<u>22,710</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	2,966	(2,674)	2,166	(3)
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	2,966	(2,674)	2,166	(3)
Fund Balances - Beginning	18,814	11,047	(2,166)	3
Fund Balances - Ending	<u>\$21,780</u>	<u>\$8,373</u>	<u>\$0</u>	<u>\$0</u>

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	Technology	Substance Abuse	Medicaid	Strategic Prevention Framework
Revenues				
Local Taxes				
Other Local Revenue			\$167,441	
State Revenue	\$65,119	\$11,980		\$100,053
Federal Revenue				
Total Revenues	65,119	11,980	167,441	100,053
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	41,294			98,614
Alternative School				
Vocational-Technical				
Special Education			173,452	
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		11,513		
Special Education Support Services				
Instruction Improvement				
Educational Media	17,618			
Instruction-Related Technology				
Board of Education				
District Administration	17,987			
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	76,899	11,513	173,452	98,614
Excess (Deficiency) of Revenues Over Expenditures	(11,780)	467	(6,011)	1,439
Other Financing Sources (Uses)				
Transfers In			33,866	
Transfers Out				
Total Other Financing Sources (Uses)	0	0	33,866	0
Net Change in Fund Balances	(11,780)	467	27,855	1,439
Fund Balances - Beginning	13,951	88	(27,463)	(310)
Fund Balances - Ending	\$2,171	\$555	\$392	\$1,129

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	Title I-A	Special Educ.	Special Educ.	Title VI-B
	ESEA IBP	IDEA Part B School-Age	IDEA Preschool	ESEA REAP
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$153,603	\$165,072	\$7,792	\$31,994
Total Revenues	<u>153,603</u>	<u>165,072</u>	<u>7,792</u>	<u>31,994</u>
Expenditures				
Instructional Programs				
Elementary School	97,341			
Secondary School	87,932			
Alternative School				
Vocational-Technical				
Special Education		172,059		
Special Education Preschool			7,761	
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services		22,660		
Instruction Improvement	6,563	428		21,195
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration	39,673			
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>231,509</u>	<u>195,147</u>	<u>7,761</u>	<u>21,195</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,906)	(30,075)	31	10,799
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(263)	(8,261)	(318)	(869)
Total Other Financing Sources (Uses)	<u>(263)</u>	<u>(8,261)</u>	<u>(318)</u>	<u>(869)</u>
Net Change in Fund Balances	(78,169)	(38,336)	(287)	9,930
Fund Balances - Beginning	78,169	38,336	287	(9,930)
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	Perkins III Professional Technical Act	Title II-A Improving Teacher Quality	21st Century CLC	Youth In The Great Outdoors
Revenues				
Local Taxes				
Other Local Revenue				\$2,795
State Revenue				
Federal Revenue	\$25,897	\$3,073	\$160,258	
Total Revenues	<u>25,897</u>	<u>3,073</u>	<u>160,258</u>	<u>2,795</u>
Expenditures				
Instructional Programs				
Elementary School		7,516	117,637	
Secondary School		22,611		120
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health	9,993			
Special Education Support Services				
Instruction Improvement		48,853		
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration	18,371			
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>28,364</u>	<u>78,980</u>	<u>117,637</u>	<u>120</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,467)	(75,907)	42,621	2,675
Other Financing Sources (Uses)				
Transfers In				
Transfers Out		(1,720)	(42,641)	
Total Other Financing Sources (Uses)	<u>0</u>	<u>(1,720)</u>	<u>(42,641)</u>	<u>0</u>
Net Change in Fund Balances	(2,467)	(77,627)	(20)	2,675
Fund Balances - Beginning	2,467	77,627	20	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,675</u>

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>	
	<u>Farm To School</u>	<u>Sick Leave Bank</u>	<u>Capital Construction</u>	<u>Multi-Purpose Building Match</u>
Revenues				
Local Taxes				
Other Local Revenue	\$17,585		\$1,495	
State Revenue				
Federal Revenue				
Total Revenues	<u>17,585</u>	<u>\$0</u>	<u>1,495</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	17,585	245		
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied				
Maintenance - Student Occupied				
Maintenance - Grounds				
Security				
Pupil-To-School Transportation				
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>17,585</u>	<u>245</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(245)	1,495	0
Other Financing Sources (Uses)				
Transfers In		7,800	2,218	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>7,800</u>	<u>2,218</u>	<u>0</u>
Net Change in Fund Balances	0	7,555	3,713	0
Fund Balances - Beginning	0	7,243	170,077	12,551
Fund Balances - Ending	<u>\$0</u>	<u>\$14,798</u>	<u>\$173,790</u>	<u>\$12,551</u>

