

SALMON SCHOOL DISTRICT NO. 291

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2018

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.....	14-27
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General and Major Special Revenue Funds.....	28-30
Schedule of Employer’s Share of Net Pension Liability.....	31
Schedule of Employer Contributions.....	32
<u>SUPPLEMENTARY INFORMATION</u>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	33-40
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	41-48
Combining Statement of Changes in Fiduciary Net Position.....	49
Schedule of Expenditures of Federal Awards.....	50

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> ...	51-52
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	53-54
Schedule of Findings and Questioned Costs.....	55

FINANCIAL SECTION

Audits
Taxes
Special Services



11501 Highway 95
Payette, Idaho 83661
www.qcpas.com
info@qcpas.com
P: 208-642-1417
F: 208-642-1582

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, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

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

Qualified Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

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

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Quest CPAs PLLC

Payette, Idaho
October 22, 2018

BASIC FINANCIAL STATEMENTS

SALMON SCHOOL DISTRICT NO. 291

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash & Investments	\$2,942,232
Receivables:	
Local Sources	152,835
State Sources	104,355
Federal Sources	220,480
Total Current Assets	<u>3,419,902</u>
Noncurrent Assets	
Nondepreciable Capital Assets	893,023
Depreciable Net Capital Assets	2,951,899
Total Noncurrent Assets	<u>3,844,922</u>
Total Assets	<u>7,264,824</u>
Deferred Outflows of Resources	
Pension Sources	632,836
Total Deferred Outflows of Resources	<u>632,836</u>
Total Assets and Deferred Outflows of Resources	<u>\$7,897,660</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$3,179
Salaries & Benefits Payable	518,045
Unspent Grant Allocation	169,583
Total Current Liabilities	<u>690,807</u>
Noncurrent Liabilities	
Net Pension Liability	1,601,525
Total Noncurrent Liabilities	<u>1,601,525</u>
Total Liabilities	<u>2,292,332</u>
Deferred Inflows of Resources	
Pension Sources	240,238
Total Deferred Inflows of Resources	<u>240,238</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,532,570</u>
Net Position	
Net Investment in Capital Assets	3,844,922
Restricted:	
Special Programs	2,113,079
Capital Projects	189,497
Unrestricted (Deficit)	(782,408)
Total Net Position	<u>5,365,090</u>
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$7,897,660</u>

SALMON SCHOOL DISTRICT NO. 291

Statement of Activities
Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue And Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	
Governmental Activities				
Instructional Programs				
Elementary School	\$1,081,091		\$190,891	(\$890,200)
Secondary School	1,479,758	\$10,424	410,170	(1,059,164)
Alternative School	43,756			(43,756)
Vocational-Technical				0
Special Education	875,718		141,860	(733,858)
Special Education Preschool	77,044		6,894	(70,150)
Interscholastic	190,934			(190,934)
School Activity	112,899	75,148	7,822	(29,929)
Support Service Programs				
Attendance - Guidance - Health	185,502		19,140	(166,362)
Special Education Support Services	33,603		12,406	(21,197)
Instruction Improvement	68,857		54,389	(14,468)
Educational Media	128,110		19,323	(108,787)
Instruction-Related Technology				0
Board of Education	71,809			(71,809)
District Administration	406,206		85,527	(320,679)
School Administration	221,594		5,920	(215,674)
Business Operation	68,938			(68,938)
Administrative Technology Service				0
Buildings - Care	286,291		102,225	(184,066)
Maintenance - Non-Student Occupied	2,212			(2,212)
Maintenance - Student Occupied	555,074		246,273	(308,801)
Maintenance - Grounds	17,274			(17,274)
Security	2,895			(2,895)
Pupil-To-School Transportation	335,047			(335,047)
Pupil-Activity Transportation	54,837	54,837		0
General Transportation	9,303			(9,303)
Non-Instructional Programs				
Child Nutrition	217,892	43,920	161,950	(12,022)
Community Services				0
Capital Assets - Student Occupied	85,804			(85,804)
Capital Assets - Non-Student Occupied				0
Debt Service - Principal				0
Debt Service - Interest				0
Total	<u>\$6,612,448</u>	<u>\$184,329</u>	<u>\$1,464,790</u>	<u>\$0</u>
General Revenues				
Local Taxes				436,417
Other Local Revenues				437,341
State Revenues				4,811,656
Federal Revenues				0
Pension Revenue (Expense)				(109,082)
Total				<u>5,576,332</u>
Change in Net Position				613,003
Net Position - Beginning				4,752,087
Net Position - Ending				<u>\$5,365,090</u>

SALMON SCHOOL DISTRICT NO. 291

Balance Sheet - Governmental Funds

June 30, 2018

	General Fund	Forest Reserve Fund	Child Nutrition Fund
Assets			
Cash & Investments	\$615,724	\$1,957,749	\$14,843
Receivables:			
Local Sources	130,247		
State Sources	104,355		
Federal Sources			
Due From Other Funds	73,485		
Total Assets	<u>\$923,811</u>	<u>\$1,957,749</u>	<u>\$14,843</u>
Liabilities			
Accounts Payable			
Due To Other Funds			
Salaries & Benefits Payable	\$497,292		\$10,405
Unspent Grant Allocation			
Total Liabilities	<u>497,292</u>	<u>\$0</u>	<u>10,405</u>
Deferred Inflows of Resources			
Unavailable Tax Revenues	26,664		
Total Deferred Inflows of Resources	<u>26,664</u>	<u>0</u>	<u>0</u>
Fund Balances			
Restricted:			
Special Programs		1,957,749	4,438
Capital Projects			
Unassigned	399,855		
Total Fund Balances	<u>399,855</u>	<u>1,957,749</u>	<u>4,438</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$923,811</u>	<u>\$1,957,749</u>	<u>\$14,843</u>

SALMON SCHOOL DISTRICT NO. 291

Balance Sheet - Governmental Funds

June 30, 2018

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
Assets		
Cash & Investments	\$353,916	\$2,942,232
Receivables:		
Local Sources	22,588	152,835
State Sources	0	104,355
Federal Sources	220,480	220,480
Due From Other Funds	0	73,485
Total Assets	<u>\$596,984</u>	<u>\$3,493,387</u>
 Liabilities		
Accounts Payable	\$3,179	\$3,179
Due To Other Funds	73,485	73,485
Salaries & Benefits Payable	10,348	518,045
Unspent Grant Allocation	169,583	169,583
Total Liabilities	<u>256,595</u>	<u>764,292</u>
 Deferred Inflows of Resources		
Unavailable Tax Revenues	0	26,664
Total Deferred Inflows of Resources	<u>0</u>	<u>26,664</u>
 Fund Balances		
Restricted:		
Special Programs	150,892	2,113,079
Capital Projects	189,497	189,497
Unassigned	0	399,855
Total Fund Balances	<u>340,389</u>	<u>2,702,431</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$596,984</u>	<u>\$3,493,387</u>

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

Total Governmental Fund Balances	\$2,702,431
-----------------------------------------	-------------

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.	3,844,922
-------------------------------------------------------------------------------------------------------------------------	-----------

Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	26,664
-----------------------------------------------------------------------------------------------------------------------	--------

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.	(1,208,927)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Net Position of Governmental Activities	<u><u>\$5,365,090</u></u>
------------------------------------------------	---------------------------

SALMON SCHOOL DISTRICT NO. 291
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

	General Fund	Forest Reserve Fund	Child Nutrition Fund
Revenues			
Local Taxes	\$433,779		
Other Local Revenue	316,992		\$43,920
State Revenue	4,811,656		
Federal Revenue		\$400,447	161,950
Total Revenues	<u>5,562,427</u>	<u>400,447</u>	<u>205,870</u>
Expenditures			
Instructional Programs			
Elementary School	1,054,739		
Secondary School	1,269,902		
Alternative School	43,756		
Vocational-Technical			
Special Education	432,416		
Special Education Preschool	70,150		
Interscholastic	190,934		
School Activity	112,490		
Support Service Programs			
Attendance - Guidance - Health	166,362		
Special Education Support Services	21,197		
Instruction Improvement	14,468		
Educational Media	108,787		
Instruction-Related Technology			
Board of Education	71,809		
District Administration	320,679	51,949	
School Administration	215,674		
Business Operation	68,938		
Administrative Technology Service			
Buildings - Care	184,066	102,225	
Maintenance - Non-Student Occupied	2,212		
Maintenance - Student Occupied	153,498	267,613	
Maintenance - Grounds	17,274		
Security	2,895		
Pupil-To-School Transportation	278,873		
Pupil-Activity Transportation	54,837		
General Transportation	9,303		
Non-Instructional Programs			
Child Nutrition	3,801		214,091
Community Services			
Capital Assets - Student Occupied			
Capital Assets - Non-Student Occupied			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	<u>4,869,060</u>	<u>421,787</u>	<u>214,091</u>
Excess (Deficiency) of Revenues Over Expenditures	693,367	(21,340)	(8,221)
Other Financing Sources (Uses)			
Transfers In	5,640	526,000	
Transfers Out	(700,152)		
Total Other Financing Sources (Uses)	<u>(694,512)</u>	<u>526,000</u>	<u>0</u>
Net Change in Fund Balances	(1,145)	504,660	(8,221)
Fund Balances - Beginning	401,000	1,453,089	12,659
Fund Balances - Ending	<u>\$399,855</u>	<u>\$1,957,749</u>	<u>\$4,438</u>