SALMON SCHOOL DISTRICT NO. 291

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Capital Projects Funds</u>			<u>Debt Service</u>
	<u>Plant Facilities Co-op</u>	<u>Bus Depreciation</u>	<u>Lottery</u>	<u>Debt Service</u>
	Revenues			
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue				
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services				
Instruction Improvement				
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration				
Business Operation				
Administrative Technology Service				
Buildings - Care				
Maintenance - Non-Student Occupied			1,000	
Maintenance - Student Occupied				3,051
Maintenance - Grounds				
Security				
Pupil-To-School Transportation		78,929		
Pupil-Activity Transportation				
General Transportation				
Non-Instructional Programs				
Child Nutrition				
Community Services				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>0</u>	<u>78,929</u>	<u>1,000</u>	<u>3,051</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(78,929)	(1,000)	(3,051)
Other Financing Sources (Uses)				
Transfers In		54,538		
Transfers Out	(2,217)			
Total Other Financing Sources (Uses)	<u>(2,217)</u>	<u>54,538</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(2,217)	(24,391)	(1,000)	(3,051)
Fund Balances - Beginning	2,217	43,673	60,263	3,051
Fund Balances - Ending	<u>\$0</u>	<u>\$19,282</u>	<u>\$59,263</u>	<u>\$0</u>

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Total</u>
Revenues	
Local Taxes	\$0
Other Local Revenue	193,816
State Revenue	221,346
Federal Revenue	595,773
Total Revenues	<u>1,010,935</u>
Expenditures	
Instructional Programs	
Elementary School	225,168
Secondary School	409,129
Alternative School	0
Vocational-Technical	0
Special Education	345,511
Special Education Preschool	7,761
Interscholastic	0
School Activity	0
Support Service Programs	
Attendance - Guidance - Health	21,506
Special Education Support Services	22,663
Instruction Improvement	77,039
Educational Media	17,618
Instruction-Related Technology	0
Board of Education	0
District Administration	57,660
School Administration	18,371
Business Operation	0
Administrative Technology Service	0
Buildings - Care	0
Maintenance - Non-Student Occupied	1,000
Maintenance - Student Occupied	3,051
Maintenance - Grounds	0
Security	0
Pupil-To-School Transportation	78,929
Pupil-Activity Transportation	0
General Transportation	0
Non-Instructional Programs	
Child Nutrition	0
Community Services	0
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	0
Debt Service - Interest	0
Total Expenditures	<u>1,285,406</u>
Excess (Deficiency) of Revenues Over Expenditures	(274,471)
Other Financing Sources (Uses)	
Transfers In	195,589
Transfers Out	(56,289)
Total Other Financing Sources (Uses)	<u>139,300</u>
Net Change in Fund Balances	(135,171)
Fund Balances - Beginning	457,846
Fund Balances - Ending	<u><u>\$322,675</u></u>

SALMON SCHOOL DISTRICT NO. 291
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2016

	Private Purpose Trust Funds		
	Scholarship	Multi-Purpose Building	Total
Additions			
Contributions		\$7,200	\$7,200
Investment Income (Loss)			0
Total Additions	\$0	7,200	7,200
Deductions			
Trust Expenses		2,500	2,500
Total Deductions	0	2,500	2,500
Change in Net Position	0	4,700	4,700
Net Position - Beginning	1,385	2,140	3,525
Net Position - Ending	\$1,385	\$6,840	\$8,225

SALMON SCHOOL DISTRICT NO. 291
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$18,043
National School Lunch Program*	10.555		138,383
Total Child Nutrition Cluster			<u>156,426</u>
Fresh Fruit & Vegetable Program	10.582		<u>7,181</u>
Total US Dept of Agriculture			<u><u>163,607</u></u>
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027		203,408
Special Education - Preschool Grants	84.173		8,079
Total Special Education Cluster			<u>211,487</u>
Title I Grants to Local Educational Agencies	84.010		231,772
Career & Technical Education - Basic Grants to States	84.048		28,364
Twenty-First Century Community Learning Centers	84.287		160,278
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334		39,187
Rural Education	84.358		22,064
Improving Teacher Quality State Grants	84.367		80,700
Total US Dept of Education			<u><u>773,852</u></u>
Total Expenditures of Federal Awards			<u><u>\$937,459</u></u>

NOTES:

A. Basis of Presentation - The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*. Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

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

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$22,777.

OTHER REPORTS AND SCHEDULES

Audits
Taxes
Special Services



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

Board of Trustees
Salmon School District No. 291

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Salmon School District No. 291 (the School), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 24, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Quest CPAs, P.C.

Payette, Idaho
October 24, 2016

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Salmon School District No. 291

Report on Compliance for Each Major Federal Program

We have audited Salmon School District No. 291 (the School's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2016. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Quest CPAs, P.C.

Payette, Idaho
October 24, 2016

SALMON SCHOOL DISTRICT NO. 291
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Major program identification:

- a. Child Nutrition Cluster – CFDA #10.553, 10.555
- b. Title I Grants to Local Educational Agencies – CFDA #84.010

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

Auditee qualified as a low-risk auditee? No

SALMON SCHOOL DISTRICT NO. 291
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT

Noncompliance Material to the Financial Statements

2015-001 Budget Amendment Process

Condition – In the previous year, the budget revision process that the School used did not follow that prescribed by Idaho Code.

Current Status – The School resolved this finding in the current year by adopting the budget revision process prescribed by Idaho Code.