SALMON SCHOOL DISTRICT NO. 291

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

	Other Governmental Funds	Total Governmental Funds
Revenues		
Local Taxes	\$0	\$433,779
Other Local Revenue	266,906	627,818
State Revenue	360,135	5,171,791
Federal Revenue	536,110	1,098,507
Total Revenues	1,163,151	7,331,895
Expenditures		
Instructional Programs		
Elementary School	187,346	1,242,085
Secondary School	430,219	1,700,121
Alternative School	0	43,756
Vocational-Technical	0	0
Special Education	443,302	875,718
Special Education Preschool	6,894	77,044
Interscholastic	0	190,934
School Activity	409	112,899
Support Service Programs		
Attendance - Guidance - Health	19,140	185,502
Special Education Support Services	12,406	33,603
Instruction Improvement	54,389	68,857
Educational Media	19,323	128,110
Instruction-Related Technology	0	0
Board of Education	0	71,809
District Administration	33,578	406,206
School Administration	5,920	221,594
Business Operation	0	68,938
Administrative Technology Service	0	0
Buildings - Care	0	286,291
Maintenance - Non-Student Occupied	0	2,212
Maintenance - Student Occupied	133,963	555,074
Maintenance - Grounds	0	17,274
Security	0	2,895
Pupil-To-School Transportation	116,271	395,144
Pupil-Activity Transportation	0	54,837
General Transportation	0	9,303
Non-Instructional Programs		
Child Nutrition	0	217,892
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	1,463,160	6,968,098
Excess (Deficiency) of Revenues Over Expenditures	(300,009)	363,797
Other Financing Sources (Uses)		
Transfers In	174,152	705,792
Transfers Out	(5,640)	(705,792)
Total Other Financing Sources (Uses)	168,512	0
Net Change in Fund Balances	(131,497)	363,797
Fund Balances - Beginning	471,886	2,338,634
Fund Balances - Ending	\$340,389	\$2,702,431

SALMON SCHOOL DISTRICT NO. 291
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2018

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 \$363,797

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. (25,707)

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. 2,638

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. 272,275

Change in Net Position of Governmental Activities \$613,003

SALMON SCHOOL DISTRICT NO. 291

Statement of Fiduciary Net Position

June 30, 2018

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds - Student Activity</u>	<u>Total</u>
Assets			
Cash & Investments	\$8,225	\$195,134	\$203,359
Total Assets	<u>\$8,225</u>	<u>\$195,134</u>	<u>\$203,359</u>
Liabilities			
Due to Student Groups		\$195,134	\$195,134
Total Liabilities	<u>\$0</u>	<u>195,134</u>	<u>195,134</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>\$195,134</u>	<u>\$203,359</u>

SALMON SCHOOL DISTRICT NO. 291
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2018

	<u>Private Purpose Trust Funds</u>
Additions	
Contributions	
Investment Income (Loss)	
Total Additions	\$0
Deductions	
Trust Expenses	
Total Deductions	0
Change in Net Position	0
Net Position - Beginning	8,225
Net Position - Ending	\$8,225

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).

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.

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

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

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

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

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

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

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

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

B. CASH AND INVESTMENTS

Cash and investments consist of the following at year end:

	Governmental Funds	Fiduciary Funds	Total
Cash - Deposits	\$2,109,335	\$203,359	\$2,312,694
Investments - Local Gov't Investment Pool	832,897		832,897
Total	\$2,942,232	\$203,359	\$3,145,591

Deposits – At year end, the carrying amounts of the School's deposits were \$2,312,694 and the bank balances were \$2,890,887. Of the bank balances, \$515,615 was insured, and the remainder was uninsured and uncollateralized.

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

Interest rate risk:

<u>Investment Type</u>	Investment Maturity Schedule (In Years)	
	<u>Less Than 1</u>	<u>Total</u>
Local Gov't Invest Pool	\$832,897	\$832,897
Total	\$832,897	\$832,897

Credit rate risk:

<u>Investment Type</u>	Investment Rating Schedule	
	<u>Not Rated</u>	<u>Total</u>
Local Gov't Invest Pool	\$832,897	\$832,897
Total	\$832,897	\$832,897

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.

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	\$130,247		\$130,247
Other Local Sources		\$22,588	22,588
Total	<u>\$130,247</u>	<u>\$22,588</u>	<u>\$152,835</u>
State Sources			
Foundation Program	<u>\$104,355</u>		<u>\$104,355</u>
Total	<u>\$104,355</u>		<u>\$104,355</u>
Federal Sources			
Special Programs		<u>\$220,480</u>	<u>\$220,480</u>
Total		<u>\$220,480</u>	<u>\$220,480</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	366,245			366,245
Transportation	1,249,984	116,271		1,366,255
Subtotal	<u>8,849,631</u>	<u>116,271</u>	<u>0</u>	<u>8,965,902</u>
Accumulated Depreciation				
Buildings	4,572,392	71,450		4,643,842
Equipment	291,476	14,354		305,830
Transportation	1,008,157	56,174		1,064,331
Subtotal	<u>5,872,025</u>	<u>141,978</u>	<u>0</u>	<u>6,014,003</u>
Total	<u>2,977,606</u>	<u>(25,707)</u>	<u>0</u>	<u>2,951,899</u>
Net Capital Assets	<u><u>\$3,870,629</u></u>	<u><u>(\$25,707)</u></u>	<u><u>\$0</u></u>	<u><u>\$3,844,922</u></u>

Depreciation expense was charged to the following programs:

Capital Assets - Student Occupied	\$85,804
Pupil-To-School Transportation	56,174
Total	<u><u>\$141,978</u></u>

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.

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2017 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The School's contributions were \$381,357 for the year ended June 30, 2018.

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

At June 30, 2018, the School reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2017, the School's proportion was 0.1018893 percent.

For the year ended June 30, 2018, the School recognized pension revenue (expense) of (\$109,082). At June 30, 2018, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$221,862	\$144,284
Changes in assumptions or other inputs	29,617	
Net difference between projected and actual earnings on pension plan investments		95,954
Employer contributions subsequent to the measurement date	381,357	
Total	<u>\$632,836</u>	<u>\$240,238</u>

\$381,357 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 pension expense or reduction of the pension revenue in the year ending June 30, 2019.

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

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

Year Ended	
6/30/19	(\$87,064)
6/30/20	150,464
6/30/21	42,693
6/30/22	(94,852)
Total	<u>\$11,241</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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

Capital Market Assumptions

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

*Expected arithmetic return net of fees and expenses

Actuarial Assumptions

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

Discount Rate

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

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

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

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School's proportionate share of the net pension liability (asset)	\$3,722,273	\$1,601,525	(\$160,873)

Pension plan fiduciary net position

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

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

Impacts on the School's net position

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

F. INTERFUND BALANCES AND TRANSFERS

Interfund balances at year end consist of the following:

	Due From Fund	
	Nonmajor Governmental	Total
Due To Fund		
General	\$73,485	\$73,485
Total	\$73,485	\$73,485

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.

SALMON SCHOOL DISTRICT NO. 291

Notes to Financial Statements

Interfund transfers during the year consist of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General	\$5,640	\$700,152	Reimbursements, Support, Indirect Costs, Depreciation
Forest Reserve	526,000		Reimbursements
Nonmajor Governmental	174,152	5,640	Support, Indirect Costs, Depreciation
Total	<u>\$705,792</u>	<u>\$705,792</u>	

REQUIRED SUPPLEMENTARY INFORMATION

SALMON SCHOOL DISTRICT NO. 291

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

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance
	Original	Final		Positive (Negative)
Revenues				
Local Taxes	\$417,900	\$417,900	\$433,779	\$15,879
Other Local Revenue	56,750	56,750	316,992	260,242
State Revenue	4,513,612	4,513,612	4,811,656	298,044
Federal Revenue	0	0	0	0
Total Revenues	<u>4,988,262</u>	<u>4,988,262</u>	<u>5,562,427</u>	<u>574,165</u>
Expenditures				
Instructional Programs				
Elementary School	1,076,715	1,076,715	1,054,739	21,976
Secondary School	1,328,859	1,328,859	1,269,902	58,957
Alternative School	44,885	44,885	43,756	1,129
Vocational-Technical	0	0	0	0
Special Education	414,545	414,545	432,416	(17,871)
Special Education Preschool	69,489	69,489	70,150	(661)
Interscholastic	183,055	183,055	190,934	(7,879)
School Activity	108,449	108,449	112,490	(4,041)
Support Service Programs				
Attendance - Guidance - Health	166,351	166,351	166,362	(11)
Special Education Support Services	21,249	21,249	21,197	52
Instruction Improvement	10,000	10,000	14,468	(4,468)
Educational Media	137,102	137,102	108,787	28,315
Instruction-Related Technology	0	0	0	0
Board of Education	87,755	87,755	71,809	15,946
District Administration	349,469	349,469	320,679	28,790
School Administration	223,584	223,584	215,674	7,910
Business Operation	68,935	68,935	68,938	(3)
Administrative Technology Service	0	0	0	0
Buildings - Care	218,950	218,950	184,066	34,884
Maintenance - Non-Student Occupied	8,600	8,600	2,212	6,388
Maintenance - Student Occupied	291,384	291,384	153,498	137,886
Maintenance - Grounds	20,112	20,112	17,274	2,838
Security	3,109	3,109	2,895	214
Pupil-To-School Transportation	324,081	324,081	278,873	45,208
Pupil-Activity Transportation	50,636	50,636	54,837	(4,201)
General Transportation	11,100	11,100	9,303	1,797
Non-Instructional Programs				
Child Nutrition	4,530	4,530	3,801	729
Community Services	0	0	0	0
Capital Assets - Student Occupied	0	0	0	0
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	0	0	0	0
Debt Service - Interest	0	0	0	0
Total Expenditures	<u>5,222,944</u>	<u>5,222,944</u>	<u>4,869,060</u>	<u>353,884 *</u>
Excess (Deficiency) of Revenues Over Expenditures	(234,682)	(234,682)	693,367	928,049
Other Financing Sources (Uses)				
Transfers In	8,095	8,095	5,640	(2,455)
Transfers Out	(174,413)	(174,413)	(700,152)	(525,739) *
Total Other Financing Sources (Uses)	<u>(166,318)</u>	<u>(166,318)</u>	<u>(694,512)</u>	<u>(528,194)</u>
Net Change in Fund Balances	(401,000)	(401,000)	(1,145)	399,855
Fund Balances - Beginning	401,000	401,000	401,000	0
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$399,855</u>	<u>\$399,855</u>

*Total expenditures (over) under appropriations are: (\$171,855)

SALMON SCHOOL DISTRICT NO. 291

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

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	0	0	400,447	400,447
Total Revenues	0	0	400,447	400,447
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	51,949	(51,949)
School Administration	0	0	0	0
Business Operation	0	0	0	0
Administrative Technology Service	0	0	0	0
Buildings - Care	104,800	104,800	102,225	2,575
Maintenance - Non-Student Occupied	0	0	0	0
Maintenance - Student Occupied	450,000	450,000	267,613	182,387
Maintenance - Grounds	0	0	0	0
Security	0	0	0	0
Pupil-To-School Transportation	0	0	0	0
Pupil-Activity Transportation	0	0	0	0
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	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	554,800	554,800	421,787	133,013 *
Excess (Deficiency) of Revenues Over Expenditures	(554,800)	(554,800)	(21,340)	533,460
Other Financing Sources (Uses)				
Transfers In	0	0	526,000	526,000
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	0	0	526,000	526,000
Net Change in Fund Balances	(554,800)	(554,800)	504,660	1,059,460
Fund Balances - Beginning	925,366	925,366	1,453,089	527,723
Fund Balances - Ending	\$370,566	\$370,566	\$1,957,749	\$1,587,183

*Total expenditures (over) under appropriations are: 133,013

SALMON SCHOOL DISTRICT NO. 291

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

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Child Nutrition Fund				
Revenues				
Other Local Revenue	\$54,000	\$54,000	\$43,920	(\$10,080)
Federal Revenue	150,000	150,000	161,950	11,950
Total Revenues	<u>204,000</u>	<u>204,000</u>	<u>205,870</u>	<u>1,870</u>
Expenditures				
Child Nutrition	214,000	214,000	214,091	(91)
Total Expenditures	<u>214,000</u>	<u>214,000</u>	<u>214,091</u>	<u>(91) *</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(10,000)	(8,221)	1,779
Other Financing Sources (Uses)				
Transfers In	10,000	10,000	0	(10,000)
Transfers Out	0	0	0	0 *
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Net Change in Fund Balances	0	0	(8,221)	(8,221)
Fund Balances - Beginning	0	0	12,659	12,659
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$4,438</u>	<u>\$4,438</u>
				<u>(\$91)</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's portion of the net pension liability	0.1018893%	0.1099920%	0.1142762%	0.1283378%
School's proportionate share of the net pension liability	\$1,601,525	\$2,229,707	\$1,504,832	\$944,767
School's covered payroll	\$3,368,878	\$3,189,408	\$3,664,249	\$3,476,837
School's proportional share of the net pension liability as a percentage of its Plan fiduciary net position as a percentage of the total pension liability	47.54%	69.91%	41.07%	27.17%
	90.68%	87.26%	91.38%	94.95%

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

Data reported is measured as of June 30.

SALMON SCHOOL DISTRICT NO. 291

Schedule of Employer Contributions

PERSI - Base Plan

Last 10 - Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$381,357	\$342,947	\$361,041	\$414,793
Contributions in relation to the statutorily required contribution	\$381,357	\$342,947	\$361,041	\$414,793
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School's covered payroll	\$3,368,878	\$3,029,567	\$3,189,408	\$3,664,249
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%

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

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

SUPPLEMENTARY INFORMATION

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds		
	Ag Science Technology	Life Skills Training	Sick Leave Bank
Assets			
Cash & Investments	\$17,106	\$1,952	\$29,392
Receivables:			
Local Sources			
State Sources			
Federal Sources			
Due From Other Funds			
Total Assets	\$17,106	\$1,952	\$29,392
Liabilities			
Accounts Payable	\$96		
Due To Other Funds			
Salaries & Benefits Payable	10,348		
Unspent Grant Allocation			
Total Liabilities	10,444	\$0	\$0
Deferred Inflows of Resources			
Unavailable Tax Revenues			
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Restricted:			
Special Programs	6,662	1,952	29,392
Capital Projects			
Unassigned			
Total Fund Balances	6,662	1,952	29,392
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$17,106	\$1,952	\$29,392

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Mastery Based System Development	Driver Education	Governor's Literacy Initiative	Professional Technical
Assets				
Cash & Investments		\$22,987	\$8,373	
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$22,987</u>	<u>\$8,373</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>\$0</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		22,987	8,373	
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>22,987</u>	<u>8,373</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$0</u>	<u>\$22,987</u>	<u>\$8,373</u>	<u>\$0</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Technology	Substance Abuse	Strategic Prevention Framework	Title I-A ESSA IBP
Assets				
Cash & Investments	\$79,677	\$4,932		
Receivables:				
Local Sources				
State Sources				
Federal Sources				\$73,726
Due From Other Funds				
Total Assets	<u>\$79,677</u>	<u>\$4,932</u>	<u>\$0</u>	<u>\$73,726</u>
Liabilities				
Accounts Payable	\$3,083			
Due To Other Funds				
Salaries & Benefits Payable				
Unspent Grant Allocation				\$73,726
Total Liabilities	<u>3,083</u>	<u>\$0</u>	<u>\$0</u>	<u>73,726</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	76,594	4,932		
Capital Projects				
Unassigned				
Total Fund Balances	<u>76,594</u>	<u>4,932</u>	<u>0</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$79,677</u>	<u>\$4,932</u>	<u>\$0</u>	<u>\$73,726</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Medicaid	Title IV-A ESSA SS & AE
Assets				
Cash & Investments				
Receivables:				
Local Sources			\$22,588	
State Sources				
Federal Sources	\$12,839	\$109		\$5,237
Due From Other Funds				
Total Assets	<u>\$12,839</u>	<u>\$109</u>	<u>\$22,588</u>	<u>\$5,237</u>
Liabilities				
Accounts Payable				
Due To Other Funds			\$22,588	\$1,984
Salaries & Benefits Payable				
Unspent Grant Allocation	\$12,839	\$109		3,253
Total Liabilities	<u>12,839</u>	<u>109</u>	<u>22,588</u>	<u>5,237</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>\$12,839</u>	<u>\$109</u>	<u>\$22,588</u>	<u>\$5,237</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Special Revenue Funds			
	Title V-B ESSA REI	Perkins III Professional Technical Act	Title II-A ESSA SEI	Gear-Up
Assets				
Cash & Investments				
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$8,553		\$70,332	\$6,090
Due From Other Funds				
Total Assets	<u>\$8,553</u>	<u>\$0</u>	<u>\$70,332</u>	<u>\$6,090</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$808		\$1,678	\$2,833
Salaries & Benefits Payable				
Unspent Grant Allocation	7,745		68,654	3,257
Total Liabilities	<u>8,553</u>	<u>\$0</u>	<u>70,332</u>	<u>6,090</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>\$8,553</u>	<u>\$0</u>	<u>\$70,332</u>	<u>\$6,090</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>
	<u>Title IV-B ESSA 21st CCLC</u>	<u>Youth In The Great Outdoors</u>	<u>Farm To School</u>	<u>Capital Construction</u>
Assets				
Cash & Investments				\$176,946
Receivables:				
Local Sources				
State Sources				
Federal Sources	\$42,438	\$1,156		
Due From Other Funds				
Total Assets	<u>\$42,438</u>	<u>\$1,156</u>	<u>\$0</u>	<u>\$176,946</u>
Liabilities				
Accounts Payable				
Due To Other Funds	\$42,438	\$1,156		
Salaries & Benefits Payable				
Unspent Grant Allocation				
Total Liabilities	<u>42,438</u>	<u>1,156</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources				
Unavailable Tax Revenues				
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted:				
Special Programs				
Capital Projects				176,946
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>176,946</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$42,438</u>	<u>\$1,156</u>	<u>\$0</u>	<u>\$176,946</u>

SALMON SCHOOL DISTRICT NO. 291
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2018

	Capital Projects Funds			
	Multi-Purpose Building Match	Plant Facilities	Bus Depreciation	Lottery
Assets				
Cash & Investments	\$12,551			
Receivables:				
Local Sources				
State Sources				
Federal Sources				
Due From Other Funds				
Total Assets	\$12,551	\$0	\$0	\$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	12,551			
Unassigned				
Total Fund Balances	12,551	0	0	0
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$12,551	\$0	\$0	\$0

SALMON SCHOOL DISTRICT NO. 291
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2018

	Total
Assets	
Cash & Investments	\$353,916
Receivables:	
Local Sources	22,588
State Sources	0
Federal Sources	220,480
Due From Other Funds	0
Total Assets	\$596,984
 Liabilities	
Accounts Payable	\$3,179
Due To Other Funds	73,485
Salaries & Benefits Payable	10,348
Unspent Grant Allocation	169,583
Total Liabilities	256,595
 Deferred Inflows of Resources	
Unavailable Tax Revenues	0
Total Deferred Inflows of Resources	0
 Fund Balances	
Restricted:	
Special Programs	150,892
Capital Projects	189,497
Unassigned	0
Total Fund Balances	340,389
Total Liabilities and Deferred Inflows of Resources and Fund Balances	\$596,984

SALMON SCHOOL DISTRICT NO. 291

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

	<u>Special Revenue Funds</u>		
	<u>Ag Science Technology</u>	<u>Life Skills Training</u>	<u>Sick Leave Bank</u>
Revenues			
Local Taxes			
Other Local Revenue			
State Revenue		\$22,489	
Federal Revenue			
Total Revenues	<u>\$0</u>	<u>22,489</u>	<u>\$0</u>
Expenditures			
Instructional Programs			
Elementary School			
Secondary School	66,525	23,724	137
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>66,525</u>	<u>23,724</u>	<u>137</u>
Excess (Deficiency) of Revenues Over Expenditures	(66,525)	(1,235)	(137)
Other Financing Sources (Uses)			
Transfers In	69,326		8,000
Transfers Out			
Total Other Financing Sources (Uses)	<u>69,326</u>	<u>0</u>	<u>8,000</u>
Net Change in Fund Balances	2,801	(1,235)	7,863
Fund Balances - Beginning	3,861	3,187	21,529
Fund Balances - Ending	<u>\$6,662</u>	<u>\$1,952</u>	<u>\$29,392</u>

SALMON SCHOOL DISTRICT NO. 291

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

	<u>Special Revenue Funds</u>			
	<u>Mastery Based System Development</u>	<u>Driver Education</u>	<u>Governor's Literacy Initiative</u>	<u>Professional Technical</u>
Revenues				
Local Taxes				
Other Local Revenue		\$8,750		
State Revenue	\$80,000	1,186		\$24,876
Federal Revenue				
Total Revenues	<u>80,000</u>	<u>9936.00</u>	<u>\$0</u>	<u>24,876</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School	79,376	8,984		24,876
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>79,376</u>	<u>8,984</u>	<u>0</u>	<u>24,876</u>
Excess (Deficiency) of Revenues Over Expenditures	624	952	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(624)			
Total Other Financing Sources (Uses)	<u>(624)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	952	0	0
Fund Balances - Beginning	0	22,035	8,373	0
Fund Balances - Ending	<u>\$0</u>	<u>\$22,987</u>	<u>\$8,373</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, 2018

	Special Revenue Funds			Title I-A ESSA IBP
	Technology	Substance Abuse	Strategic Prevention Framework	
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue	\$120,144	\$11,440	\$100,000	
Federal Revenue				\$170,852
Total Revenues	<u>120,144</u>	<u>11,440</u>	<u>100,000</u>	<u>170,852</u>
Expenditures				
Instructional Programs				
Elementary School				95,842
Secondary School	30,961		100,395	49,718
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		10,159		
Special Education Support Services				
Instruction Improvement				7,169
Educational Media	19,323			
Instruction-Related Technology				
Board of Education				
District Administration	15,455			18,123
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>65,739</u>	<u>10,159</u>	<u>100,395</u>	<u>170,852</u>
Excess (Deficiency) of Revenues Over Expenditures	54,405	1,281	(395)	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	54,405	1,281	(395)	0
Fund Balances - Beginning	22,189	3,651	395	0
Fund Balances - Ending	<u>\$76,594</u>	<u>\$4,932</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, 2018

	Special Revenue Funds			
	IDEA Part B 611 School Age 3-21	IDEA Part B 619 Pre-School Age 3-5	Medicaid	Title IV-A ESSA SS & AE
Revenues				
Local Taxes				
Other Local Revenue			\$257,098	
State Revenue				
Federal Revenue	\$154,328	\$6,894		\$6,747
Total Revenues	<u>154,328</u>	<u>6,894</u>	<u>257,098</u>	<u>6,747</u>
Expenditures				
Instructional Programs				
Elementary School				
Secondary School				6,747
Alternative School				
Vocational-Technical				
Special Education	141,860		301,442	
Special Education Preschool		6,894		
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health				
Special Education Support Services	12,406			
Instruction Improvement	62			
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>154,328</u>	<u>6,894</u>	<u>301,442</u>	<u>6,747</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(44,344)	0
Other Financing Sources (Uses)				
Transfers In			44,344	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>44,344</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
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, 2018

	Special Revenue Funds			
	Title V-B	Perkins III	Title II-A	Gear-Up
	ESSA REI	Professional Technical Act	ESSA SEI	
Revenues				
Local Taxes				
Other Local Revenue				
State Revenue				
Federal Revenue	\$17,614	\$15,047	\$30,589	\$38,507
Total Revenues	<u>17,614</u>	<u>15,047</u>	<u>30,589</u>	<u>38,507</u>
Expenditures				
Instructional Programs				
Elementary School			1,191	
Secondary School				37,036
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity				
Support Service Programs				
Attendance - Guidance - Health		8,981		
Special Education Support Services				
Instruction Improvement	17,614	146	29,398	
Educational Media				
Instruction-Related Technology				
Board of Education				
District Administration				
School Administration		5,920		
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>17,614</u>	<u>15,047</u>	<u>30,589</u>	<u>37,036</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	1,471
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				(1,471)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,471)</u>
Net Change in Fund Balances	0	0	0	0
Fund Balances - Beginning	0	0	0	0
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, 2018

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>
	<u>Title IV-B ESSA 21st CCLC</u>	<u>Youth In The Great Outdoors</u>	<u>Farm To School</u>	<u>Capital Construction</u>
Revenues				
Local Taxes				
Other Local Revenue				\$1,058
State Revenue				
Federal Revenue	\$93,858	\$1,674		
Total Revenues	<u>93,858</u>	<u>1,674</u>	<u>\$0</u>	<u>1,058</u>
Expenditures				
Instructional Programs				
Elementary School	90,313			
Secondary School		1,740		
Alternative School				
Vocational-Technical				
Special Education				
Special Education Preschool				
Interscholastic				
School Activity			409	
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>90,313</u>	<u>1,740</u>	<u>409</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,545	(66)	(409)	1,058
Other Financing Sources (Uses)				
Transfers In				
Transfers Out	(3,545)			
Total Other Financing Sources (Uses)	<u>(3,545)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	(66)	(409)	1,058
Fund Balances - Beginning	0	66	409	175,888
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$176,946</u>

SALMON SCHOOL DISTRICT NO. 291

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

	Capital Projects Funds			
	Multi-Purpose Building Match	Plant Facilities	Bus Depreciation	Lottery
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				
Maintenance - Student Occupied		74,700		59,263
Maintenance - Grounds				
Security				
Pupil-To-School Transportation			116,271	
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>74,700</u>	<u>116,271</u>	<u>59,263</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(74,700)	(116,271)	(59,263)
Other Financing Sources (Uses)				
Transfers In			52,482	
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>52,482</u>	<u>0</u>
Net Change in Fund Balances	0	(74,700)	(63,789)	(59,263)
Fund Balances - Beginning	12,551	74,700	63,789	59,263
Fund Balances - Ending	<u>\$12,551</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, 2018

	Total
Revenues	
Local Taxes	\$0
Other Local Revenue	266,906
State Revenue	360,135
Federal Revenue	536,110
Total Revenues	1,163,151
Expenditures	
Instructional Programs	
Elementary School	187,346
Secondary School	430,219
Alternative School	0
Vocational-Technical	0
Special Education	443,302
Special Education Preschool	6,894
Interscholastic	0
School Activity	409
Support Service Programs	
Attendance - Guidance - Health	19,140
Special Education Support Services	12,406
Instruction Improvement	54,389
Educational Media	19,323
Instruction-Related Technology	0
Board of Education	0
District Administration	33,578
School Administration	5,920
Business Operation	0
Administrative Technology Service	0
Buildings - Care	0
Maintenance - Non-Student Occupied	0
Maintenance - Student Occupied	133,963
Maintenance - Grounds	0
Security	0
Pupil-To-School Transportation	116,271
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	1,463,160
Excess (Deficiency) of Revenues Over Expenditures	(300,009)
Other Financing Sources (Uses)	
Transfers In	174,152
Transfers Out	(5,640)
Total Other Financing Sources (Uses)	168,512
Net Change in Fund Balances	(131,497)
Fund Balances - Beginning	471,886
Fund Balances - Ending	\$340,389

SALMON SCHOOL DISTRICT NO. 291
Combining Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2018

	Private Purpose Trust Funds		
	Scholarship	Multi-Purpose Building	Total
Additions			
Contributions			\$0
Investment Income (Loss)			0
Total Additions	\$0	\$0	0
Deductions			
Trust Expenses			0
Total Deductions	0	0	0
Change in Net Position	0	0	0
Net Position - Beginning	385	7,840	8,225
Net Position - Ending	\$385	\$7,840	\$8,225

SALMON SCHOOL DISTRICT NO. 291
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Dept of Agriculture			
<i>Passed Through Washington County:</i>			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	None	\$421,787
Total Forest Service Schools and Roads Cluster			<u>421,787</u>
<i>Passed Through Idaho Dept of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	201616/201717N109947	23,117
National School Lunch Program*	10.555	201616/201717N109947	135,053
Total Child Nutrition Cluster			<u>158,170</u>
Fresh Fruit & Vegetable Program	10.582	201616/201717L160347	3,781
Total US Dept of Agriculture			<u>583,738</u>
US Dept of Education			
<i>Passed Through Idaho Dept of Education:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	H027A16/170088	154,328
Special Education - Preschool Grants	84.173	H173A16/170030	6,894
Total Special Education Cluster			<u>161,222</u>
Title I Grants to Local Educational Agencies	84.010	S010A16/170012	170,852
Career & Technical Education - Basic Grants to States	84.048	V048A160012	15,047
Twenty-First Century Community Learning Centers	84.287	S287C16/170012	93,858
Gaining Early Awareness & Readiness for Undergraduate Programs	84.334	P334S110016	38,507
Rural Education	84.358	S358B16/170012	17,614
Supporting Effective Instruction State Grants	84.367	S367A16/170011	30,589
Student Support & Academic Enrichment	84.424	S424A170013	6,747
Total US Dept of Education			<u>534,436</u>
Total Expenditures of Federal Awards			<u>\$1,118,174</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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*. Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

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

***C. Nonmonetary Assistance** - Included in the National School Lunch Program award is USDA food commodities stated at a fair market value of \$22,252.

OTHER REPORTS AND SCHEDULES

Audits
Taxes
Special Services



11501 Highway 95
Payette, Idaho 83661
www.qcpas.com
info@qcpas.com
P: 208-642-1417
F: 208-642-1582

**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, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 22, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Quest CPAs PLLC

Payette, Idaho
October 22, 2018

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, 2018. The School’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Quest CPAs PLLC

Payette, Idaho
October 22, 2018

SALMON SCHOOL DISTRICT NO. 291
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report being issued: Unmodified

- Each Major Fund
- Aggreg Remain Fund Info

Qualified

- Gov't Activities

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Major program identification:

- a. Forest Service Schools and Roads Cluster – CFDA #10.665
- b. Child Nutrition Cluster – CFDA #10.553, 10.555

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

Auditee qualified as a low-risk auditee? No